

SINBON Electronics Co., Ltd.

2022 Annual Report

Notice to readers

This English version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English version and the Chinese version, the Chinese version shall prevail.

SINBON annual report is available at website:

<http://mops.twse.com.tw>

Printed on April 1, 2023

1. Spokesperson and acting spokesperson
 - (1) Spokesperson
Name: Matthew Chang
Title: CFO
Phone: +886-2-2698-9999
E-mail: Matthew@sinbon.com
 - (2) Deputy Spokesperson
Name: Irene Chiu
Title: Assistant manager
Phone: +886-2-2698-9999
E-mail: IreneChiu@sinbon.com
2. Address and phone number of headquarters and factories
Headquarters: 4F.-13, No.79, Sec. 1, Xintai 5th Rd., Xizhi, New Taipei City 221, Taiwan
Phone: +886-2-2698-9999
Factory: 582 Kuohua Rd., Miaoli City, Miaoli 360, Taiwan
Phone: +886-37-330-099
3. Stock transfer service
Name: Registrar Agency Department, Taishin Securities Co., Ltd.
Address: B1F., No. 96, Section 1, Jianguo N Road, Zhongshan, Taipei 104, Taiwan
Phone: +886-2-2504-8125
Website: <https://www.tssco.com.tw/stocktransfer>
4. Certifying CPA of last-year financial statements
CPA Firm: Ernst & Young, Taiwan
CPA: Tzu-Ping Huang and Ming-Hung Chen
Address: 26F., No. 186, Shizheng N. 7th Rd., Taichung City, Taiwan
Phone: +886-4-2259-8999
Website: <http://www.ey.com/tw>
5. Overseas listing: None
6. Corporate website: <http://www.sinbon.com>

Table of Contents

	Page
Chapter I. A Letter to Shareholders	1
I. Business Policy and Practice	1
II. Business Highlight in 2022	1
III. Summary of 2023 Business Plan	4
IV. The influence of the external competitive environment, regulatory environment and macroeconomic environment	5
V. Development strategy of the Company in the future	6
Chapter II. Company profile	
I. Date of establishment	7
II. Milestone	7
Chapter III. Corporate Governance Report	
I. Organization system	9
II. Profiles of the Directors, President, Vice Presidents, Assistant Vice Presidents, function heads and branch heads	12
III. Remuneration to the Directors, President and Vice Presidents in the previous period	30
IV. Pursuit of corporate governance	38
V. Information on fee for CPAs service	84
VI. Information on replacement of CPAs	85
VII. In case the Chairman, President, Chief Financial Officer or Chief Accounting Officer of the Company who has been employed by the CPA firm retained for services or its affiliate, disclose the name, occupational title, and the duration of employment by the CPA firm or its affiliate	86
VIII. In the previous period to the date this report was printed, the transfer of shares or changes in the pledge of shares under lien by the Directors, Managers, and shareholders holding more than 10% of the shares issued by the Company	86
IX. The top 10 shareholders by proportion of shareholding are related parties, spouse, kindred within the 2nd tier to one another	89
X. The quantity of shares issued by particular investee company held jointly by the Directors, Managers, and direct or indirect controlled entity of the Company, and the proportion of shares under joint holding	92
Chapter IV. Status of fundraising	
I. Capital stock and shares	93
II. Corporate Bonds	104
III. Preferred shares	105
IV. Overseas depository receipts	105
V. Employee Stock Option	105
VI. RSU/RSA	105
VII. Merger and Acquisition (including merger, acquisition and spinoff)	105
VIII. Information on the implementation of the capital utilization plan	105

	Page
Chapter V. Operation Highlights	
I. Content of business	106
II. Market, Production and Sale	123
III. The number of employees, the average years of seniority in services, average age, and education in the last 2 years to the date this report was printed	126
IV. Information on expenditures on environmental protection	126
V. Labor-Management Relation	127
VI. Information Security Management	129
VII. Important agreements	132
Chapter VI. Financial Information	
I. Condensed Balance Sheet and Comprehensive Income Statement (2018-2022) Specify the names of the independent auditors and audit opinion	135
II. Financial Analysis 2018~2022	140
III. Supervisors or Auditing Committee Review Report on the Financial Statements of the Previous Period	145
IV. The financial report of the previous period, including the Independent Auditors Report, the Balance Sheet, Comprehensive Income Statement, Statement of Change in Shareholders Equity, Statement of Cash Flows and notes to the financial statements covering the two periods for comparison	146
V. Parent Company Only Financial Statements for the Years Ended December 31, 2022 and 2021 and Independent Auditors' Report (Not including The Contents of Statements Of Major Accounting Items)	269
VI. Any insolvency to the Company and its subsidiaries in the previous period to the date this report was printed, and the influence on the financial position of the Company	379
Chapter VII. Review and analysis of financial position and performance, and risks	
I. Financial position	380
II. Financial performance	380
III. Cash flows	381
IV. The influence of significant capital spending in the previous year on the financial position of the Company	381
V. The direct investment policy of the previous period, the principal cause of profit or loss, corrective action plan, and the investment plan in the year ahead	382
VI. Risks	382
Chapter VIII. Additional information:	
I. Profiles of the affiliates	386
II. Offering of securities through private placement in the previous period to the date this report was printed	396
III. The holding or disposal of the shares issued by the Company by subsidiaries in the previous period to the date this report was printed	396

IV. Supplementary information	Page 396
Chapter IX. The occurrence of the incidents as stated in subparagraph 2 of Paragraph 3 under Article 36 of this law that caused significant influence on shareholders equipment or stock price in the previous period to the date this report was printed	396

Chapter I. A Letter to Shareholders

I. Business Policy and Practice:

The Chief Executive Officer and the Vice President of the Company are charged with logistics management while the President is in charge of 2 Business Groups, the R&D Division, Global Supply Chain Management Division, Quality Assurance and Engineering Service Center, Production and Operation Research Management Division, and Operation Performance Management Division. The gravity of business operation covers:

- (I) The research and integrated manufacturing of electronic parts and components: manufacturing of wire harness, PCBA, wireless communication parts and components, and integrated electronic parts and components. The Company has successfully entered into the fields of automotive electronic parts and components, parts and components for electronic medical devices, EV, green energy, and industrial intelligence.
- (II) Dealership of electronic related parts and components: dealing with the trading of connectors made by HRS of Japan, GPS Module, R/F antennae module, Driver IC and other strategic electronic parts and components.
- (III) The Company seeks to further develop its business territory of electronic parts and components through direct investment, strategic alliance, and mergers & acquisitions. Examples are the investment to establish SINBON Hungary, SINBON USA, SINBON Ohio, which enabled the Company to enter into the production and manufacturing of connectors and venture capitalists for possible joint venture.

The Company wishes to provide customers vertical service for Total Solutions at one-stop. Further to the positive development of new products and providing integrated and professional engineering services, the Company also successfully integrated the resources of its overseas subsidiaries through organization re-engineering and integration of information system to yield synergy to its entirety.

II. Business Highlight in 2022:

(I) Business Performance:

In 2022, the parent company of SINBON had net sale amounting to NT\$7,691,998 thousand with gross margin at 27% and operating income amounting to NT\$471,073 thousand, and net income of NT\$2,880,553 thousand with earnings per share at NT\$12.22 after taxation. The consolidated net sale of the whole group amounted to NT\$30,574,800 thousand with gross margin at 25% and operating income amounting to NT\$3,326,449 thousand, and net income of NT\$3,023,030 thousand. With the addition of net minority shareholder equity of NT\$142,477 thousand, net income attributable to shareholders of the parent company amounted to NT\$2,880,553 thousand with earnings per share at NT\$12.22 after taxation.

(II) The execution of operation budget:

The operating income plan was achieved at 103.59% with gross margin attainment at 104.01%, and operating income attained at 100.33% as planned. Net income attainment at 104.92% and the profit goal has been achieved as expected.

(III) Profitability analysis:

Item	2022	2021
Return on Assets (%)	15	15
Return on Equity (%)	25	24
Earnings before taxation to paid-in capital ratio (%)	143	117
Net profit rate (%)	37	34
Earnings per share (NTD)	12.22	10.00

(IV) R&D Outlook:

Year	Result of R&D
2011-2012	Successful development of HDMI, DDR 3, DDR 4, USB and other connectors and additional effort in the development of PV of which Junction Box, PV Connector and Cable have passed the tests of TUV and UL in PV international standard.
2013-2014	Our investee company, DigiO2, a digital medical service firm, engaged in a joint venture with the Remote Care Center of National Taiwan University Hospital in the remote care service project thereby developed the portable medical spraying device of "Brezze®Nebulizer". This also enabled us to win the 2013 iF gold award in design from Germany.
2015-2016	1. Tablet PC development to DVT stage for SF Express. 2. Development to DVT stage for PC monitoring and control system. 3. EV Charger, EV charging gun, and AC charger pole are achieved at the DVT stage.
2017-2018	1. Assistance to the clients in the USA in the development of smart drug cabinet control line, smart light adjustable window control line. 2. Development of robotic arm control line, electronic fireplace, smart grids and other customized products.

2018-2019	1. Development of the sensor of safety air-bag belt, smart water heater, and parking lot display system. 2. AIOT (Artificial Intelligence of Things), the application system of AI x IoT.
2020-2021	1. Development of factory use automated data collector. This device can collect data on the status of machine operation and repetitions of the use of tool, and can generate product quantity data in real-time as interface for electronic production report for combining with the IoT technology to upload the data to cloud system in real-time. 2. Development of factory MES system to provide a platform for real-time information that gives assistance to the factory end in keeping production in control and the progress of work, and early warning on equipment maintenance. This helps management staff to improve their work efficiency and tracking the production. 3. Development of image verification system for assisting factory end for confirmation of the line color, line location and content of the label. This helps to eliminate the probability of human error in identification process.
2022-	1. The development, application, and cloud database of the integrated system for the control of smart car IoT & electric bike. 2. Furthering the technology in the research and development of products in the field of Data Capture (including Single & four slot Ethernet Cradle, Vehicle cradle, and Vehicle charger, and essential peripherals of industrial grade terminal) and the nurturing of the engineering and integration capacity. 3. Design and production of semiconductor equipment cabinets. 4. AI warehouse robots for moving materials to the production lines. 5. Development of various kinds of Mobility products, charging connectors for big current battery. 6. Fitness training and Box Build 7. Electric Heavy Bikes

In 2022, the Group spent NT\$950,978 thousand on research and development, which was an increase of 12% from the same period of the previous year. Significant effort has been made in the development of IoT, warehouse automation equipment, smart cars, green energy industries, robotic application, smart home and electronic parts and components. Ongoing improvement will be made on factory equipment efficiency. The Group is expected to spend at least NT\$300 million or at least 3% of its revenue in research and development every year in the future.

III. Summary of 2023 Business Plan:

(I) Business policy in 2023:

1. Customized heavy-duty, water-proof and weather-resistance electronic wire harness and connector solutions: provide customized wire harness design, with extension to physical design, PCB assembly, Smart Cable and other integrated engineering services. The products will be used in green energy industries, EV charging equipment, high precision equipment, semiconductor equipment, and different kinds of medical testing equipment. SINBON was engaged in the business of electric bikes over the years.
2. Ongoing dealership of electronic parts and components: With years of experience and professional standing in parts and components, The Company provides the customers with consultation service and technical support in different kinds of electronic parts and components, and emerged as the most reliable partner of the customers and agents.
3. Advocacy and pursuit of ESG sustainability strategy: the Company reorganized the Corporate Social Responsibility Committee and established the Sustainability Committee in 2021. The CEO acts as the Director of this committee. The position of Sustainability Officer has also been created and is in charge of the "Sustainable Development Office" as the designated body for the advocacy and pursuit of ESG sustainability. The Sustainability Committee is consisted of 6 teams charged with the duties of "corporate governance", "Green SINBON", "environmental sustainability", "sustainable supply chain", "sustainable partnership", and "value chain operation". These teams are administered by senior managers of the Company with the expectation of sustaining the upgrade of SINBON in the performance of environmental protection, social participation, and corporate governance in 2023.
4. Active indulgence in product R&D for strengthening competitive power: prepared for the training and development of R&D people for ongoing refinement of R&D and engineering capacity. Further to the supply of innovative customized design to the need of the customers, the Company also seeks to assure quality for the ongoing assistance to customers in upgrading product performance, developing products with high added-value and competitive power.

5. Launching for digital transformation and accelerating factory automation: buildup of smart factory, introducing different factory automation systems. Upgrade production efficiency with stable quality assurance through integrating the smart and digital process.

(II) Important policies of production and sale:

1. Strategic Alliance:

Through strategic alliance or direct investment to respond to the rapid changes in market with expansion of business and vertical integration in the development, design, validation, and production of customized precision connectors to the expectation of the customers.

2. Continued performance improvement:

Through the performance evaluation function of the group to directly manage the indicators and operation performance of all business units of the group.

3. Development of niche products:

The Company provides integrated engineering service to upgrade the added-value of products. The gravity of production and sale rests with the development of niche models and products with challenge. The Company has successfully completed the development of high voltage wire harness for EC, aviation/navigation/vehicle GPS electronic parts and components, portable body signal devices, x-ray machine, MRI devices, porosity testing device, wind power generator, and also actively involved in the development of industrial controllers, industrial computer, electronic medical devices, PV and wind power generation, and aviation electronic parts and components.

4. In-depth development of the iMAGIC industry:

The Company aligns with the development trend and is engaged in the development of medical use, automotive, green, industrial, and communication connectors and PCBA, and further the development of the parts and components for automated warehouse system, robotic arms, warehouse moving robots, smart power system, unmanned shops, EV charging module, IoT module electric bikes, and drones.

IV. The influence of the external competitive environment, regulatory environment and macroeconomic environment:

The last few years was characterized by the ongoing China-US trade war, echoed with the global economic uncertainty under the outbreak of COVID-19, the sustained shortage and price surge of raw material supply, wide fluctuation of exchange rate, and international conflicts with unpredictable outcomes. The global supply chain was hardly hit. The challenge to the electronic manufacturers was even stronger. With the easing of the epidemic control policy, the Company is more confident to respond to the situation easily through global deployment to bolster the management of the supply chain so as to reduce operation risk, provide customers boundary free and zero lead-time service and support. In addition, SINBON seeks to speed up the introduction of

automated production equipment and AMR, industrial use robotic arms for man-machine coordinated operation to tackle with the global shortage of labor supply. The Company is prepared to respond to any unfavorable situations to minimize the influence.

V. Development strategy of the Company in the future:

- (I) The Company will continue to go for high growth through the launch of the strategic matrix (existing customers and products, existing customers and new products, and new customers and new products).
- (II) The Company planned to establish its production facility in Mexico and expand the production capacity at the plants in USA and Hungary for proximity to customer need.
- (III) The Company has established a designated body for business development. This body is responsible for keeping track on market situation and the trend of development in the future and also development of the uncultivated niche market.
- (IV) Continue to upgrade the R&D team and fortify its core know-how, and lay hands on frontier industries as early as possible and continue to challenge for products with challenging sophistication.
- (V) Strategic Alliance: SINBON has proactively sought strategic alliance or joint venture partners through different channels over the years. This would help to bolster the competitive power of the Company and also provide the customers with total solutions in service through the integration of resources.
- (VI) Indulge in sustainability and corporate governance, and voluntarily take part in major ESG rating at global level. SINBON also proactively responds to the SDGs of the United Nations, and gear up with the world for sketching out the strategic road map for sustainability in mid to long-term.

The management team would like to express its gratitude to the shareholders for their support and encouragement, and hopes the shareholders could continue to give supervision and suggestion to the team in the year ahead. As always, SINBON will persist with its corporate philosophy to yield good result for sharing with the shareholders.

To
General Meeting of Shareholders, SINBON Electronics Co., Ltd.

Chairman: Shaw-Shing Wang

Chapter II Company profile:

I. Establishment Date: December 6, 1989

II. Milestone:

(I) Merger & Acquisitions, investee enterprises, and corporate reorganization in the previous period to the date this report was printed:

March 2022 The Board resolved to pass the motion of raising capital of SINBON USA LLC, a wholly-owned subsidiary of the Company, and the Company planned to invest in "TOP TAIWAN XIV VENTURE CAPITAL CO., LTD."

April 2022 The Board resolved to pass the motion of raising capital for SINBON USA LLC, a wholly-owned subsidiary of the Company.

July 2022 The Board resolved to pass the motions of the capitalization of retained earnings into new shares of the wholly-owned subsidiary, Tong Cheng SINBON Electronics Co., Ltd., raising capital of SINBON Hungary Kft, a wholly-owned subsidiary of the Company, The Company's 85.53%-owned subsidiary Beijing SINBON TongAn Renewable Energy Co., Ltd. proposing to raise the capital of its subsidiary Xuzhou ENMAGIC Energy Co., Ltd., and the planning of Beijing SINBON TongAn Renewable Energy Co., Ltd. in the capital reduction and liquidation of investments of its subsidiary, Beijing SINBON Electronics Co., Ltd.

March 2023 The Board resolved to pass the motion of raising capital of SINBON USA LLC, a wholly-owned subsidiary of the Company, and raising capital of SINBON Ohio LLC, a wholly-owned subsidiary of the Company. Adjustment of the investment holding structure of "Beijing SINBON TongAn Renewable Energy Co., Ltd., a subsidiary where the Company holds 85.53% of its stakes, and cash buy-back for capital reduction of "Beijing SINBON TongAn Renewable Energy Co., Ltd., a subsidiary where the Company holds 85.53% of its stakes.

(II) Massive transfer or replacement of shares by Directors, Supervisors, or top 10 shareholders holding more than 10% of the shares each issued by the Company: Not applicable

(III) Change in the ownership, significant change in business mode or content of business: not applicable.

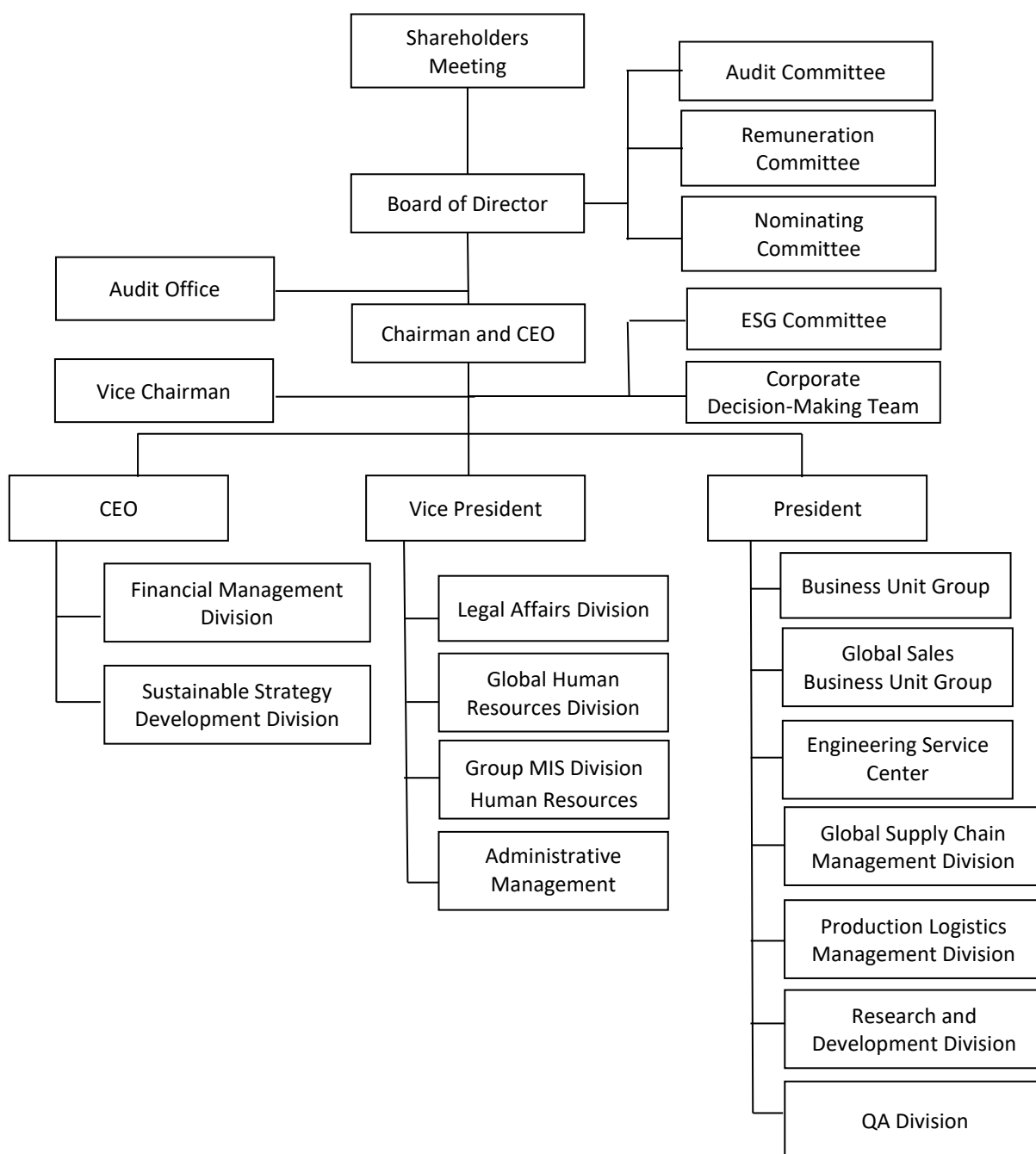
- (IV) Important issues that affect shareholders equity and its influence on the Company:

The Board resolved to pay cash dividend at NT\$8.50/share on March 9, 2023. Earnings in 2022 will be appropriated for dividend payment in the first place. This motion was presented to the General Meeting of Shareholders in regular session scheduled to be held on May 30, 2023.

Chapter III Corporate Governance Report

I. Organization system:

(I) Organizational Structure of the Company



(II) The function of major departments are specified below

Major departments and function heads	Job function of major departments
Corporate Decision-Making Team Chairman; Vice Chairman; Vice President; Director;	(1) Dedicated to execute the instructions of the resolutions of the Board and business operation. (2) Formulation of overall business objective and strategic direction of the Group and supervision of the management team. Hearing of the major strategy and report formulated by the management team at regular intervals, and judgment of the feasibility of success of the strategy. Review the development of the strategy from time to time, and give instruction to the management team for proper adjustment where necessary. (3) Formulation of major joint venture and significant capital expenditures cases and direct investment of the Group. (4) Formulation of important internal control of the Group. (5) Planning for responding to important issues of the Group, external operation, related party transactions and possible conflict of interest, major complaints of employees, investigation report on corruption. (6) The paramount body of risk management of the Group, responsible for the coordination and command the implementation of the risk management plan and operation, assessment of various forms of risks from the perspective of the Company and possible influence, aware of the influence of various forms of risks in different aspects, and assuring the effectiveness of risk management. (7) The principle of the pursuit of corporate social responsibility and protection of corporate culture orienting to corporate sustainable development.
ESG Committee CSO and Steering Committee	They aim at sustainable development and promote the sustainable development of the Group.
CEO A concurrent position held by Chairman Shaw-Shing Wang	Implementation of the policies to the order of the Board and execution of related tasks, responsible for the result of company operation, and in charge of finance, strategic formulation, and operation performance management.
Headquarters office A concurrent position held by Vice President, Chun-Chiang, Wang	Administration of human resources, administrative affairs, information, and legal affairs.

Major departments and function heads	Job function of major departments
President A concurrent position held by Vice Chairman, Wei-Ming, Liang	Administration of production and manufacturing, sale, and research and development.
Audit Office Manager Hui-Chun, Li (staffed with 5 persons)	(1) Audit on the systems of the Company in operation, and present report at regular intervals. (2) Audit on direct investee entities
Financial Management Division Director Chi-Chou, Chang	(1) Charged with accounting and cashier work. (2) Provide related information on financial management to relevant functional units and senior management as reference in decision-making. (3) Play a leading role in company budgeting. (4) Operation and assessment of overseas investment (5) Major financial planning (6) Coordination of the convention of the Board and Shareholders Meeting, release of information and management of investor relation and contact window for investor services.
Sustainable Strategy Development Division Director Li-Li, Huang	(1) ESG sustainability. (2) Overall strategic planning of the Company (3) Strategic communication marketing
Legal Affairs Division Director Yun-Ju, Huang	(1) Planning and administration of legal affairs (2) Management and protection of intellectual property right
Global Human Resources Division A concurrent position held by Vice President, Chun-Chiang, Wang	(1) Group human resources planning and execution (2) Survey, planning and implementation of Group education and training. (3) Management of remuneration and benefit of the Group.
Group Information Integration Division Ass. Director Yang-Yu, Wu	(1) Installation and maintenance management of computer equipment (hardware and software) (2) Advocacy of companywide computerization (3) Supply of computer spreadsheet in supporting the need of the departments.
Administrative Management Division A concurrent position held by Ass. Director Kuei-Chen, Feng	(1) Execution of regional administrative works of the Group. (2) Coordination, liaison and communication with related departments.
Business Unit Group A concurrent position held by Vice Chairman, Wei-Ming, Liang	Sale of parts and components for different types of electronic products

Major departments and function heads	Job function of major departments
Global Sales Business Unit Group Vice President Wen-Sen, Huang	Development of markets for electronic parts and components of different types of electronic products.
Engineering Service Center A concurrent position held by Ass. Director Yao-Ting, Li	Coordinating engineering resources of the Group.
Global Supply Chain Management Division Director Yang, Tsou	Administration of Group purchase and supply chain management.
Production Logistics Management Division Director Hsing-Chun, Wu	Coordinating production and manufacturing business of the Group.
Research and Development Division A concurrent position held by Vice Chairman, Wei-Ming, Liang	Research of parts and components of different types of electronic products and product development.
QA Division Ass. Director Chia-Ching, Lin	Supplier audit/evaluation, product certification, incoming and outgoing quality control.

II. Profiles of the Directors, President, Vice Presidents, Ass. Directors, function heads and branch heads:

(I) Directors (including Independent Directors):

Profiles of Directors and Independent Directors (I)

April 1 2023

Occupational title (Note 1)	Nationality or place of registration	Name	Gender Age (Note 2)	Date of office	Tenure	Date of the first term of office (Note 3)	Quantity of shares held at the time of elected to office		Quantity of shares currently held		Shares held by spouse and underage children		Shares held in the name of a third party		Major work experience (education) (Note 4)	Concurrent positions with the Company and other companies	Managers, Directors or Independent Directors who are spouse or within second-degree relatives to each other			Remark (Note 5)
							Quantity of shares	Proportion of shareholding	Quantity of shares	Proportion of shareholding	Quantity of shares	Proportion of shareholding	Quantity of shares	Proportion of shareholding			Occupational title	Name	Relation	
Chairman	Republic of China	Shaw-Shing Wang	Male Age 71~80	2021.07.09	3 Years	1989.12.06	7,508,062	3.22%	7,508,062	3.14%	2,131,236	0.89%	0	0%	Executive MBA, Fudan University Department of Mathematics, Tamkang University Sales Manager, AMP of USA Sales Manager, Kanagawa of Japan	Note 6	Director (representative of institutional investor)	Wei-Chung, Wang	Father and son	-
																	Ass. Director	Chen-Chun, Wang	Father and son	
Vice Chairman	Republic of China	Wei-Ming, Liang	Male Age 61~70	2021.07.09	3 Years	2005.05.06	746,107	0.32%	506,107	0.21%	108,000	0.05%	0	0%	University of Iowa IE & MBA Department of Industrial Engineering, Tunghai University Vice President, Chief Land Electronic Co., Ltd.	Note 8	None	None	None	-
Director	Republic of China	Hsin-Chih, Yeh	Male Age 61~70	2021.07.09	3 Years	1997.11.04	1,707,373	0.73%	1,207,373	0.51%	1,000,000	0.42%	0	0%	Executive MBA, Fudan University Department of Biomechanics Engineering, National Taiwan University President, T&B of USA	Note 7	None	None	None	-
Director	Republic of China	Argosy Research Inc.	Male Age 61~70	2021.07.09	3 Years	1998.05.16	3,806,421	1.63%	3,806,421	1.59%	0	0%	0	0%	Department of Power Mechanical Engineering, National Tsing Hua University Chairman, Argosy Research Inc.	Note 9	None	None	None	-
		Representative Chao-Liang, Wang					0	0.00%	311,388	0.13%										
Director	Republic of China	Tai Yi Investment Co., Ltd.	Male Age 41~50	2021.07.09	3 Years	2005.05.06	4,130,572	1.77%	4,190,000	1.75%	0	0%	0	0%	MBA, National ChengChi University Manager, Top Taiwan Venture Capital	Chairman, Tai Yi Investment Co., Ltd. Asst VP, Top Taiwan Venture Capital	Chairman	Shaw-Shing Wang	Father and son	-
		Representative Wei-Chung, Wang					0	0.00%	1,159,158	0.48%	628,812	0.26%	0	0%			Ass. Director	Chen-Chun, Wang	Brothers	
Director	Republic of China	Kuo Shian Investment Co., Ltd.	Male Age 61~70	2021.07.09	3 Years	2015.06.11	2,415,539	1.04%	2,415,539	1.01%	0	0%	0	0%	William Rainey Harper College Chairman, Chen Pang Blind Industrial Corporation	Note 10	None	None	None	-
		Representative Kuo-Hung, Wang					0	0.00%	105,022	0.04%										
Director	Republic of China	Wen-Sen, Huang	Male Age 51~60	2021.07.09	3 Years	2021.07.09	230,602	0.10%	235,602	0.10%	34,000	0.01%	0	0%	Design Department, Taipei Industrial College (now National Taipei University of Science and Technology) AMP Marketing Director Marketing Manager, IR-TEC International Ltd.	Note 11	None	None	None	-

Occupational title (Note 1)	Nationality or place of registration	Name	Gender Age (Note 2)	Date of office	Tenure	Date of the first term of office (Note 3)	Quantity of shares held at the time of elected to office		Quantity of shares currently held		Shares held by spouse and underage children		Shares held in the name of a third party		Major work experience (education) (Note 4)	Concurrent positions with the Company and other companies	Managers, Directors or Independent Directors who are spouse or within second-degree relatives to each other			Remark (Note 5)
							Quantity of shares	Proportion of shareholding	Quantity of shares	Proportion of shareholding	Quantity of shares	Proportion of shareholding	Quantity of shares	Proportion of shareholding			Occupational title	Name	Relation	
Director	Republic of China	Te-Cheng, Chiu	Male Age 51~60	2021.07.09	3 Years	2002.06.18	100,000	0.04%	100,000	0.04%	0	0%	0	0%	Vice Chairman, Taiwan Life Insurance Co., Ltd. Chairman, Taiwan Venture Capital Association	Note 12	None	None	None	-
Independent Director	Republic of China	Yu-Fen, Lin	Female Age 51~60	2021.07.09	3 Years	2021.07.09	0	0%	0	0%	0	0%	0	0%	Attorney-at-law, Corporate Investment Department, Lee & Li Attorneys-at-law Attorney-at-law, LIN & ASSOCIATES Maritime Law Office	Independent Director, Chunghwa Telecom Independent Director, Bank SinoPac Presiding Counsel, Law and Honor Attorneys at Law	None	None	None	-
Independent Director	Republic of China	Hou-Ming, Chen	Male Age 61~70	2021.07.09	3 Years	2019.06.06	0	0%	0	0%	0	0%	0	0%	Professor, Department of International Business, National Taiwan University President, Commerce Development Research Institute Dean, College of Management, National Chung Hsing University Chairman, Department of Business Administration, National Chung Hsing University	Professor, Department of International Business, National Taiwan University Independent Director, Fulltech Fiber Glass Corp. Independent Director, ShareHope Medicine Co., Ltd.	None	None	None	-
Independent Director	Republic of China	Cheng-Yen, Chang	Male Age 71~80	2021.07.09	3 Years	2018.06.08	0	0%	0	0%	0	0%	0	0%	Clinical Research Fellow, Université Paris Descartes National Defense Medical Center School of Medicine Supervisor, Radiological Association of North America Adjunct Associate Research Fellow, Institute of Biomedical Engineering and Nanomedicine, National Health Research Institutes Head the Department of Radiology, specialist and chief physician, Taipei Veterans General Hospital Director and Secretary-General, Taiwan Radiological Society	Chief Consultant and Director-General of the Radiological Medical Committee of Department of Medical Imaging, Tzu Chi Hospital Consultant Physician, Taipei Veterans General Hospital Department of BioMedical Engineering, National Yang Ming Chiao Tung University Professor of clinical trial, National Defense Medical Center School of Medicine	None	None	None	-

Note 1: List out the name of institutional shareholders and their representatives separately (for representatives of institutional shareholders, specify the name of the institutions) and fill in Table 1 below.

Note 2: Specify the exact age, and may express by range, such as age 41~50, or age 51~60.

Note 3: Specify the date of assuming office as Director or Independent Director for the first time, explain if there is any interruption in the term of office.

Note 4: Experience relevant with the current position. If employed by the CPA office retained for performing auditing services and certification of its affiliates in the aforementioned period, specify the occupational title and the function performed.

Note 5: If the Chairman also hold the position as President or position of relevant function (e.g., the top manager), or these positions were held by spouse or next of kin, explain and justify the necessity and responses (e.g.: additional seats for Independent Directors were reserved, and less than half of the Directors also hold positions as employees or managers).

Note 6: Chairman (Representative of Institutional Shareholder) of SINBON Beijing, Chairman (Representative of Institutional Shareholder) of SINBON Hong Kong, Chairman (Representative of Institutional

Shareholder) of SINBON Shanghai, Chairman (Representative of Institutional Shareholder) of SINBON Shenzhen, Chairman (Representative of Institutional Shareholder) of SINBON Jiangyin, Chairman (Representative of Institutional Shareholder) of Kwan Ze Co., Ltd., Chairman (Representative of Institutional Shareholder) of SINBON International, Director (Representative of Institutional Shareholder) of Argosy Research Inc., Director (Representative of Institutional Shareholder) of Top Taiwan IV Venture Capital, Director (Representative of Institutional Shareholder) of Top Taiwan XI Venture Capital, Director (Representative of Institutional Shareholder) of Top Taiwan XII Venture Capital, Director (Representative of Institutional Shareholder) of T-CONN Precision Corporation, Director (Representative of Institutional Shareholder) of T-CONN Precision (Zhongshan) Corporation, Chairman (Representative of Institutional Shareholder) of Beijing SINBON TongAn Renewable Energy Co., Ltd., Chairman (Representative of Institutional Shareholder) of Enmagic Renewable Energy Co., Ltd.

Note 7: Director (Representative of Institutional Shareholder) of Kwan Ze Co., Ltd., Director (Representative of Institutional Shareholder) of Argosy Beijing, Chairman (Representative of Institutional Shareholder) of T-CONN Precision Corporation, Chairman (Representative of Institutional Shareholder) of T-CONN Precision (Zhongshan) Corporation, Chairman (Representative of Institutional Shareholder) of Super Progressive Ltd. , Supervisor (Representative of Institutional Shareholder) of Top Taiwan XII Venture Capital, Director (Representative of Institutional Shareholder) of Tai Yi Investment Co., Ltd., Chairman (Representative of Institutional Shareholder) of SINTOP Energy I Corp.

Note 8: Director (Representative of Institutional Shareholder) of Worldwide Wire Harnesses Ltd., Chairman (Representative of Institutional Shareholder) of SINBON Tongcheng, Director (Representative of Institutional Shareholder) of SINBON Jiangyin, Director (Representative of Institutional Shareholder) of SINBON Hong Kong, Director (Representative of Institutional Shareholder) of SINBON Beijing, Director (Representative of Institutional Shareholder) of Beijing SINBON TongAn Renewable Energy Co., Ltd, Director (Representative of Institutional Shareholder) of SINBON Shenzhen, Director (Representative of Institutional Shareholder) of SINBON Shanghai , Chairman (Representative of Institutional Shareholder) of Jiangsu ENMAGIC Energy Co., Ltd., Independent Director (Representative of Institutional Shareholder) of Flytech Technology Co., Ltd., Director (Representative of Institutional Shareholder) of Enmagic Renewable Energy Co., Ltd., Chairman (Representative of Institutional Shareholder) of SINBON Jiangyin Beijing Tongzhou Branch, Director (Representative of Institutional Shareholder) of SINBON Technologies Tennessee LLC, Director (Representative of Institutional Shareholder) of Tai Yi Investment Co., Ltd., Chairman (Representative of Institutional Shareholder) of SINTOP Energy Management Co., Ltd.

Note 9: Chairman of Argosy Research Inc., Chairman of Argosy Technology B.V., Chairman of Argosy Technology, Inc., Chairman of Global Saber Electronics Co., Ltd., Chairman of Rotec Limited, Director of (Representative of Institutional Shareholder) of Top Taiwan VIII Venture Capital Co., Ltd., Supervisor (Representative of Institutional Shareholder) of Top Taiwan XII Venture Capital, Supervisor (Representative of Institutional Shareholder) of Top Taiwan XIII Venture Capital Co., Ltd., and Director (Representative of Institutional Shareholder) of TOP TAIWAN XIV VENTURE CAPITAL CO., LTD..

Note 10: Chairman of Chen Bang Blind Industrial Corporation, Director of G-Tech Optoelectronics Corp., Director of Kuo Shian Investment Co., Ltd., Supervisor of Tang Silk Co., Ltd., Director of (Representative of Institutional Shareholder) of Radbon Avionics Inc..

Note 11: Chairman (Representative of institutional shareholder) of SINBON Europe GmbH, Director (Representative of institutional shareholder) of SINBON Hong Kong, Supervisor of SINBON Jiangyin, Supervisor of SINBON Tongcheng, Director (Representative of institutional shareholder) of Nextronics Engineering Corp.

Note 12: Chairman/President of Top Taiwan Venture Capital, Top Taiwan IV Venture Capital, Top Taiwan IX Venture Capital, Top Taiwan X Venture Capital, Top Taiwan XI Venture Capital, Top Taiwan XII Venture Capital, Top Taiwan XIII Venture Capital, TOP TAIWAN XIV VENTURE CAPITAL CO., LTD. and Top Taiwan Financial Consulting Co., Ltd., President/Director of Top Taiwan VI Venture Capital and Top Taiwan VIII Venture Capital, Independent Director of Silitech Technology Corporation, Director (Representative of institutional shareholder) of DEPO Auto Parts Ind. Co., Ltd., Director (Representative of institutional shareholder) of AMICCOM Electronics Corporation., Ltd., Director (Representative of institutional shareholder) of Radbon Avionics Inc., Director (Representative of institutional shareholder) of Shin Kong Financial Holding Co., Ltd., Director of ELAN Microelectronics Corp., Director (Representative of institutional shareholder) of T-CONN Precision Corporation, Director of Avatack Co. Ltd., Vice Chairman of Shin Kong Life Insurance Co., Ltd.

Table 1: Dominant shareholders of institutional shareholders

April 1 2023

Name of institutional shareholder (Note 1)	Dominant shareholders of institutional shareholders (Note 2)
Argosy Research Inc.	Kwan Ze Co., Ltd. (16.39%), WANG, CHAO LIANG (6.43%), SINBON Electronics Co., Ltd. (3.52%), CHEN,SHU-CHEN (2.86%), UPAMC GREAT CHINA Fund (1.70%), Capital OTC Fund in custody of Taiwan Business Bank (1.52%), Discretionary Stock Investment Account of Tai Shin Life at Tai Shin Securities Investment Trust. (1.44%), UPAMC Ben Teng Fund in custody of Taiwan Cooperative Bank (1.35%), LIN,MAO-HSIUNG (1.30%), YUAN,I-PEN (1.29%)
Tai Yi Investment Co., Ltd.	Chen-Chung, Wang (29.42%), Wei-Chung, Wang (29.39%), Hsin-Chi, Yeh (8.80%), Wei-Ming, Liang (8.19%), Chun-Chiang, Wang (8.00%), Mu-Hsiao, Liu (4.72%), Liang Chen Investment Co., Ltd. (2.83%), Huang-Chi, Lin (1.92%), Chi-Chou, Chang (1.78%), Wen-Sen, Huang (1.13%)
Kuo Shian Investment Co., Ltd.	Kuo-Hung, Wang (33.33%), Hsing-Hui, Liu (33.33%), Hsiang, Wang (33.33%)

Note 1: If the Director or Independent Director is the representative of an institutional shareholder, put down the name of the institution.

Note 2: Put the names of the dominant shareholders of this institutional shareholder (Top 10 by shareholding) and proportion of shareholding. If the dominant shareholders are institutional shareholders, fill in Table 2 below.

Note 3: If the institutional shareholder is not a body corporate, the name of the institutional shareholder and proportion of shareholder for disclosure as mentioned shall be the name of the benefactor or donor, and the proportion of funding or donation.

Table 2: If the dominant shareholders as exhibited in Table 1 are institutional shareholders, the dominant shareholders of these institutional shareholders.

April 1 2023

Name of institutional shareholder (Note 1)	Dominant shareholders of institutional shareholders (Note 2)
Kwan Ze Co., Ltd.	SINBON Electronics Co., Ltd. (100%)
SINBON Electronics Co., Ltd.	Investment Account of Small Denomination World Funds Co. Ltd. in custody of Standard Chartered Bank (5.80%), Shaw-Shing Wang (3.14%), PineBridge Global Fund – PineBridge Asia except Japan Small Cap Equity Fund in Custody of Standard Chartered Bank (2.47%), Norges Bank in custody of Citibank Taiwan Limited- External manager of BlackRock Investment Management (Taiwan) Investment Account (1.79%), Tai Yi Investment Co., Ltd. (1.75%), Aberdeen Standard OEICII- ASI Global Smaller Companies Fund in custody of Citibank Taiwan (1.69%), Investment Account of Swedbank Robur Global Impact Fund in custody of Standard Chartered Bank (1.67%), Investment account of Swedbank Robur Tech Fund in custody of Standard Chartered Bank (1.67%), Argosy Research Inc. (1.59%), Fubon Life Insurance Co., Ltd. (1.31%)
UPAMC GREAT CHINA Fund	Fund is not applicable
Capital OTC Fund in custody of Taiwan Business Bank	Fund is not applicable
Discretionary Stock Investment Account of Tai Shin Life at Tai Shin Securities Investment Trust.	Fund is not applicable
UPAMC Ben Teng Fund in custody of Taiwan Cooperative Bank	Fund is not applicable
Liang Chen Investment Co., Ltd.	Shu-Ying, Kao (95%), Chao-Yeh, Wang (5%)

Note 1: If the dominant shareholder exhibited in Table 1 is an institutional shareholder, put down the name of the institution.

Note 2: Put down the names of the dominant shareholders of this institutional shareholder (top 10 by shareholding) and the proportion of shareholding.

Note 3: If the institutional shareholder is not a body corporate, the name of the institutional shareholder and proportion of shareholder for disclosure as mentioned shall be the name of the benefactor or donor, and the proportion of funding or donation.

Profiles of the Directors and the Independent Directors (II)

1. Disclosure of the information on the professional qualifications and independence of the Directors and the Independent Directors:

Condition Name	Professional qualifications and work experience (Note 1)	Status of independence (Note 2)	Number of public companies where the Independent Director also holds positions as Independent Director
Shaw-Shing Wang	Executive MBA, Fudan University Department of Mathematics, Tamkang University Sales Manager, AMP of USA Sales Manager, Kanagawa of Japan Nothing in connection with the paragraphs under Article 30 of the Company Act	1. Quantity and proportion of shareholding of the person, the person's spouse, second-degree relative (or in the name of a third party): For addition information, refer to III, Corporate Governance Report and Profiles of the Directors and Independent Directors (I) 2. The government, institutions, or their representatives were elected as required by Article 27 of the Company Act.	0
Hsin-Chih, Yeh	Executive MBA, Fudan University Department of Biomechatronics Engineering, National Taiwan University President, T&B of USA Nothing in connection with the paragraphs under Article 30 of the Company Act	1. Quantity and proportion of shareholding of the person, the person's spouse, second-degree relative (or in the name of a third party): For addition information, refer to III, Corporate Governance Report and Profiles of the Directors and Independent Directors (I) 2. The government, institutions, or their representatives were elected as required by Article 27 of the Company Act.	0
Representative of Argosy Research Inc.: Chao-Liang, Wang	Department of Power Mechanical Engineering, National Tsing Hua University Chairman, Argosy Research Inc. Nothing in connection with the paragraphs under Article 30 of the Company Act	1. Not an employee of the Company or its affiliate. 2. Quantity and proportion of shareholding of the person, the person's spouse, second-degree relative (or in the name of a third party): For addition information, refer to III, Corporate Governance Report and Profiles of the Directors and Independent Directors (I) 3. Not a Director, Supervisor or employee of companies with special relation to the Company (for additional information, refer to Subparagraphs 5~8 of Paragraph 1 under Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters of Public Companies.) 4. No business, legal, financial and accounting services rendered to the Company or its affiliates in the last 2 years.	0

Condition Name	Professional qualifications and work experience (Note 1)	Status of independence (Note 2)	Number of public companies where the Independent Director also holds positions as Independent Director
Wei-Ming, Liarng	University of Iowa IE & MBA Department of Industrial Engineering, Tunghai University Vice President, Chief Land Electronic Co., Ltd. Nothing in connection with the paragraphs under Article 30 of the Company Act	1. Quantity and proportion of shareholding of the person, the person's spouse, second degree relative (or in the name of a third party): For addition information, refer to III, Corporate Governance Report and Profiles of the Directors and Independent Directors (I) 2. The government, institutions, or their representatives were elected as required by Article 27 of the Company Act.	1
Wen-Sen, Huang	Design Department, Taipei Industrial College (now National Taipei University of Science and Technology) AMP Marketing Director Marketing Manager, IR-TEC International Ltd. Nothing in connection with the paragraphs under Article 30 of the Company Act	1. Quantity and proportion of shareholding of the person, the person's spouse, second-degree relative (or in the name of a third party): For addition information, refer to III, Corporate Governance Report and Profiles of the Directors and Independent Directors (I) 2. The government, institutions, or their representatives were elected as required by Article 27 of the Company Act.	0
Representative of Tai Yi Investment Co., Ltd.: Wei-Chung, Wang	MBA, National ChengChi University Manager, Top Taiwan Venture Capital Nothing in connection with the paragraphs under Article 30 of the Company Act	1. Not an employee of the Company or its affiliate 2. Quantity and proportion of shareholding of the person, the person's spouse, second-degree relative (or in the name of a third party): For addition information, refer to III, Corporate Governance Report and Profiles of the Directors and Independent Directors (I) 3. Not a Director, Supervisor or employee of companies with special relation to the Company (for additional information, refer to Subparagraphs 5~8 of Paragraph 1 under Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters of Public Companies.) 4. No business, legal, financial and accounting services rendered to the Company or its affiliates in the last 2 years.	0

Condition Name	Professional qualifications and work experience (Note 1)	Status of independence (Note 2)	Number of public companies where the Independent Director also holds positions as Independent Director
Representative of Kuo Shian Investment Co., Ltd.: Kuo-Hung, Wang	William Rainey Harper College Chairman, Chen Pang Blind Industrial Corporation Nothing in connection with the paragraphs under Article 30 of the Company Act	- Not an employee of the Company or its affiliate - Quantity and proportion of shareholding of the person, the person's spouse, second-degree relative (or in the name of a third party): For addition information, refer to III, Corporate Governance Report and Profiles of the Directors and Independent Directors (I) - Not a Director, Supervisor or employee of companies with special relation to the Company (for additional information, refer to Subparagraphs 5~8 of Paragraph 1 under Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters of Public Companies.) - No business, legal, financial and accounting services rendered to the Company or its affiliates in the last 2 years.	0
Te-Cheng, Chiu	Vice Chairman, Taiwan Life Insurance Co., Ltd. Chairman, Taiwan Venture Capital Association Nothing in connection with the paragraphs under Article 30 of the Company Act	- Not an employee of the Company or its affiliate - Quantity and proportion of shareholding of the person, the person's spouse, second-degree relative (or in the name of a third party): For addition information, refer to III, Corporate Governance Report and Profiles of the Directors and Independent Directors (I) - Not a Director, Supervisor or employee of companies with special relation to the Company (for additional information, refer to Subparagraphs 5~8 of Paragraph 1 under Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters of Public Companies.) - No business, legal, financial and accounting services rendered to the Company or its affiliates in the last 2 years.	1

Condition Name	Professional qualifications and work experience (Note 1)	Status of independence (Note 2)	Number of public companies where the Independent Director also holds positions as Independent Director
Independent Director Yu-Fen, Lin	Presiding Counsel, Law and Honor Attorneys at Law Attorney-at-law, Corporate Investment Department, Lee & Li Attorneys-at-law Attorney-at-law, LIN & ASSOCIATES Maritime Law Office Nothing in connection with the paragraphs under Article 30 of the Company Act	1. The person, the person's spouse or second-degree relative do not hold position as Director, Supervisor or employee of the Company or its affiliates. 2. The person, spouse, second-degree relative (or in the name of a third party) do not hold any shares issued by the Company. 3. Not a Director, Supervisor or employee of companies with special relation to the Company (for additional information, refer to Subparagraphs 5~8 of Paragraph 1 under Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters of Public Companies.) 4. No business, legal, financial and accounting services rendered to the Company or its affiliates in the last 2 years.	2
Independent Director Hou-Ming, Chen	Professor, Department of International Business, National Taiwan University President, Commerce Development Research Institute Dean, College of Management, National Chung Hsing University Chairman, Department of Business Administration, National Chung Hsing University Nothing in connection with the paragraphs under Article 30 of the Company Act		2
Independent Director Cheng-Yen, Chang	Clinical Research Fellow, Université Paris Descartes National Defense Medical Center School of Medicine Supervisor, Radiological Association of North America Adjunct Associate Research Fellow, Institute of Biomedical Engineering and Nanomedicine, National Health Research Institutes Head the Department of Radiology, specialist and chief physician, Taipei Veterans General Hospital Director and Secretary-General, Taiwan Radiological Society Nothing in connection with the paragraphs under Article 30 of the Company Act		0

2. Diversity and independence of the Board

(1) Diversity of the Board:

According to Article 23 of the “Corporate Governance Best Practice Principles” of the Company, the Board of the Company shall direct the strategy of the Company, supervise the management, and accountable to the Company and the Shareholders Meeting. The plans and arrangement pertinent to the corporate governance system of the Company shall be able to assure the Board in compliance with applicable legal rules, the Articles of Incorporation of the Company, or the resolutions of the Shareholders Meeting in performing its function. The Board shall consist of at least 5 seats of Directors appropriate for the job with reference to the scale of corporate development and the shareholding of dominant shareholders, and the needs in actual operation.

Diversity shall be taken into account in organizing the Board. Directors who also assume managerial positions of the Company shall not account for more than 1/3 of the members of the Board. The policy of diversity shall also be in place relevant with the function of the Board, the mode of operation, and development need, and shall include without limitation to the following 2 major aspects of criteria:

- a. Fundamental condition and value: gender, age, nationality and education.
- b. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills, and industry experience.

Members of the Board shall be disciplined with the knowledge, skills, and accomplishment in their respective areas of expertise. For achieving the objective of corporate governance, the Board in general shall be capacity of the following:

- a. Judgement in operation.
- b. Accounting and financial analysis
- c. Corporate management
- d. Crisis management
- e. Industry knowledge
- f. International view of market
- g. Leadership
- h. Decision-making

The members of the Board will be organized by the Chairman under authorization of the Board on the basis of corporate development need for the suitable candidates.

The expected goals are as follows:

- a. The short-term goal of independent director seats should account for 1/3 of all director seats, and the long-term goal should be adjusted to 2/5.
- b. Directors' diversified background expertise (excluding independent directors/part-time managers) should be judged by taking the enterprise business background as 1/4, financial venture capital background as 1/4, special industry research background as 1/4 and ESG/TCFD and other relevant backgrounds as 1/4.

- c. The long-term goal is to increase the number of female Director from the current one to two or three.
- d. Directors who concurrently serve as the manager of the Company shall not exceed 1/3 of the Board seats.
- e. Independent Directors have a term of no more than 3 terms, and each Independent Director cannot concurrently serve as an Independent Director of more than 3 other companies.
- f. To cultivate successors for Board members and reduce the average age to 55 to 65 years old.

The current implementation situation is as follows:

- a. Diversified background of the Directors (including Independent Directors): Except for four directors who actually participate in the operation of the company (including subsidiaries), all other Directors (including Independent Directors) are professionals from outside of whom 2 have corporate management background, 2 are specialized in industry research, 1 is a practicing lawyer, 1 is a medical specialty and 1 is a professor of finance and economics. This meets the goal of appointing Directors who have diversified background expertise. The Company expects to appoint more professional talents from different backgrounds during the re-election in 2024.
- b. One female Director has been appointed. More female candidates will be appointed as Directors in the future, it is expected to achieve this goal during the re-election in 2024.
- c. Age: The age of the Directors (including Independent Directors) in current term of the Board: 2 are older than the age of 70, 5 are at the age of 60~70, 3 are at the age of 50~60, and 1 is under the age of 50. The average age falls within the range of 55 to 65 years old.

- d. The list of Board members is shown below:

Chairman Shaw-Shing Wang

Director, Hsin-Chih, Yeh (adjunct manager)

Director, Wei-Ming, Liang (adjunct manager)

Director, Wen-Sen, Huang (adjunct manager)

Director, Chao-Liang, Wang (Corporate management and engineering background)

Director, Kuo-Hung, Wang (Corporate management background)

Director, Te-Cheng, Chiu (Specialized in venture capital investment, financial background)

Director, Wei-Chung, Wang (Specialized in industry research)

Independent Director, Hou-Ming, Chen (Professor at NTU, specialized in international business management and finance)

Independent Director, Cheng-Yen, Chang (Physician, specialized in medical services, and congruent with the area of business development of the Company)

Independent Director (Female), Yu-Fen, Lin (Attorney-at-law, legal professionals)

- e. At present, the seats of Independent Director account for 3/11 of the total seats, and it will be increased to more than 1/3 when the Board of Directors is reelected in 2024 to meet the Company's expected target.
- f. At present, all Independent Directors have a term of no more than 3 terms, each Independent Director cannot concurrently serve as an Independent Director of more than 3 other companies, which can meet the Company's expected goal.

(2) Independence of the Board:

- 1. The Company has established 3 seats of Independent Directors for the time being, which account for 3/11 of all the seats of Directors. The Company has reviewed the status of independence of the Independent Directors internally in accordance with Paragraphs 3 and 4 under Article 26-3 of the Securities and Exchange Act. Independent Directors Qualification Requirement Checklist has been filled in at the time of the assumption (election to) of Office. No violation has ever been detected by the Company.
- 2. Director Shaw-Shing Wang and Director Wei-Chung, Wang are relatives within the second degree to each other. All other Directors are not related.

(II) Information Regarding President, Vice Presidents, Ass. Directors, and function heads and branch heads:

April 1 2023

Occupational title (Note 1)	Nationality	Name	Gender	Date of office	Quantity of shareholding		Quantity of shareholding by spouse and underage children		Shares held in the name of a third party		Major experience (education) (Note 2)	Concurrent positions in other companies.	Manager who is spouse or relative within second degree.			Remark (Note 3)
					Quantity of shares	Proportion of shareholding	Quantity of shares	Proportion of shareholding	Quantity of shares	Proportion of shareholding			Occupational title	Name	Relation	
President	Republic of China	Wei-Ming, Liang	Male	1998.01.05	506,107	0.21%	108,000	0.05%	0	0.00%	University of Iowa IE & MBA Department of Industrial Engineering, Tunghai University Vice President, Chief Land Electronic Co., Ltd.	Note 4	None	None	None	-
Vice President	Republic of China	Wen-Sen, Huang	Male	1998.02.11	235,602	0.10%	34,000	0.01%	0	0.00%	Design Department, Taipei Industrial College (now National Taipei University of Science and Technology) AMP Marketing Director Marketing Manager, IR-TEC International Ltd.	Note 5	None	None	None	-
Vice President	Republic of China	Chun-Yu, Chen	Male	2018.04.20	94,298	0.04%	Not applicable	-	Not applicable	-	School of Law, Fudan University, Shanghai HR and Sale Department Manager, Tsann Kuen Shanghai Manager, General Management Division, Want Want Holdings Limited	Supervisor of SINTOP Energy I Corp.	None	None	None	Resignate on October 12 2022
Director	Republic of China	Ping, Li	Male	1996.10.01	114,245	0.05%	Not applicable	-	Not applicable	-	BA in Industrial Management, National Cheng Kung University QC Department Manager, Chenfeng Machinery & Enterprise Co., Ltd.	None	None	None	None	Resignate on December 31 2022
Director	Republic of China	Li-Li, Huang	Female	1997.04.21	9,930	0.00%	0	0.00%	0	0.00%	Department of International Trade, Chung Yuan Christian University AMP Market Department Product Management Public and Consumer Relation Professional Staff, Taiwan Scott Paper	None	None	None	None	-

Occupational title (Note 1)	Nationality	Name	Gender	Date of office	Quantity of shareholding		Quantity of shareholding by spouse and underage children		Shares held in the name of a third party		Major experience (education) (Note 2)	Concurrent positions in other companies.	Manager who is spouse or relative within second degree.			Remark (Note 3)
					Quantity of shares	Proportion of shareholding	Quantity of shares	Proportion of shareholding	Quantity of shares	Proportion of shareholding			Occupational title	Name	Relation	
CFO	Republic of China	Chi-Chou, Chang	Male	2000.10.01	235,389	0.10%	266,124	0.11%	0	0.00%	Business Administration, Graduate Institute of Business Management, National Chung Hsing University Department of Accounting, Chung Yuan Christian University Ass. Manager, Diwan & Company	Note 6	None	None	None	-
Director	Republic of China	Cheng-Ling, Li	Female	2014.09.01	0	0.00%	0	0.00%	0	0.00%	Double Bachelor Degree of Business Administration/Sociology, Tunghai University HONDA Taiwan HR Section Mgr. Infineon Group HR Mgr. Foxconn Group HR Senior Mgr.	None	None	None	None	-
Director	Republic of China	Hsiu-Sui, Lin	Female	2014.09.01	30,403	0.01%	0	0.00%	0	0.00%	Jing Zhong Business College	Director of SINBON Shenzhen (Representative of Institutional Shareholder) Director of SINBON Shanghai (Representative of Institutional Shareholder)	None	None	None	-
Director	Republic of China	Yun-Ju, Huang	Female	2014.09.01	0	0.00%	62	0.00%	0	0.00%	University of Southern California Law School LLB, National Taiwan University Legal Affairs Department, Kingpo Group ACBEL Polytech Inc. Legal Affairs Department, Lin & Chang International Law Offices	None	None	None	None	-

Occupational title (Note 1)	Nationality	Name	Gender	Date of office	Quantity of shareholding		Quantity of shareholding by spouse and underage children		Shares held in the name of a third party		Major experience (education) (Note 2)	Concurrent positions in other companies.	Manager who is spouse or relative within second degree.			Remark (Note 3)
					Quantity of shares	Proportion of shareholding	Quantity of shares	Proportion of shareholding	Quantity of shares	Proportion of shareholding			Occupational title	Name	Relation	
Director	Republic of China	Hsing-Chun, Wu	Female	2014.10.01	30,000	0.01%	0	0.00%	0	0.00%	Department of Spanish, Tamkang University	Director of SINBON Jiangyin (Representative of Institutional Shareholder)	None	None	None	-
Director	Republic of China	Hao-Min, Hsu	Male	2014.10.01	0	0.00%	0	0.00%	0	0.00%	Department of Shipping and Transportation Management, National Taiwan Ocean University Longwell Company, FedEx Taiwan.	None	None	None	None	-
Director	Republic of China	Chin-Tsung, Huang	Male	2018.09.01	0	0.00%	0	0.00%	0	0.00%	Junior High School graduate, Engineer of NISSEI Electric, COO, Chief Operating Officer of Golden Bridge Electech Inc.	None	None	None	None	-
Ass. Director	Republic of China	Ping-Chen, Sung	Male	2014.10.01	1,689	0.00%	0	0.00%	0	0.00%	Ping Tung College of Technology Sales Manager , Wieson Technologies	None	None	None	None	-
Ass. Director	Republic of China	Ming-Cheng, Lin	Male	2015.06.01	18,081	0.01%	Not applicable	-	Not applicable	-	Graduated from Department of Electronic Engineering, National United University Section Manager, Electronics Section, Tech-Cast Mfg. Corp.	None	None	None	None	Resignate on September 30 2022
Ass. Director	Republic of China	Chia-Ching, Lin	Male	2017.04.18	9,202	0.00%	0	0.00%	0	0.00%	Department of Electronic Engineering, Chung Hua University	None	None	None	None	-
Ass. Director	Republic of China	Ya-Hui, Kuo	Female	2017.04.18	0	0.00%	0	0.00%	0	0.00%	Department of Business Administration, NTUST	None	None	None	None	-
Ass. Director	Republic of China	Kuei-Chen, Feng	Female	2018.04.09	0	0.00%	4,000	0.00%	0	0.00%	Department of Russian Language, National ChengChi University Operations manager of Holistic Music Culture Enterprise Co., Ltd. Head of Management Department, Ju Percussion Music School	None	None	None	None	-

Occupational title (Note 1)	Nationality	Name	Gender	Date of office	Quantity of shareholding		Quantity of shareholding by spouse and underage children		Shares held in the name of a third party		Major experience (education) (Note 2)	Concurrent positions in other companies.	Manager who is spouse or relative within second degree.			Remark (Note 3)
					Quantity of shares	Proportion of shareholding	Quantity of shares	Proportion of shareholding	Quantity of shares	Proportion of shareholding			Occupational title	Name	Relation	
Ass. Director	Republic of China	Ping-Jen, Chen	Male	2018.04.09	7,000	0.00%	0	0.00%	0	0.00%	Department of Sport Management, Aletheia University Sales Manager, T-CONN Precision Corporation	None	None	None	None	-
Ass. Director	Republic of China	Chien-Ming, Huang	Male	2018.04.09	0	0.00%	0	0.00%	0	0.00%	Department of Electronics, Fu-Hsin Trade & Arts School	None	None	None	None	-
Ass. Director	Republic of China	Hsing-Hsiu, Kuo	Female	2018.04.10	6,262	0.00%	100	0.00%	0	0.00%	Department of Applied Foreign Languages, National Yunlin University of Science and Technology	None	None	None	None	-
Ass. Director	Republic of China	Kuo-Hung, Chen	Male	2018.10.29	0	0.00%	0	0.00%	0	0.00%	Department of Mechanical Engineering, National Taiwan of Science and Technology Asst VP, Consumer Product Department, Lorom Industrial Co. Ltd.	None	None	None	None	-
Ass. Director	Republic of China	Ping-Chen, Fu	Male	2019.06.03	0	0.00%	3,000	0.00%	0	0.00%	Stratford University, MBA. Project Manager, LITE-ON Technology	None	None	None	None	-
Ass. Director	Republic of China	Yang-Yu, Wu	Male	2020.05.01	11,000	0.00%	7,000	0.00%	0	0.00%	Department of Applied Mathematics, Chinese Culture University MIS Manager, NEXCOM International Co., Ltd.	None	None	None	None	-
Ass. Director	Republic of China	Shan, Li	Male	2020.05.01	0	0.00%	0	0.00%	0	0.00%	PhD, Business Administration, National Chengchi University Consultant to the Office of the President, Avatack Co. Ltd.	None	None	None	None	-
Ass. Director	Republic of China	Yu-Hsuan, Lin	Female	2020.05.01	15,165	0.01%	0	0.00%	0	0.00%	Department of Chinese Literature, National Taiwan University	None	None	None	None	-
Ass. Director	Republic of China	Ya-Hui, Kao	Female	2020.05.01	1,288	0.00%	0	0.00%	0	0.00%	Department of International Business, Tunghai University	None	None	None	None	-
Ass. Director	Republic of China	Yao-Ting, Li	Male	2021.05.01	2,000	0.00%	0	0.00%	0	0.00%	Chien Hsin University of Science and Technology	None	None	None	None	-

Occupational title (Note 1)	Nationality	Name	Gender	Date of office	Quantity of shareholding		Quantity of shareholding by spouse and underage children		Shares held in the name of a third party		Major experience (education) (Note 2)	Concurrent positions in other companies.	Manager who is spouse or relative within second degree.			Remark (Note 3)
					Quantity of shares	Proportion of shareholding	Quantity of shares	Proportion of shareholding	Quantity of shares	Proportion of shareholding			Occupational title	Name	Relation	
Ass. Director	Republic of China	Yi-Hsien, Lin	Male	2021.05.01	14,000	0.01%	1,029	0.00%	0	0.00%	Pure Mathematics of Department of Mathematics, Fu Jen Catholic University	Director (Representative of Institutional Shareholder) of SINTOP Energy Management Co., Ltd.	None	None	None	-
Ass. Director	USA	Hsin-Nan, Hsiung	Male	2022.01.01	0	0.00%	0	0.00%	0	0.00%	University of Houston Marketing and North America Business Development Manager, C.C.P. Contact Probes Co., LTD.	None	None	None	None	-
Ass. Director	Republic of China	Chen-Chun, Wang	Male	2022.06.17	1,446,310	0.61%	0	0.00%	0	0.00%	University of Illinois at Chicago MBA Team Lead of Brand Institute	None	Chairman	Shaw-Shing Wang	Father and son	-
													Director (Representative of Institutional Shareholder)	Wei-Chung, Wang	Brothers	

Note 1: The profiles of the President, Vice Presidents, Ass. Directors, function heads and branch heads should be included. Positions equivalent to the President, Vice President, or Ass. Director should also be included regardless of the occupational title.

Note 2: Experience relevant with the current position. If employed by the CPA office retained for performing auditing services and certification of its affiliates in the aforementioned period, specify the occupational title and the function performed.

Note 3: If the Chairman also hold the position as President or position of relevant function (e.g., the top manager), or these positions were held by spouse or next of kin, explain and justify the necessity and responses (e.g., additional seats for Independent Directors were reserved, and less than half of the Directors also hold positions as employees or managers).

Note 4: Director (Representative of Institutional Shareholder) of Worldwide Wire Harnesses Ltd., Chairman (Representative of Institutional Shareholder) of SINBON Tongcheng, Director (Representative of Institutional Shareholder) of SINBON Jiangyin, Director (Representative of Institutional Shareholder) of SINBON Hong Kong, Director (Representative of Institutional Shareholder) of SINBON Beijing, Director (Representative of Institutional Shareholder) of Beijing SINBON TongAn Renewable Energy Co., Ltd, Director (Representative of Institutional Shareholder) of SINBON Shenzhen, Director (Representative of Institutional Shareholder) of SINBON Shanghai , Chairman (Representative of Institutional Shareholder) of Jiangsu ENMAGIC Energy Co., Ltd., Independent Director (Representative of Institutional Shareholder) of Flytech Technology Co., Ltd., Director (Representative of Institutional Shareholder) of Enmagic Renewable Energy Co., Ltd., Chairman (Representative of Institutional Shareholder) of SINBON Jiangyin Beijing Tongzhou Branch, Director (Representative of Institutional Shareholder) of SINBON Technologies Tennessee LLC, Director (Representative of Institutional Shareholder) of Tai Yi Investment Co., Ltd., Chairman (Representative of Institutional Shareholder) of SINTOP Energy Management Co., Ltd.

Note 5: Chairman (Representative of institutional shareholder) of SINBON Europe GmbH, Director (Representative of institutional shareholder) of SINBON Hong Kong, Supervisor of SINBON Jiangyin, Supervisor of SINBON Tongcheng, Director (Representative of institutional shareholder) of Nextronics Engineering Corp.

Note 6: Supervisor of SINBON Hong Kong, Supervisor of SINBON Shenzhen, Supervisor of SINBON Shanghai, Director (Representative of institutional shareholder) of Kwan Ze Co., Ltd., Supervisor of T-CONN Precision (Zhongshan) Corporation, Supervisor of Beijing SINBON TongAn Renewable Energy Co., Ltd., Director (Representative of institutional shareholder) of SINBON Tongcheng, Director (Representative of institutional shareholder) of SINBON Jiangyin, Supervisor of SINBON Beijing, Director (Representative of institutional shareholder) of Jiangsu ENMAGIC Energy Co., Ltd., Supervisor of Kunshan ENMAGIC Energy Co., Ltd., Supervisor of Enmagic Renewable Energy Co., Ltd., Supervisor of SINTOP Energy Management Co., Ltd.

III. Remuneration to the Directors, President and Vice Presidents in the previous period:

(I) Remuneration to Directors and Independent Directors (Disclosure of the names in relevant bracket of the payment scale)

December 31 2022; Unit: NT\$1,000

Occupational title	Name	Remuneration to Directors								The sum of A, B, C and D and in the propotion of net income (Note 10)		Related payment in performing the duties as employees								The sum of A, B, C, D, E, F and in the propotion of net income (Note 10)		Payment from direct investee companies other than the subsidiaries or the parent company (Note 11)
		Remuneration (A) (Note 2)		Pension and severance payment (B)		Remuneration to Directors(C) (Note 3)		Professional allowances (D) (Note 4)				Salaries, bonus and special expense account (E) (Note 5)		Pension and severance payment(F)		Remuneration to employees (G) (Note 6)						
		The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company		All companies included in the financial statements (Note 7)		The Company	All companies included in the financial statements			
														Amount of cash	Amount of stock	Amount of cash	Amount of stock					
Chairman	Shaw-Shing Wang	-	-	-	-	20,100	20,100	320	320	20,420.71	20,420.71	12,865	12,865	-	-	10,320	-	10,320	-	43,605.151	43,605.151	-
Director	Wei-Ming, Liarng																					
Director	Hsin-Chih, Yeh																					
Director	Representative of Argosy Research Inc.: Chao-Liang, Wang																					
Director	Representative of Tai Yi Investment Co., Ltd.: Wei-Chung, Wang																					
Director	Representative of Kuo Shian Investment Co., Ltd.: Kuo-Hung, Wang																					
Director	Te-Cheng, Chiu																					
Director	Wen-Sen, Huang																					

Occupational title	Name	Remuneration to Directors								The sum of A, B, C and D and in the propotion of net income (Note 10)		Related payment in performing the duties as employees								The sum of A, B, C, D, E, F and in the propotion of net income (Note 10)		Payment from direct investee companies other than the subsidiaries or the parent company (Note 11)
		Remuneration (A) (Note 2)		Pension and severance payment (B)		Remuneration to Directors(C) (Note 3)		Professional allowances (D) (Note 4)				Salaries, bonus and special expense account (E) (Note 5)		Pension and severance payment(F)		Remuneration to employees (G) (Note 6)						
		The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company	All companies included in the financial statements (Note 7)	The Company		All companies included in the financial statements (Note 7)		The Company	All companies included in the financial statements			
														Amount of cash	Amount of stock	Amount of cash	Amount of stock					
Independent Director	Hou-Ming, Chen	-	-	-	-	3,400	3,400	340	340	3,740 0.13	3,740 0.13	-	-	-	-	-	-	-	-	3,740 0.13	3,740 0.13	-
Independent Director	Cheng-Yen, Chang																					
Independent Director	Yu-Fen, Lin																					
1. Specify the policy, system, standard and structure of the fees for Independent Directors, and the association between the duties performed, the risk, the commitment of time and related factors and the amount of payment: 2. In addition to the above remuneration, the remuneration received by the directors of the Company in the recent year for providing services (such as serving as a non-employee consultant for the parent company / all companies included in the financial report / investee companies, etc.): 0.																						

* Profiles of the Directors (general Directors) and Independent Directors.

Remuneration Scale

Payment to individual Directors along the payment scale	Name of Director			
	Sum total of the above 4 items (A+B+C+D)		Sum total of the above 7 items (A+B+C+D+E+F+G)	
	The Company (Note 8)	All companies included in the financial statements (Note 9) H	The Company (Note 8)	All companies included in the financial statements (Note 9) I
Less than NT\$1,000,000				
NT\$1,000,000 (inclusive)~NT\$2,000,000 (exclusive)	Cheng-Yen, Chang; Wen-Sen, Huang; Hou-Ming, Chen; Yu-Fen, Lin	Cheng-Yen, Chang; Wen-Sen, Huang; Hou-Ming, Chen; Yu-Fen, Lin	Cheng-Yen, Chang; Hou-Ming, Chen; Yu-Fen, Lin	Cheng-Yen, Chang; Hou-Ming, Chen; Yu-Fen, Lin
NT\$2,000,000 (inclusive)~NT\$3,500,000 (exclusive)	Representative of Kuo Shian Investment Co., Ltd.: Kuo-Hung, Wang; Representative of Argosy Research Inc.: Chao-Liang, Wang; Representatives of Tai Yi Investment Co., Ltd.: Wei-Chung, Wang; Hsin-Chi, Yeh; Wei-Ming, Liarn; Te-Cheng, Chiu	Representative of Kuo Shian Investment Co., Ltd.: Kuo-Hung, Wang; Representative of Argosy Research Inc.: Chao-Liang, Wang; Representatives of Tai Yi Investment Co., Ltd.: Wei-Chung, Wang; Hsin-Chi, Yeh; Wei-Ming, Liarn; Te-Cheng, Chiu	Representative of Kuo Shian Investment Co., Ltd.: Kuo-Hung, Wang; Representative of Argosy Research Inc.: Chao-Liang, Wang; Representatives of Tai Yi Investment Co., Ltd.: Wei-Chung, Wang; Hsin-Chi, Yeh; Te-Cheng, Chiu	Representative of Kuo Shian Investment Co., Ltd.: Kuo-Hung, Wang; Representative of Argosy Research Inc.: Chao-Liang, Wang; Representatives of Tai Yi Investment Co., Ltd.: Wei-Chung, Wang; Hsin-Chi, Yeh; Te-Cheng, Chiu
NT\$3,500,000 (inclusive)~NT\$5,000,000 (exclusive)	Shaw-Shing Wang	Shaw-Shing Wang		
NT\$5,000,000 (inclusive)~NT\$10,000,000 (exclusive)			Wei-Ming, Liarn; Wen-Sen, Huang	Wei-Ming, Liarn; Wen-Sen, Huang
NT\$10,000,000 (inclusive)~NT\$15,000,000 (exclusive)				
NT\$15,000,000 (inclusive)~NT\$30,000,000 (exclusive)			Shaw-Shing Wang	Shaw-Shing Wang
NT\$30,000,000 (inclusive)~NT\$50,000,000 (exclusive)				
NT\$50,000,000 (inclusive)~NT\$100,000,000 (exclusive)				
More than NT\$100,000,000				
Total	11	11	11	11

Note 1: List out the names of the Directors separately (for institutional shareholders, list out the name of the institutional shareholder and the representative separately), as well as the Directors and Independent Directors, and disclose all payments in aggregate. If a Director also holds the position of President or Vice President, fill in this table and the table (3-1) below, or Table (3-2-1), and (3-2-2) below.

Note 2: Refers to the remuneration to the Directors in the previous period (including salaries, professional allowances, severance payment, different types of bonus, and gratuities).

Note 3: Put down the amount paid to the Directors in the previous period passed by the Board.

Note 4: Related professional allowances paid to the Directors in the previous period (including traveling subsidy, special expense account, allowances, and payment in kind such as accommodation and company car). If housing, company car or other transportation vehicle or exclusive expense is incurred, disclose the nature and cost of the assets, the actual amount of rent or estimated at fair value, fuel payment and other payment. If a driver is assigned, specify the remuneration to the driver by the Company but not included as a part of the remuneration.

- Note 5: Refers to payment to Directors who also performed the duties as employees (including holding the position as President, Vice President, managers, and other personnel) including salaries, professional allowances, severance payment, different types of bonus, gratuities, traveling subsidy, special expense account, allowances, and payment in kind such as accommodation, company car. If housing, company car or other transportation vehicle or exclusive expense is incurred, disclose the nature and cost of the assets, the actual amount of rent or estimated at fair value, fuel payment and other payment. If a driver is assigned, specify the remuneration to the driver by the Company but not included as a part of the remuneration. Salary expense recognized under IFRS 2 "Share-Based Payment", including the acquisition of ESO, RSU/RSA, and subscription of new shares for raising capital, which should be included as remuneration.
- Note 6: If the Directors also performed the duties as employees (including holding the position as President, Vice President, managers, and other personnel) and received payment as employees (including stock and cash), disclose the amount of remuneration to employee in the previous period passed by the Board. If estimation is not possible, calculate the amount planned to pay out in current period on the basis of the actual amount payment in the previous year, and fill in Table 1-(3).
- Note 7: Disclose the total amount of payment from all companies (including the Company) included in the consolidated financial statements to the Directors of the Company.
- Note 8: Disclose the names of the Directors in respective bracket of the payment scale by the total amount of payment from the Company.
- Note 9: Disclose the total of all itemized payment from all companies (including the Company) included in the consolidated financial statements to each Director of the Company, and disclose the names of the Directors in respective brackets of the payment scale.
- Note 10: Net income refers to the net income as presented in the separate financial statement in the recent year.
- Note 11: a. Put down the amount of remuneration from direct investee companies other than the subsidiaries or the parent company to the Directors of the Company (If there is no payment, put down "None").
- b. If the Directors have received payment from direct investee companies other than the subsidiaries or the parent company, include this amount in Column I of the payment scale, and rename the column name as "parent company and all direct investee companies".
- c. Remuneration refers to the reward, payment (including payment to employees, Directors, and Supervisors) and performing professional duties to Directors who also act in the capacity of Directors, Supervisors or Managers in the direct investee companies other than the subsidiaries.
- * The content of remuneration disclosed in this table is different from the purpose of taxation. This table is just for disclosure of information only, not as reference for taxation.

(II) Remuneration to President and Vice Presidents (disclosure of the names in relevant bracket of the payment scale)

December 31 2022; Unit: NT\$1,000

Occupational title	Name	Salaries (A) (Note 2)		Pension and severance payment (B)		Bonus and special expense account (C) (Note 3)		Amount of remuneration to employees (D) (Note 4)				The sum of A, B, C and D in the proportion to net income (Note 8)		Remuneration from direct investee companies other than the subsidiaries or the parent company (Note 9)
		The Company	All companies included in the financial statements (Note 5)	The Company	All companies included in the financial statements (Note 5)	The Company	All companies included in the financial statements (Note 5)	The Company		All companies included in the financial statements (Note 5)		The Company	All companies included in the financial statements	
								Amount of cash	Amount of stock	Amount of cash	Amount of stock			
President	Wei-Ming, Liarn g													
Vice President	Wen-Sen, Huang	9,378	9,378	-	-	1,500	1,500	2,800	-	2,800	-	13,678	13,678	-
	Chun-Yu, Chen (Note 1)											0.47	0.47	

* Disclose all persons holding position equivalent to the President, Vice Presidents (e.g.: President, CEO, Chief Officer, and so forth) regardless of the occupational title.

Note 1: Chun-Yu, Chen resigns on October 12 2022.

Remuneration Scale

Remuneration to individual President and Vice Presidents along the payment scale	Names of President and Vice Presidents	
	The Company (Note 6)	All companies included in the financial statements (Note 7) E
Less than NT\$1,000,000		
NT\$1,000,000 (inclusive)~NT\$2,000,000 (exclusive)		
NT\$2,000,000 (inclusive)~NT\$3,500,000 (exclusive)	Chun-Yu, Chen	Chun-Yu, Chen
NT\$3,500,000 (inclusive)~NT\$5,000,000 (exclusive)	Wei-Ming, Liang; Wen-Sen, Huang	Wei-Ming, Liang; Wen-Sen, Huang
NT\$5,000,000 (inclusive)~NT\$10,000,000 (exclusive)		
NT\$10,000,000 (inclusive)~NT\$15,000,000 (exclusive)		
NT\$15,000,000 (inclusive)~NT\$30,000,000 (exclusive)		
NT\$30,000,000 (inclusive)~NT\$50,000,000 (exclusive)		
NT\$50,000,000 (inclusive)~NT\$100,000,000 (exclusive)		
More than NT\$100,000,000		
Total	3	3

Note 1: List out the President and Vice Presidents by the name, and disclose the amount of itemized payment in aggregate. If a Director also holds position as President or Vice President, fill in this form and the form above.

Note 2: Put down the salaries, professional allowances, and severance payment of the President and the Vice Presidents in the previous period.

Note 3: Put down different types of bonus, gratuities, traveling subsidy, special expense account, allowances, and payment in kind including accommodation and company vehicle for the President and Vice Presidents in the previous period. If housing, company car or other transportation vehicle or exclusive expense is incurred, disclose the nature and cost of the assets, the actual amount of rent or estimated at fair value, fuel payment and other payment. If a driver is assigned, specify the remuneration to the driver by the Company but not included as a part of the remuneration. Salary expense recognized under IFRS 2 "Share-Based Payment", including the acquisition of ESO, RSU/RSA, and subscription of new shares for raising capital, which should be included as remuneration.

Note 4: Put down the amount of remuneration to the President and Vice Presidents as employees (including stock and cash) passed by the Board in the previous period. If estimation is not possible, calculate the amount in proportion to the actual payment of the previous year, and fill in Table 1-(3).

Note 5: Disclose the total payment from all companies included in the consolidated statements (including the Company) to the President and the Vice Presidents of the Company.

Note 6: The total amount of payment to the President and each Vice President of the Company, and disclose the names of the persons in relevant brackets along the payment scale.

Note 7: Disclose the total amount of payment from all companies included in the consolidated statements (including the Company) to the President and each Vice President, and disclose the names of the persons in relevant brackets along the payment scale.

Note 8: Net income refers to the net income as presented in the separate financial statement in the recent year.

Note 9: a. Put down the amount of related payment to the President and the Vice Presidents from all direct investee companies other than the subsidiaries or the parent company (If there is no payment, put down "None").

b. If the President and the Vice Presidents were remunerated by direct investee companies other than the subsidiaries or the parent company, put down the amount paid to the President and the Vice Presidents of the Company from direct investee companies other than the subsidiaries or the parent company in relevant brackets along the payment scale in column E, and change the name of the column as "Parent company and all direct investee companies".

c. Remuneration includes the reward and wages (including payment to employees, Directors and Supervisors) and professional allowances to the President and Vice Presidents of the Company from direct investee companies other than the subsidiaries or the parent company in the capacity of Directors, Supervisors or Managers of these companies.

* The content of remuneration disclosed in this table is different from the purpose of taxation. This table is just for disclosure of information only, not as reference for taxation.

Names of managers with remuneration as employees and the disbursement:

December 31 2022; Unit: NT\$1,000

	Occupational title (Note 1)	Name (Note 1)	Amount of stock	Amount of cash	Total	The total amount in proportion to net income (%)
Managers	President	Wei-Ming, Liang	-	5,790	5,790	0.2
	Vice President	Wen-Sen, Huang				
	Vice President	Chun-Yu, Chen (Note 5)				
	Director	Ping, Li (Note 6)				
	Director	Hsing-Chun, Wu				
	Director	Li-Li, Huang				
	Director	Hao-Min, Hsu				
	Director	Cheng-Ling, Li				
	Director	Hsiu-Sui, Lin				
	Director	Yun-Ju, Huang				
	Director	Chin-Tsung, Huang				
	Ass. Director	Yi-Hsien, Lin				
	Ass. Director	Shan, Li				
	Ass. Director	Kuei-Chen, Feng				
	Ass. Director	Ping-Chen, Sung				
	Ass. Director	Yu-Hsuan, Lin				
	Ass. Director	Ming-Cheng, Lin (Note 7)				
	Ass. Director	Hsing-Hsiu, Kuo				
	Ass. Director	Chia-Ching, Lin				
	Ass. Director	Ya-Hui, Kuo				
	Ass. Director	Yang-Yu, Wu				
	Ass. Director	Ping-Jen, Chen				
	Ass. Director	Chien-Ming, Huang				
	Ass. Director	Kuo-Hung, Chen				
	Ass. Director	Ping-Chen, Fu				
	Ass. Director	Ya-Hui, Kao				
	Ass. Director	Yao-Ting, Li				
	Ass. Director	Chen-Chun, Wang				
	Ass. Director	Hsin-Nan, Hsiung				
	CFO	Chi-Chou, Chang				

Note 1: Disclose the name and occupational title of each person, and the distribution of earnings may be disclosed in aggregate.

Note 2: Put down the amount of remuneration to the Managers as employees (including stock and cash) passed by the Board in the previous period. If estimation is not possible, calculate the amount in proportion to the actual payment of the previous year. Net income refers to the net income of the recent period.

Note 3: The scope of Managers shall be defined under FSC Letter Taiwan-Finance-Securities (III)- No. 0920001301 dated March 27 2003 specified as follows:

- (1) President and equivalent rank
- (2) Vice President and equivalent rank
- (3) Ass. Director and equivalent rank
- (4) Chief Financial Officer
- (5) Chief Accounting Officer
- (6) Any other authorized personnel charged with administrative duties and entitled to sign document on behalf of and in the name of documents.

Note 4: If the Directors, President and Vice Presidents were remunerated as employees (including stock and cash), fill in Table 1-(2), and also this form.

Note 5: Chun-Yu, Chen resigns on October 12 2022.

Note 6: Ping, Li resigns on December 31 2022.

Note 7: Ming-Cheng, Lin resigns on September 30 2022.

- (III) The total payment from the Company and all companies included in the financial statements to the Directors (including Independent Directors), President and Vice Presidents as remuneration in the last 2 years in proportion to the net income and related analysis, and explain the policy, standard and components of payment, the procedure for setting the amount of payment, and the association with the operation performance and the risks in the future:

December 31 2022

Item	Total remuneration in proportion to net income (%)			
	2022		2021	
	The Company	All companies included in the financial statements	The Company	All companies included in the financial statements
Directors (including Independent Directors)	1.64	1.64	1.82	1.82
President and Vice Presidents	0.47	0.47	0.56	0.57

The policy, standard and components of remuneration:

1. Directors (including Independent Directors): no fixed salary, traveling subsidy at NT\$10,000 will be paid for attending each session of the Board. Remunerations to the Directors will be under 3% of the earnings of the Company in the year where applicable under the Articles of Incorporation of the Company. The performance evaluation of the Directors will also be taken into consideration.
2. Managers: Performance bonus will be remunerated with fixed salaries at industry level and bonus in commensurate with operation performance. They are also entitled to the remuneration to employees of the year (twice a year, one in the first half of the year and another in the second half of the year). The amount of payment will

range from 1% to 15% of the earnings of the Company.

The procedure for setting the amount of remuneration, and the association with operation performance and risks in the future:

1. The procedure for setting the amount of remuneration: Setup of annual performance indicator → Annual performance evaluation → Approval of the amount of remuneration → Review by Remuneration Committee → Final approval of the Board → Disbursement.
2. Association with operation performance and risks in the future: Performance bonus and remuneration to employees will be based on the revenue and profit position of the Company and the performance of individual departments and employees.
3. The salaries and other payment as remuneration to the Directors (including Independent Directors) and Managers will commensurate with the pursuit of the core value of the Company, capacity in corporate management, financial and business performance indicators, participation in continuing education and sustainable development, other special contribution, or incidents of significant negative impact, which will be considered in the evaluation of performance and disbursement of payment.

IV. Pursuit of corporate governance:

(I) Function of the Board:

The Board of the Company convened for 5 times (A) from June 2022 to April 1 2023.

The attendance of the Directors is specified below:

Occupational title	Name (Note 1)	Actual frequency attendance (as observer) B	Frequency of attendance by proxy	Actual attendance rate (%) [B/A] (Note 2)	Remark
Chairman	Shaw-Shing Wang	4	0	100%	None
Director	Hsin-Chih, Yeh	4	0	100%	None
Director	Wei-Ming, Liang	4	0	100%	None
Director	Wen-Sen, Huang	4	0	100%	None
Director	Representative of Argosy Research Inc.: Chao-Liang, Wang	4	0	100%	None
Director	Representative of Tai Yi Investment Co., Ltd.: Wei-Chung, Wang	4	0	100%	None
Director	Representative of Kuo Shian Investment Co., Ltd.: Kuo-Hung, Wang	4	0	100%	None
Director	Te-Cheng, Chiu	3	1	75%	None
Independent Director	Yu-Fen, Lin	4	0	100%	None
Independent Director	Cheng-Yen, Chang	4	0	100%	None
Independent Director	Hou-Ming, Chen	4	0	100%	None

Additional information:

I. If any of the following applies to the Board in session, specify the date, the session of the meeting, the content of the motions, the opinions of all Independent Directors, and the response of the Company to the opinions of the Independent Directors:

(I) Particulars inscribed in Article 14-3 of the Securities and Exchange Act

(II) Further to the aforementioned issues, any other adverse opinions or qualified opinions from the Independent Directors on record or in written declaration on the resolutions of the Board:

Date of Independent Directors /session of the Board	April 22 2022	July 22 2022	October 21 2022	March 09 2023
Yu-Fen, Lin	No adverse opinion	No adverse opinion	No adverse opinion	No adverse opinion
Cheng-Yen, Chang	No adverse opinion	No adverse opinion	No adverse opinion	No adverse opinion
Hou-Ming, Chen	No adverse opinion	No adverse opinion	No adverse opinion	No adverse opinion

II. The recusal of the Directors from motions involving a conflict of interest. Specify the names of the Directors, the content of the motions, the reasons for recusal and the participating in voting:

(I) July 22, 2022: Recognition for approval of remuneration to the new managers, the Director Shaw-Shing Wang was recused due to his Second Degree of Kinship with the new manager. Chairman of Remuneration Committee, Cheng-Yen, Chang, served as the acting chairman, in acting capacity inquired for opinions from the other Directors (10 persons) in session. The motion was passed at common consent of all the Directors in session.

(II) October 21, 2022: Ratification of the right-of-use assets obtained from the Office Lease Contract and Machinery and Equipment Lease Contract signed between the Company and T-CONN Precision Co., Ltd., a subsidiary where the Company holds 57.45% of its stakes, and the assets obtained from the Machinery and Equipment Lease Contract signed between the Company and T-CONN Precision Co., Ltd., a subsidiary where the Company holds 57.45% of its stakes, except the Director Shaw-Shing Wang, Director Te-Cheng, Chiu and Director Hsin-Chih, Yeh were recused due to as directors of T-CONN Precision Co., Ltd., the acting Chairman Chao-Liang, Wang, in acting capacity inquired for opinions from the other Directors (8 persons) in session. The motion was passed at common consent of all the Directors in session.

(III) March 9, 2023: The Company intend to transfer Miaoli No. 3 Factory (E-Bike Assembly Factory) to T-CONN Precision Co., Ltd., a subsidiary where the Company holds 57.45% of its stakes (hereinafter referred to as T-CONN), except the Director Shaw-Shing Wang, Director Hsin-Chih, Yeh were recused due to as directors of T-CONN Precision Co., Ltd., and Director Wei-Chung, Wang was recused due to his Second Degree of Kinship with the Director Shaw-Shing Wang, the acting Chairman Wei-Ming, Liang, in acting capacity inquired for opinions from the other Directors (8 persons) in session. The motion was passed at common consent of all the Directors in session.

III. Information on the cycle and duration for the Board of Directors of companies listed at TWSE/TPEx in self-evaluation (peer evaluation), the scope, means and content of assessment, and fill in Table 2-(2) on the status of evaluation of the Board.

IV. The objective of the Board in performing its function and the state of pursuit in current period and previous period: the Company passed the "Regulations Governing the Evaluation of Board Performance" in a session of the Board dated April 22 2016. The items of the Board (functional committees) for evaluation of its performance covers the following 5 major aspects:

(I) Level of participation in the operation of the Company.

(II) Upgrade the quality of decision-making by the Board

(III) The organization and structure of the Board

(IV) Election of Directors and continuing education.

(V) Internal control

The items for the evaluation of the performance of the Board members (including self-assessment and peer assessment) covers the following 6 major aspects:

(I) The control of the objective and mission of the Company

(II) Awareness of the duties of the Directors

(III) Level of participation in the operation of the Company.

(IV) Cultivation of internal relation and communication

(V) Professional designated and continuing education of the Directors

(VI) Internal control

The Secretariat of the Board will collect information pertinent to the activities of the Board at the end of the fiscal year (once annually), and release the "Questionnaire for Self-Assessment of the Performance of the Board (functional committees)" for filling in, or related questionnaires of "Self-Assessment of the member of the Board (self-assessment or peer assessment)", and collect the questionnaires from the respondents for tracking down the result. These reports will be submitted to the Board for review and taking corrective action. The Board of the Company completed its self-assessment in 2022 on October 21 2022, and uploaded the result to the official website of the Company at <https://www.sinbon.com/en/corporate-governance>. The average attainment of all indicators is 4.87 (with a full credit of 5), which indicated sound implementation.

In addition, in 2022, the Company appointed Ernst & Young Enterprise Management Consulting Services Co., Ltd. to conduct external performance evaluation of the Board of Directors, and the report was announced on our website: <https://www.sinbon.com/en/corporate-governance>.

Note 1: If specific Director or Independent Director is an institution, disclose the name of the institution and the name of the representative.

Note 2: (1) If specific Director or Independent Director resigns within the fiscal year, put down the date of relief from office in the remark column. The actual attendance (as observer) rate (%) will be calculated on the basis the actual frequency of attendance (as observer) to the session of the Board and the frequency of the convention of the Board while the Director is still in office.

(2) If an election of Directors or Independent Directors has been held to fill the vacancy before the end of the fiscal year, put down the names of the newly elected Directors and Independent Directors and the Directors and Independent Directors of the previous term, and noted as new to office or reelected to office, and the date of the election. The actual attendance (as observer) rate (%) will be calculated basis the actual frequency of attendance (as observer) to the session of the Board and the frequency of the convention of the Board while the Director is still in office.

(II) The implementation of evaluation of the Board

Evaluation cycle (Note1)	Evaluation period (Note 2)	Scope of evaluation (Note 3)	Means of evaluation (Note 4)	Content of evaluation (Note 5)
Once annually	January 1 2022 to December 31 2022	Board of Director	Self-Assessment of the members of the Board	(Note 5)
Three times annually	January 1 2022 to December 31 2022	Board of Director	External Assessment of the members of the Board	(Note 5)

Note 1: Specify the evaluation cycle, for example once annually.

Note 2: Specify the evaluation period, for example January 1 2019 to December 31 2019.

Note 3: The scope of evaluation includes the evaluation of Board of Directors, individual Director member and functional committees.

Note 4: The means of evaluation includes the internal evaluation of the Board, Self-Assessment of the members of the Board, peer assessment, external assessment.

Note 5: The content of assessment will be based on the scope of assessment and shall cover at least the following items:

- (1) Evaluation of Board performance: Cover at least the level of participation in the operation of the Company, the quality of decision-making of the Board, the organization and structure of the Board, the election of Directors and continuing education, and internal control.
- (2) Evaluation of the performance of individual Board members: Cover at least the control of the objective and mission of the Company, awareness of the duties of Directors, level of participation in the operation of the Company, cultivation of internal relation and communication, professional qualifications and continuing education of Directors, and internal control.
- (3) Functional committee assessment: which should cover participation in the operation of the Company; awareness of the duties of the functional committee; quality of decisions made by the functional committee; makeup of the functional committee and election of its members and internal control.

- (III) The function performed by the Auditing Committee and the participation in the operation of the Board: the Company adopted the system of Auditing Committee. The Auditing Committee convened for 3 times (A) from June 2022 to April 1 2023. The attendance of the committee members is specified below:

Occupational title	Name	Actual frequency of attending as observer (B)	Actual attendance rate as observer (%) (B/A) (Note 1, Note 2)	Remark
Independent Director	Cheng-Yen, Chang	3	100%	None
Independent Director	Hou-Ming, Chen	3	100%	None
Independent Director	Yu-Fen, Lin	3	100%	None

I. Additional information:

(I) Particulars inscribed in Article 14-5 of the Securities and Exchange Act:

Date of the session	Content of the motions and follow-up action	Opinions of all the Independent Directors and the response of the Company to the opinions of the Independent Directors.
July 22 2022	- Proposal of changing CPA of Ernst & Young - The consolidated financial statements of Q2 2022 - Update the Company's endorsement and guarantee in favor of wholly-owned subsidiary SINBON USA LLC (hereinafter, "SINBON USA") - Update the overall credit limit of HSBC Bank (China) Company Limited - Update the credit limit of HSBC Bank (Taiwan) - Update the credit limit of DBS Bank (Taiwan) Ltd. - The capitalization of retained earnings into new shares of Tong Cheng SINBON Electronics Co., Ltd., a wholly-owned subsidiary of the Company, amounting to USD 3 million. - The Company sets a limit of US\$3 million of raising capital for the 100% investee company, SINBON USA LLC(hereinafter, "SINBON USA") - The Company raised capital for the 100% investee company, SINBON Hungary Kft (hereinafter, "SINBON Hungary"), amounting to EUR 1 million - The Company's 85.53% trans-investment in Beijing SINBON TongAn Renewable Energy Co., Ltd. (hereinafter, "Beijing TongAn"), proposed to raise cash capital of CNY 20 million for its subsidiary Xuzhou ENMAGIC Energy Co., Ltd. (hereinafter referred to as Xuzhou ENMAGIC)	All members of the committee acted in favor of these motions in common consent, and submit to the Board. The Board passed these motions at common consent.

	• The Company's 85.53% trans-investment in Beijing SINBON TongAn (hereinafter, "Beijing TongAn"), proposed to reduce the capital and liquidate its subsidiary Beijing SINBON Electronics Co., Ltd. (hereinafter, "Beijing SINBON") • The Company's 100% trans-investment in Kwan Ze Corporation Ltd. (hereinafter, "Kwan Ze"), proposed to jointly establish a joint venture company, "Enwan Technology Co., Ltd." with shareholders such as Chant Sincere Co., Ltd. and Nextronics Engineering Corp. (tentative) • The Company intends to loan funds to wholly-owned sub-subsidiary SINBON C&C LLC (hereinafter, "C&C")	
October 21 2022	• The consolidated financial statements of Q3 2022 • Review of the 2023 Annual Audit Plan • Update the credit limit of CTBC Bank • Update the credit limit of Cathay United Bank • Update the overall credit limit and derivative limit of Taishin International Bank • Update the overall credit limit of HSBC Bank (China) Company Limited • Amend to the "Processing of Material inside Information and Prevention of Insider Trade Procedure" of the Company in part. • Ratification of the right-of-use assets obtained from the Office Lease Contract signed between the Company and T-CONN Precision Co., Ltd., a subsidiary where the Company holds 57.45% of its stakes • Ratification of the right-of-use assets obtained from the Machinery and Equipment Lease Contract signed between the Company and T-CONN Precision Co., Ltd., a subsidiary where the Company holds 57.45% of its stakes • The Company has processed the 8th issue of non-guaranteed convertible domestic bonds of NT\$1,000,000,000 • Update the loaning of fund to wholly-owned subsidiary of the Company, SINBON Hungary Kft (hereinafter, "SINBON Hungary"). • The Company intends to participate in the investment of DAMON MOTORS INC's non-guaranteed convertible bonds	
March 09 2023	• 2022 Separate Financial Statement and Consolidated Financial Statement • Proposal for the Distribution of Earnings in 2022 • Statement of Declaration of Internal Control in 2022 • Formulate the Company's "Preparation and Verification Operating Procedures of ESG Report" • Review the assessment result of the Independence of the CPAs of the Company. • Non-assurance services intend to be provided by Ernst & Young and its affiliated companies to the Company and its subsidiaries • Update the overall credit limit of Mizuho Bank (China)	

	• Update the overall credit limit of Mizuho Bank • Update the credit limit of Cathay United Bank • The Company raised capital for the 100% investee company, SINBON USA LLC(hereinafter, "SINBON USA"), amounting to US\$3 million • The Company intends to increase loan funds to wholly-owned sub-subsidiary SINBON Ohio LLC (hereinafter, "SINBON Ohio") • "Beijing SINBON TongAn Renewable Energy Co., Ltd." (hereinafter, "Beijing TongAn"), a subsidiary where the Company holds 85.53% of its stakes, suspended the listing of CNY common shares (A-shares) on the Shenzhen Stock Exchange • Adjustment of the investment holding structure of "Beijing SINBON TongAn Renewable Energy Co., Ltd. (hereinafter, "Beijing TongAn"), a subsidiary where the Company holds 85.53% of its stakes • Cash buy-back for for capital reduction of "Beijing SINBON TongAn Renewable Energy Co., Ltd. (hereinafter, "Beijing TongAn"), a subsidiary where the Company holds 85.53% of its stakes. • The Company intend to transfer Miaoli No. 3 Factory (E-Bike Assembly Factory) to T-CONN Precision Co., Ltd. (hereinafter referred to as T-CONN), a subsidiary where the Company holds 57.45% of its stakes	
(II) Except for the matters above, other motions not passed by the Auditing Committee but acquired the consent of at least 2/3 of the Directors for passing: None. II. The recusal of the Independent Directors from motions involving a conflict of interest. Specify the names of the Independent Directors, the content of the motions, the reasons for recusal and the participating in voting: None. III. Communication between the Auditing Committee and the head of internal audit and the CPAs: the members of the Auditing Committee will voluntarily communicate with the head of internal audit and the CPAs retained as Independent Auditors on matters pertinent to the finance and business of the Company by telephone, e-mail, or face-to-face meeting. Likewise, the head of internal control will voluntarily communicate with the Independent Directors through presentation of internal audit reports and the CPAs will also issue questionnaire from time to time for communication with the Independent Auditors. From the 3rd session of the Board in 2016, the CPAs attended the session of the Board quarterly for face-to-face exchange of opinions. For additional information on the communication between the Independent Directors and head of internal auditor and the CPAs, visit the official website of the Company at https://www.sinbon.com/tw/corporate-governance.		

Note 1: If specific Independent Director resigned before the end of the fiscal year, specify the date of relief from office, the actual attendance rate (%) calculated on the basis of the frequency of the convention of the Auditing Committee and frequency of attendance to the session of the Auditing Committee in the remark column.

Note 2: If there is an election of Independent Directors before the end of the fiscal year, specify the name of the newly elected and the previous Independent Directors, and note down if the Independent Directors are in office, newly elected or reelected, and the date of the election. The actual attendance rate (%) will be calculated on the basis of the frequency of the convention of the Auditing Committee and the actual frequency of attendance to the sessions of the Auditing Committee within the term of office.

(IV) Pursuit of corporate governance varied with the Corporate Governance Best Practice Principles for TWSE Listed and TPEX Listed Companies, and the reason for the variation:

Items of evaluation	The pursuit (Note 1)			Variation from Corporate Governance Best Practice Principles for TWSE Listed and TPEX Listed Companies, and the reason for the variation
	Yes	No	Summary Explanation	
I. Has the Company established and disclosed its Corporate Governance Best Practice Principles in accordance with the "Corporate Governance Best Practice Principles for TWSE Listed and TPEX Listed Companies"?	✓		The Company has established its Corporate Governance Best Practice Principles in accordance with the "Corporate Governance Best Practice Principles for TWSE Listed and TPEX Listed Companies" and disclosed at MPOS: http://mops.twse.com.tw/mops/web/t100sb04_1	None.
II. Equity structure and shareholder equity of the Company				
(I) Has the Company established the internal operation procedures for responding to the suggestion, queries, disputes and lawsuits of the shareholders, and proceed with the procedures?	✓		The Company has instituted the "Regulations Governing the Informing of Illegal and Unethical Practices", and has set up the "Stakeholders Section" at its official website and the system of spokesman to handle related matters as required. For additional information, visit: https://www.sinbon.com/tw/corporate-governance , the rules and regulations of corporate governance.	None.
(II) Has the Company kept list of the dominant shareholders actually controlling the Company, and the list of ultimate controlling parties of these dominant shareholders?	✓		The Company has kept track on the list of the dominant shareholders and the ultimate controlling parties of these shareholders, and has cultivated positive investor-investee relation with the dominant shareholders.	None.
(III) Is there any control and firewall mechanisms established between the Company and its affiliates with proper execution?	✓		The direct investment of the Company is regulated by the "Regulations Governing and Administration of Group Enterprises", "Regulations Governing Direct Investment", "Internal Control System", and "Internal Audit System" of the Company and other applicable legal rules.	None.
(IV) Has the Company instituted related internal rules and regulations for prohibiting the use of undisclosed information in market by insiders for trading of securities?	✓		Prohibition of insider trade is explicitly stated in Article 16 of the "Procedures for Handling Material Inside Information and the Prevention of Insider Trading" of the Company. Related rules are also set forth in Article 14 of the "Ethical Corporate	None.

Items of evaluation	The pursuit (Note 1)			Variation from Corporate Governance Best Practice Principles for TWSE Listed and TPEX Listed Companies, and the reason for the variation
	Yes	No	Summary Explanation	
			Governance Best Practice Principles and Code of Conduct".	
III. The organization and function of the Board				
(I) Has the Board established the policy of diversity, the substantive management objective, and the attainment?	✓		The policy of the diversity of Board members was stated in Article 23 of the "Corporate Governance Best Practice Principles" of the Company. The Chairman is authorized to select the appropriate persons to form the Board aiming at the need of corporate development. The expected goals are as follows: a.The short-term goal of independent director seats should account for 1/3 of all director seats, and the long-term goal should be adjusted to 2/5. b.Directors' diversified background expertise (excluding independent directors/part-time managers) should be judged by taking the enterprise business background as 1/4, financial venture capital background as 1/4, special industry research background as 1/4 and ESG/TCFD and other relevant backgrounds as 1/4. c.The long-term goal is to increase the number of female Director from the current one to two or three. d.Directors who concurrently serve as the manager of the Company shall not exceed 1/3 of the Board seats. e.Independent Directors have a term of no more than 3 terms, and each Independent Director cannot concurrently serve as an Independent Director of more than 3 other companies. f.To cultivate successors for Board members and reduce the average age to 55 to 65 years old. The current implementation situation is as follows: a.Diversified background of the Directors (including Independent Directors): Except	None.

Items of evaluation	The pursuit (Note 1)			Variation from Corporate Governance Best Practice Principles for TWSE Listed and TPEX Listed Companies, and the reason for the variation
	Yes	No	Summary Explanation	
			for four directors who actually participate in the operation of the company (including subsidiaries), all other Directors (including Independent Directors) are professionals from outside of whom 2 have corporate management background, 2 are specialized in industry research, 1 is a practicing lawyer, 1 is a medical specialty and 1 is a professor of finance and economics. This meets the goal of appointing Directors who have diversified background expertise. The Company expects to appoint more professional talents from different backgrounds during the re-election in 2024. b. One female Director has been appointed. More female candidates will be appointed as Directors in the future, it is expected to achieve this goal during the re-election in 2024. c. Age: The age of the Directors (including Independent Directors) in current term of the Board: 2 are older than the age of 70, 5 are at the age of 60~70, 3 are at the age of 50~60, and 1 is under the age of 50. The average age falls within the range of 55 to 65 years old. d. The list of Board members is shown below: Chairman, Shaw-Shing Wang Director, Hsin-Chih, Yeh (adjunct manager) Director, Wei-Ming, Liang (adjunct manager) Director, Wen-Sen, Huang (adjunct manager) Director, Chao-Liang, Wang (Corporate management and engineering background) Director, Kuo-Hung, Wang (Corporate management background) Director, Te-Cheng, Chiu (Specialized in venture capital investment, financial background) Director, Wei-Chung, Wang (Specialized in industry research)	

Items of evaluation	The pursuit (Note 1)			Variation from Corporate Governance Best Practice Principles for TWSE Listed and TPEX Listed Companies, and the reason for the variation
	Yes	No	Summary Explanation	
			Independent Director, Hou-Ming, Chen (Professor at NTU, specialized in international business management and finance) Independent Director, Cheng-Yen, Chang (Physician, specialized in medical services, and congruent with the area of business development of the Company) Independent Director (Female), Yu-Fen, Lin (Attorney-at-law, legal professionals) e. At present, the seats of Independent Director account for 3/11 of the total seats, and it will be increased to more than 1/3 when the Board of Directors is reelected in 2024 to meet the Company's expected target. f. At present, all Independent Directors have a term of no more than 3 terms, each Independent Director cannot concurrently serve as an Independent Director of more than 3 other companies, which can meet the Company's expected goal.	
(II) The Company has established the Remuneration Committee and Auditing Committee as required by law. Will the Company establish other functional committees on a voluntary basis?	✓		The Company resolved to establish a "Nominating Committee" in the 2nd session of the Board on July 22 2022. For information on the organization code of this team, visit the page of corporate governance at the official website of the Company.	None.
(III) Has the Company established the regulations governing the evaluation of Board performance and the method of evaluation, and conduct annual evaluation at regular intervals, report the result of evaluation to the Board, and taken as the reference for the remuneration to individual Directors and the nomination for another term of office?	✓		The Board of the Company passed the "Regulations Governing the Evaluation of Board Performance" in a session dated April 22 2016 thereby the Corporate Governance Officer will collect information on the activities of the Board at the end of each fiscal year (once annually), and release the "Questionnaire for Self-Assessment of the Performance of the Board (functional committees)" for filling in, or related questionnaires of "Self-Assessment of the member of the Board (self-assessment or	None.

Items of evaluation	The pursuit (Note 1)			Variation from Corporate Governance Best Practice Principles for TWSE Listed and TPEX Listed Companies, and the reason for the variation
	Yes	No	Summary Explanation	
			peer assessment)", and collect the questionnaires from the respondents for tracking down the result. These reports will be submitted to the Board for review and taking corrective action. The evaluation of Board performance of the Company in 2022 was completed on October 21 2022, and the result was disclosed at the official website of the Company at https://www.sinbon.com/tw/corporate-governance. The average attainment of all indicators is 4.87 (with a full credit of 5), which indicated sound implementation. In addition, in 2022, the Company appointed Ernst & Young Enterprise Management Consulting Services Co., Ltd. to conduct external performance evaluation of the Board of Directors, and the report was announced on our website: https://www.sinbon.com/en/corporate-governance.	
(IV) Has the Company assessed the independence of the CPAs at regular intervals?	✓		According to Article 35 of the Corporate Governance Best Practice Principles, the Company shall assess the independence of the CPAs acting in capacity of Independent Auditors at regular intervals (once annually), and assess the non assurance service provided by Ernst & Young and its affiliate to the company and the subsidiaries in reference to AQIs, and report to the Board on the result. The last report was submitted to the Board on March 09 2023. The Company assesses the independence of the CPAs in the aspects of financial interest, financing and guaranty, business relation, family and personal relation, employment relation, gift and preferential treatment, the rotation of duties of the CPAs and non-auditing services, and also obtains the statement of declaration of independence issued by the CPAs. The Company does not sense out anything that may affect the independence of the CPAs.	None.

Items of evaluation	The pursuit (Note 1)			Variation from Corporate Governance Best Practice Principles for TWSE Listed and TPEX Listed Companies, and the reason for the variation
	Yes	No	Summary Explanation	
IV. Has the Company appointed competent and appropriate number of personnel to perform the function of corporate governance, and a designated Corporate Governance Officer charged with corporate governance and related affairs (including but not limiting to supplying the Directors with information required for their performance of duties, assistance to the Directors in law and compliance, administrative affairs pertinent to the convention of the Board and the Shareholders Meeting, keeping minutes of meeting on record for the convention of the Board and the Shareholders Meeting)?	✓		The Board of the Company passed the motion of the appointment of a Corporate Governance Officer in the session dated April 23 2020. Manager Pi-Wei, Cheng was appointed as designated Corporate Governance Officer charged with corporate governance and related matters, including: supplying the Directors (including Independent Directors) with information required for their performance of duties, processing company registration and related changes, handling administrative affairs pertinent to the convention of the Board and the Shareholders Meeting under law, keeping minutes of meeting on record for the convention of the Board and the Shareholders Meeting, preparation of annual reports for the Shareholders Meeting and disclosure of related information. Pursuit in 2022: 1. Assistance to the Independent Directors and Directors in performing their duties, and supply the information required, and arrangement of continuing education for the Directors. 2. Assistance to the Board and Shareholders Meeting in setting the procedures and legal aspects of resolutions. 3. Preparation of the agenda for the session of the Board with 7 days of notice, calling for the convention and supply materials for the meeting, give reminders on motions requiring recusal from the conflict of interest in advance, and finished the minutes of Board meeting on record within 20 days after the meeting. 4. Proceed to registration of the date for the convention of Shareholders Meeting in advance as required by law, preparation of notice of meeting,	None.

Items of evaluation	The pursuit (Note 1)			Variation from Corporate Governance Best Practice Principles for TWSE Listed and TPEX Listed Companies, and the reason for the variation
	Yes	No	Summary Explanation	
			Meeting Procedure Handbook, minutes of meeting on record by designated deadlines, and registration of any amendment to the Articles of Incorporation, or the election of Directors. Continuing education in 2022: Continuing education in 2022 has been accomplished as planned, and the details of which were disclosed at the official website of the Company and MOPS.	
V. Has the Company established channels for communications with stakeholders (including but not limiting to shareholders, employees, customers and suppliers), and set up a section for stakeholders at its official website with proper response to stakeholders on issues of corporate social responsibility for their concern?	✓		The Company has set up a page on "Stakeholder Section" at its official website, and established the system of spokesman for handling related matters. The result has been reported to the 4th Board in 2022 and disclosed at the official website of the Company: https://www.sinbon.com/tw/csr/corporate-governance , Interaction and Management of Stakeholders under CSR.	None.
VI. Has the Company commissioned a professional investor service agent to handle matters pertinent to the Shareholders Meeting?	✓		The Company has commissioned the "Stock Transfer Agency Department of Taishin International Bank" as the paraprofessional service agent.	None.
VII. Transparency of information				
(I) Has the Company established a website for the disclosure of information on the financial position and business of the Company?	✓		The Company discloses information on financial position and business at regular intervals as required and from time to time where necessary at MOPS. Official website of the Company: www.sinbon.com Website of MOPS: https://mops.twse.com.tw .	None.
(II) Has the Company adopted other means of information disclosure (such as the installation of website in the English language, appointment of designated person to collect and disclose information for the Company, proper pursuit of the system of spokesman, and the upload the record on	✓		The Company has established the system of spokesman as required, and disclosed material information in Chinese and English at the official website of the Company: www.sinbon.com . In addition, the Company also voluntarily compiles its ESG Report (Chinese and English) and discloses at the Company website for the reference of the investors.	None.

Items of evaluation	The pursuit (Note 1)			Variation from Corporate Governance Best Practice Principles for TWSE Listed and TPEX Listed Companies, and the reason for the variation
	Yes	No	Summary Explanation	
the entire process of institutional investors conferences to the Company website)?				
(III) Has the Company disclosed and declared its annual financial reports within 2 months after the end of the fiscal year, and declares its financial reports in Q1, Q2, and Q3, and the monthly business reports before respective deadlines at regular intervals?		✓	The Company acted in compliance with the requirements of the competent authority in disclosing and declaring related financial reports and monthly business report by respective deadlines. The Company did not disclose and declare the annual financial report within 2 months after the fiscal year, but has disclosed and declared the financial reports of Q1, Q2, and Q3, as well as the monthly business reports ahead of the deadline. For additional information, visit the website of MOPS: https://mops.twse.com.tw	None.
VIII. If there any important information that helps to under the pursuit of corporate governance of the Company (including but not limiting to employee rights, employee care, investor relation, supplier relation, stakeholder right, continuing education of the Directors and Independent Directors, risk management policy and risk assessment standard in action, customer policy in action, taking professional liability insurance for the protection of the Directors)?	✓		As always, the Company cares about the interest of the customers, suppliers, shareholders and employees thereby manages the Company by systems and through friendly measures. In addition, the Company also treasures safety and health at workplace and has established an Employee Welfare Committee, taken professional liability insurance for the protection of the Directors, established a bonus system for the employees in its Article of Incorporation. The Directors (including Independent Directors) of the Company are required to take at least 6 hours of continuing education on topics of corporate governance annually. Newly elected Directors (including Independent Directors) are required to take at least 12 hours of continuing education on topics of corporate governance. Information on the continuing education of the Directors has been uploaded to MOPS. Risk management policy and risk assessment standard were carried out in accordance with the "Regulations Governing the Acquisition and Disposal of Assets", "Procedure for Endorsement and	None.

Items of evaluation	The pursuit (Note 1)			Variation from Corporate Governance Best Practice Principles for TWSE Listed and TPEX Listed Companies, and the reason for the variation
	Yes	No	Summary Explanation	
			Guarantee”, “Ethic Code of Conduct”, “Parliamentary Procedure of the Board”, “Procedure for Processing Material Insider Information”. Transaction amounting to NT\$300 million or exceeding 20% of the paid-in capital of the Company shall be subject to the approval of the Board. The policy of quality assurance and protection of customer right has been incorporated into ISO procedures. The Company has taken professional liability insurance for the protection of the Directors, which is explicitly stated in the Articles of Incorporation. For additional information, refer to the ESG Report of the Company.	
IX. Explain the corrective action taken in response to the evaluation result released by Corporate Governance Center of Taiwan Stock Exchange Corporation in the previous period, and special attention and additional effort on issues that needed to be addressed to at top priority: The performance of the Company was rated at the range of 21% ~35% in the 8th Corporate Governance Evaluation. Among the four evaluation dimensions, we have strengthened the “strengthening the structure and operation of the Board of Directors”. In 2022, the Company disclosed the specific management objectives and implementation status of the diversification policy for board members, formulated risk management policies and procedures, disclosed the risk management scope, organizational structure and implementation status, and reported to the Board of Directors once annually, external performance evaluation of the Board of Directors and set up Functional Committees other than those prescribed by law. In “enhancing the transparency of information”, whether the Company had declared material information also in English at the same time. In the “pursuit of sustainable development”, whether the Company have established a full-time (part-time) body charged with sustainable development and reported to the Board at regular intervals, and explained the progress in the pursuit and related corrective actions at the official website of the Company. The Company established the Auditing Committee in 2018, at least 2 Independent Directors have been in successive terms of office for less than 9 years, the remuneration committee with more than half of its members being independent directors, whether the Company held at least six board meetings in the evaluated year, disclosed relevant information of the enterprise according to the framework of Task Force on Climate-related Financial Disclosures (TCFD), uploaded the English-language ESG Report, and whether the number of independent directors reached 1/3, corrective action on related indicators will be accomplished in 2023.				

Note 1: Either “YES” or “NO” for the status of operation requires summary explanation in the remark column.

Note 2: http://mops.twse.com.tw/mops/web/t100sb04_1 (Market type: TWST listed. Search 3023, or SINBON)

- (V) If the Company has established the Remuneration Committee, disclose the organization, function, and operation:

The Board of the Company has established the Remuneration Committee and its organization code in accordance with the “Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is listed on the Taiwan Stock Exchange or the Taipei Exchange” The function of the committee is explicitly stated in the organization code. The committee will assess the performance objective of the Directors and Managers and the remuneration policy, system, standard, and structure from a professional and objective perspective, and perform its function in due diligence with recommendation to the Board as reference for decision-making.

1. Profiles of the Members of the Remuneration Committee:

Identity (Note 1)	Condition	Professional qualifications and experience (Note 2)	Status of independence (Note 3)	Number of companies where the members of the Remuneration Committee also hold concurrent position as members of Remuneration Committee
	Name			
Independent Director (Convener)	Cheng-Yen, Chang	Currently Chief Consultant and Director-General of the Radiological Medical Committee of Department of Medical Imaging, Tzu Chi Hospital Consultant Physician, Taipei Veterans General Hospital Department of BioMedical Engineering, National Yang Ming Chiao Tung University Professor of clinical trial, National Defense Medical Center School of Medicine Nothing in connection with Article 30 of the Company Act	1. The person, the person’s spouse, or second-degree relative do not hold position as Director, Supervisor or employee of the Company or its affiliates. 2. The person, the person’s spouse, second-degree relative (or in the name of a third party) do not hold any shares issued by the Company. 3. Not holding position as Director, Supervisor, or employee of companies with special relation to the Company (Subparagraphs 5~8 of Paragraph 1 under Article 6 of the Regulations Governing the Appointment and Exercise of Powers by The Remuneration Committee of a Company Whose Stock is Listed on Taiwan Stock Exchange or Taipei Exchange). 4. Remuneration of no service in commerce, legal affairs, finance, and accounting to the Company or its affiliates in the last 2 years.	0

Identity (Note 1)	Condition	Professional qualifications and experience (Note 2)	Status of independence (Note 3)	Number of companies where the members of the Remuneration Committee also hold concurrent position as members of Remuneration Committee
	Name			
Independent Director	Hou-Ming, Chen	Currently Professor, Department of International Business, National Taiwan University Former President, Commercial Development Research Institute Dean, College of Management, National Chung Hsing University Chairman, Department of Business Administration, National Chung Hsing University Nothing in connection with Article 30 of the Company Act	1. The person, the person's spouse, or second-degree relative do not hold position as Director, Supervisor or employee of the Company or its affiliates. 2. The person, the person's spouse, or second-degree relative (or in the name of a third party) do not hold any shares issued by the Company. 3. Not holding position as Director, Supervisor, or employee of companies with special relation to the Company (Subparagraphs 5~8 of Paragraph 1 under Article 6 of the Regulations Governing the Appointment and Exercise of Powers by The Remuneration Committee of a Company Whose Stock is Listed on Taiwan Stock Exchange or Taipei Exchange). 4. Remuneration of no service in commerce, legal affairs, finance, and accounting to the Company or its affiliates in the last 2 years.	2
Others	Chi-Lin, Wei	Currently Chairman of IBF Financial Holdings Co., Ltd. Former Director, Graduate Institute of International Business, National Taiwan University Secretary-General, Executive Yuan Chairman of Land Bank of Taiwan Director-General, Executive Yuan Research, Development and Evaluation Council Doctor of Economics, University of Paris Nothing in connection with Article 30 of the Company Act	1. The person, the person's spouse, or the second-degree relative does not hold position as Director, Supervisor or employee of the Company or its affiliates. 2. The person, the person's spouse, second-degree relative (or in the name of a third party) do not hold any shares issued by the Company. 3. Not holding position as Director, Supervisor, or employee of companies with special relation to the Company (Subparagraphs 5~8 of Paragraph 1 under Article 6 of the Regulations Governing the Appointment and Exercise of Powers by The Remuneration Committee of a Company Whose Stock is Listed on Taiwan Stock Exchange or Taipei Exchange). 4. Remuneration of no service in commerce, legal affairs, finance, and accounting to the Company or its affiliates in the last 2 years.	3

Identity (Note 1)	Condition	Professional qualifications and experience (Note 2)	Status of independence (Note 3)	Number of companies where the members of the Remuneration Committee also hold concurrent position as members of Remuneration Committee
	Name			
Others	Mu-Hsiao, Liu	With related work experience in commerce and the business required by the Company. Previously spokesman and special assistant to the CEO of Genetics Generation Advancement Corp., currently Vice President of TeamPlus Technology. Nothing in connection with Article 30 of the Company Act	1. The person, the person's spouse, or second-degree relative does not hold position as Director, Supervisor or employee of the Company or its affiliates. 2. The person, the person's spouse, second-degree relative (or in the name of a third party) do not hold any shares issued by the Company. 3. Not holding position as Director, Supervisor, or employee of companies with special relation to the Company (Subparagraphs 5~8 of Paragraph 1 under Article 6 of the Regulations Governing the Appointment and Exercise of Powers by The Remuneration Committee of a Company Whose Stock is Listed on Taiwan Stock Exchange or Taipei Exchange). 4. Remuneration of no service in commerce, legal affairs, finance, and accounting to the Company or its affiliates in the last 2 years.	0

Note 1: Specify the years of seniority of related work, professional qualifications and experience, and the status of independence of the members of Remuneration Committee. For Independent Directors, refer to P.8, Appendix I, Profiles of Directors and Independent Directors (I) content as stated in the remark column. Put down Director, Independent Director, or others for identity (specify if the person is the convener).

Note 2: Professional qualifications and experience: specify the professional qualifications and experience of individual members of the Remuneration Committee.

Note 3: Status of independence: specify the status of independence of the members of the Remuneration Committee, including but not limiting to holding position as Director, Supervisor or employee of the Company and its affiliates by the person, the person's spouse, or second-degree relative. Quantity and proportion of Company shares held by the person, the person's spouse, or second-degree relative (or in the name of a third party), holding position as Director, Supervisor or employee of companies in special relation with the Company (refer to Subparagraphs 5~8 of Paragraph 1 under Article 6 of the Regulations Governing the Appointment and Exercise of Powers by The Remuneration Committee of a Company Whose Stock is Listed on Taiwan Stock Exchange or Taipei Exchange), the amount of remuneration for rendering services in commerce, legal affairs, finance, and accounting to the Company or its affiliates in the last 2 years.

2. Information on the function of the Remuneration Committee:

- (1) The Remuneration Committee of the Company is consisted of 4 members.
- (2) Tenure of the members in current term: the current term of office started on July 23 2021 and will end on July 8 2024. The committee convened for 4 times (A2) until March 31 2023. The eligibility of the members and attendance to committee sessions of the members are specified below:

Committee members of this term					
Occupational title	Name	Actual frequency of attendance (B)	Frequency of attendance by proxy	Actual attendance rate (%) (B/A2) (Note)	Remark
Convener	Cheng-Yen, Chang	4	0	100%	Renewed term of office-
Member	Chi-Lin, Wei	4	0	100%	Renewed term of office-
Member	Hou-Ming, Chen	4	0	100%	Newly appointed to office on July 23 2021
Member	Mu-Hsiao, Liu	4	0	100%	Renewed term of office-
Date of the sessions, content of the motions, resolutions and the response of the Company to the opinions of the Remuneration Committee:					
Date of the session	Content of the motions and follow-up action		Resolutions	Response of the Company to the opinions of the Remuneration Committee	
2021.10.22	1. Nomination of the convener of the Remuneration Committee		Passed by all members in common consent.	Not required to present to the Board	
	2. Recognition for approval of remuneration to the new managers			Present to the Board for approval of all Directors. Not required to present to the Board Present to the Board for approval of all Directors.	
2022.03.11	1. Review the proposal of remuneration to the employees and Directors of the Company in 2021				
	2. Review the remuneration to the new managers of the Company				
2022.07.22	1. Recognition for approval of remuneration to the new managers				
2023.03.09	1. Review the proposal of remuneration to the employees and Directors of the Company in 2022				

Additional information:

- I. If the Board turned down or revised the recommendation of the Remuneration Committee, specify the date, session of the Board, the content of the motion, the resolution of the Board and the response of the Company to the opinions of the Remuneration Committee (if the resolution on remuneration passed by the Board is senior to the recommendation of the Remuneration Committee, explain the difference and the reason): Not applicable. Subparagraph 44 on disclosure of material information will apply where applicable.
- II. If there is any adverse opinion or qualified opinion on record or in written declaration on the resolutions of the Remuneration Committee, specify the date, session of the committee meeting, content of the motion, opinions of all members and response to the opinions of the members: not applicable. Subparagraph 44 on disclosure of material information will apply where applicable.

Note: (1) If specific member elected to resign within the fiscal year, put down the date of relief from office in the remark column. The actual attendance (as observer) rate (%) will be calculated on the basis the actual frequency of attendance (as observer) to the session of the Remuneration Committee and the frequency of the convention of the Remuneration Committee while the Director is still in office.

(2) If an election of Directors has been held to fill the vacancy before the end of the fiscal year, put down the names of the newly elected members and the members of the previous term, and noted as new to office or reelected to office, and the date of the election. The actual attendance (as observer) rate (%) will be calculated basis the actual frequency of attendance (as observer) to the session of the Remuneration Committee and the frequency of the convention of the Remuneration Committee while the member is still in office.

3. Composition and Operations Information of the Nominating Committee

(1) Clarify the qualifications and responsibilities of the Company's Nominating Committee.

- a. This committee is composed of at least three directors recommended by the Board of Directors, with a majority of independent directors participating.
- b. The Committee shall exercise the care of a good administrator to faithfully perform the following duties and present its recommendations to the Board of Directors for discussion:
 - I. Develop standards for the diverse backgrounds and independence of board members, including professional knowledge, skills, experience, and gender, and to identify, review and nominate candidates for directors according to the standard.
 - II. Construct and develop the organizational structure of each committee, conduct performance evaluations of the Board of Directors, Committees, and Directors, and evaluate the independence of independent directors.
 - III. Other matters to be handled by this Committee through resolutions of the Board of Directors.

(2) Professional qualification and experience and the Operation of the

Nominating Committee Members:

- a. The Nominating Committee was established at the second meeting of the Board of Directors of the Company on July 22, 2022.
- b. The Nominating Committee of the Company is consisted of 3 members.
- c. The term of Nominating Committee: From July 22, 2022 to July 22, 2024, 1 (A) Nominating Committee meetings were held in the most recent year. The professional qualification, experience, attendance of the members and discussions were as follows:

Occupational title	Name	Professional qualification and experience	Actual frequency of attendance (B)	Frequency of attendance by proxy	Actual attendance rate (%) [B/A] (Note)	Remark
Convener	Hou-Ming, Chen	Financial and Academic Ability	1	None	100%	None
Member	Chao-Liang, Wang	Business Management and Human Resource Ability	1	None	100%	None
Member	Yu-Fen, Lin	Law Profession	1	None	100%	None

Additional information:

The dates of the meetings, sessions and content of the motions of the Nominating Committee, summary of members of the Nominating Committee's recommendations or objections, **and the Nominating Committee's resolutions and the response of the Company to the opinions of the Nominating Committee:**

Nominating Committee/Date	August 03 2022
Hou-Ming, Chen	No adverse opinion
Chao-Liang, Wang	No adverse opinion
Yu-Fen, Lin	No adverse opinion

Note: (1) If a member of Nominating Committee resigns within the fiscal year, put down the date of relief from office in the remark column. The actual attendance rate (%) will be calculated on the basis the frequency of the convention of the Nominating Committee while the member is still in office and actual frequency of attendance.

(2) If a member of Nominating Committee was reelected within the fiscal year, put down the names of the newly elected members and the members of the previous term in the remark column, and noted as new to office or reelected to office, and the date of the election. The actual attendance rate (%) will be calculated on the basis the frequency of the convention of the Nominating Committee while the member is still in office and actual frequency of attendance.

(VI) The advocacy of sustainable development and variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies, and the reason:

Advocated items	The pursuit (Note 1)			Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies, and the reason
	Yes	No	Summary Explanation	
I. Has the Company built up a governance framework for the advocacy of sustainable development, and established a full-time (part-time) body for the advocacy of sustainable development led by a senior officer at the authorization of the Board and under the supervision of the Board?	✓		1. Set up an ESG Committee, headed by the Chairman, the Chairman is responsible for setting the annual goals of corporate social responsibility in the economy, environment and society, regularly supervising the implementation status, leading the sustainable development of SINBON, reviewing the implementation progress of the short, medium and long-term goals, and reporting the implementation performance to the Head every 4 month. 2. The ESG Committee conducts annual climate change risk and opportunity identification, develops response strategies and sets goals against financial and strategic significant risk opportunities. 3. The ESG Committee is divided into six sub-committees, headed by the first class supervisors. Each sub-committee is responsible for promoting the implementation of ESG related action plans, KPI performance tracking, and horizontal and vertical communication across Company. 4. In addition to the annual report of the CSO, the Board of Directors also review the Company's strategies proposed by the management team and examine whether the Company can achieve the goals.	None.
II. Has the Company conducted assessment on the risks inherent to the operation environment, social context, and issues of corporate governance under the principle of materiality, and mapped out the risk management policy or strategy? (Note 2)	✓		1. In order to strengthen corporate governance, ensure the integrity of risk management system, implement the risk management balance mechanism, improve the efficiency of risk management division, and improve the awareness of risk management of all employees, the Company defines various risks according to	None.

Advocated items	The pursuit (Note 1)			Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies, and the reason
	Yes	No	Summary Explanation	
			the overall operating policy, effectively identifies, prevents and controls risks through organizational planning, and continuously adjusts and improves the best risk management practices based on changes in internal and external environments to protect the interests of employees, shareholders, partners and customers, so as to increase the Company's value and achieve the sustainable operation. 2. The risk management organization framework of the Company consists of the Board of Director, Corporate Decision-Making Team, Audit Office, and respective business management units. The Company emphasized companywide risk control in accordance with the management organizational structure and the internal control cycle of the Company, implement layer by layer prevention measures in daily work, and face all risks to be considered in the process for control of operation positively in the most cost-effective way, and report to the Board annually. 3. Faced with the impact and challenges of the internationalization of the scale of operations and the increasingly complex global economic environment changes, the Company follows the three defensive lines of risk management and defines various risks in accordance with the overall operating policy of the Company, covering economic development/corporate governance, environmental protection, social responsibility and other considerations (including global emerging risks), identifies key risk projects and takes appropriate countermeasures, to reduce the potential impact on the Company's operations.	

Advocated items	The pursuit (Note 1)			Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies, and the reason
	Yes	No	Summary Explanation	
			4. The Company formulated the "Risk Management Policy and Operating Procedures" in 2021, which was approved by the Audit Committee and implemented after being approved by the Board of Directors. The risk management process covers risk identification, risk assessment, and risk control and mitigation, risk monitoring, risk warning and disclosure for assessing the frequency of risk incidents and the severity of impact on the operation and financial position of the Company, and defining the priority of risk control and risk level and implement appropriate reciprocal actions. 5. The Group President is the Director-General of the Business Continuity Management Team of the Company. Respective departments will be called to map out Business Continuity Plans with reference to different risk scenarios to reduce risk, mitigate the impact on operation, condense the time for recovery, and achieve the goal of business continuity. Action has been taken in line with the "Infectious Diseases BCP" and "Raw Materials Interruption due to Sudden or Unexpected Accidents of Suppliers BCP" and "Geopolitics BCP" for mitigation of the impact, and make perfect related BCP regarding information security and power interruption.	
III. Environmental Issues				
(I) Has the Company established appropriate environmental management system by nature of its industry?	✓		1. The Green SINBON Sub-Committee affiliated of the ESG Committee is responsible for environmental management system and promotion action plan, KPI performance tracking and horizontal and vertical communication across Company, and reporting the implementation performance to the Chairman every 4 months. The ISO 14001 environment	None.

Advocated items	The pursuit (Note 1)			Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies, and the reason
	Yes	No	Summary Explanation	
			management system has also been adopted.	
(II) Has the Company made effort in upgrading energy efficiency and using regenerated materials for mitigating the impact on the environment?	✓		1. In responding to customer needs and aligning with the international trend of environmental protection, the company takes RoHS, PFOA and PFOS as the objective in production. There is no sale return due to RoHS issue. 2. The Company is engaged in R&D, procurement, production, operation and service and other operational activities in accordance with the following principles to reduce the impact of the Company's operations on the natural environment and human beings: (1) Select and adopt environmental friendly materials. (2) Design for life-cycle extension (3) Adopt power saving design and green packaging. (4) The Green Product Management System was introduced to control chemical substances susceptible of causing environmental damage in the supply chain to reduce the risk to the environment and health. 3. 2022 product low-carbon design is detailed in Chapter III of the 2022 ESG Report (expected to be disclosed in June 2023).	None.
(III) Has the Company assessed the potential risk and opportunity to the enterprise brought about by climate change, and taken appropriate measures?	✓		The Board of Directors is the supreme regulator for SINBON Electronics Climate Change, and the Green SINBON Sub-Committee of the ESG Committee is responsible for managing climate change risks and opportunities. In 2022, based on the Task Force on Climate related Financial Disclosures (TCFD) framework, the Company has identified potential physical risks brought about by climate change, transformation risks, opportunities and	None.

Advocated items	The pursuit (Note 1)			Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies, and the reason
	Yes	No	Summary Explanation	
			response methods, managed the major risks and opportunities, and set corresponding response measures and indicators, the details can be found in Chapter III of the 2022 ESG Report (expected to be disclosed in June 2023).	
(IV) Has the Company kept statistical data on the greenhouse gas emission volume, water consumption capacity and weight of solid wastes, and made policies of greenhouse gas reduction, efficient use of water or the management of solid wastes?	✓		1. Greenhouse gas: According to the ISO 14064-1:2018 standard, the Company has taken inventory of the greenhouse gas emissions in 2021 and 2022, taken inventory of the inventory base group with 100% shareholding sites at home and abroad, and set a 40% reduction in greenhouse gas emissions by 2030 in 2022 (Scope 1 and 2, with 2021 as the base year). The setting of carbon reduction path will promote through three aspects: energy management, efficient vehicles and process optimization (energy saving and digital). 2. Waste: The waste reduction target is 80% of the general waste recovery rate and 30% of the hazardous industrial waste recovery rate. The total amount and disposal methods of waste in 2019-2021 are detailed in the 2021 ESG Report (https://www.sinbon.com/tw/files/download/938434b1f48edd7). Actual waste production in 2022 is detailed in Chapter III of the 2022 ESG Report (expected to be disclosed in June 2023). 3. Water consumption: The water consumption in 2021 is detailed on page 73 of the 2021 ESG Report (https://www.sinbon.com/tw/files/download/938434b1f48edd7). Water consumption in 2022 is detailed in Chapter III of the 2022 ESG Report (expected to be disclosed in June 2023).	None.
IV. Social Issues				

Advocated items	The pursuit (Note 1)			Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies, and the reason
	Yes	No	Summary Explanation	
(I) Has the Company established related policies and procedures in accordance with applicable legal rules and the International Conventions on Human Right?	✓		1. SINBON elects to observe the “Universal Declaration of Human Rights”, “UN Global Compact”, “International Labour Convention” and other covenants on human rights and established its human right policy in accordance with the aforementioned guiding principles. In 2022, human rights due diligence was introduced for the first time to identify major/priority human rights risk issues, the countermeasures is expected to be set in 2023 and managed through relevant sub committees of the ESG Commission, details in Chapter IV of the 2022 ESG Report (expected to be disclosed in June 2023). 2. SINBON has passed the International Standard Certification of SA8000 Social Responsibility and ISO 45001 Occupational Safety and Health Management Certification. In 2021, it actively adheres to and became a member of the UN\ Global Compact, regularly disclosing it’s practice of SDGs' various goals. Please refer to https://www.unglobalcompact.org/what-is-gc/participants/5637-Jiangyin-SINBON-Electronics-Co-Ltd-	None.
(II) Has the Company established and pursued reasonable employee benefit policies (including remunerations, leave and other benefits), and reflected operation performance or result appropriated in the remuneration to employees?	✓		Employees receive fixed salaries. The Company also releases performance bonus to the employees. A reasonable linkage between business performance and employee salaries and rewards is established there. The Company has established and disclosed the “Remuneration Committee Organization Code”. Additional information on the operation of the Remuneration Committee is available at the official website of SINBON/Investor Relation/Corporate Governance (https://www.sinbon.com/files/download/45c4e753d797b0c, https://www.sinbon.com/files/download/ff4e23dc3b62d18).	None.

Advocated items	The pursuit (Note 1)			Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies, and the reason
	Yes	No	Summary Explanation	
(III) Has the Company provided a safe and healthy environment for the employees at workplace, and provided education on safety and health at regular intervals?	✓		The Company has been accredited with the ISO45001 occupational health and safety management system for the proper pursuit of safety management and assurance of the safety of the employees and products at the plant site. The Company arranges safety inspection and maintenance of equipment and exercise drills for responding to the occurrence of disaster at regular intervals. In addition, the Company also provides health examination for all employees and holds lectures and seminars on safety/health/environmental protection.	None.
(IV) Has the Company established effective career development planning and training program for the employees?	✓		For tuning towards the goal of corporate development of the Group and satisfying the needs of employees in the kind of occupational skills for performing their assigned duties, the Company provides a wide array of channels for learning such as: internal training, external training, and annual subsidy for learning. In 2020, the Company founded the SINBON Institute offering training in 7 disciplines of management, sale, customer service, merchandising, industrial research, manufacturing, and common knowledge to satisfy the needs of employees in different functions for nurturing the comprehensive occupational skills required for their assigned duties.	None.
(V) Regarding customer health and safety, customer privacy, marketing and labeling of product and services, has the Company complied with applicable legal rules and international standards, and established the policies for the protection of consumer or customer rights and procedure for complaints?	✓		1. The marketing and labeling of products of the Company are in compliance with applicable legal rules. In addition, any form of cheating, misleading, fraud or any act that spoils the trust of the consumers and causes damage to the right of consumers are prohibited. The materials procurement follows international standards or specifications such as the Responsible Business Alliance Guidelines (RBA), SA 8000, ISO 14001, RoHS, and Hazardous Substance Free (HSF). 2. The Company has a Quality Management	None.

Advocated items	The pursuit (Note 1)			Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies, and the reason
	Yes	No	Summary Explanation	
			Department, and has formulated the sample production process, customer complaint management process and product return and replacement mechanism. In case of continuous or major defects, corrective measures and preventive measures will be taken. 3. The scope of customer complaint acceptance ranges from pre-sales design and quality assurance information to after-sales product change requirements. There were no major violations of Health and Safety Regulations or complaints from customers regarding products and services in 2022.	
(VI) Has the Company established policies for the management of suppliers and required suppliers to comply with applicable rules and regulations governing environmental protection, occupational safety and health, or human rights of the labor, and the pursuit of these policies?	✓		1. The Company had developed a supplier Code of Conduct based on the Responsible Business Alliance (RBA), referring to international norms such as the United Nations Guiding Principles on Business and Human Rights, the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization and the Universal Declaration of Human Rights (https://www.sinbon.com/files/Supplier-Code-of-Conduct-ch.pdf). Before proceeding to business transaction with the suppliers, the Company requires the suppliers to sign a Social Responsibility Letter, and requires the key suppliers to fill out RBA Self-Assessment Sheet; It will be followed by the on-site audit of the Company for assuring the suppliers have properly performed their part of social responsibility. 2. SINBON supports the Responsible Business Alliance (RBA) and the Responsible Minerals Initiative(RMI)with its actual actions. It does not use minerals from illegal mining or areas of armed conflict, and requires suppliers to work together to perfect responsibility	None.

Advocated items	The pursuit (Note 1)			Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies, and the reason
	Yes	No	Summary Explanation	
			supply chains. In 2022, the Conflict Minerals use condition from key suppliers would be investigated with the Conflict Minerals Reporting Template(CMRT) provided by the Responsible Minerals Initiative (RMI). For details, see Chapter II of the 2022 ESG Report (expected to be released in June 2023)	
V. Has the Company consulted the internationally adopted standard or guide in compiling its ESG Report for disclosure of non-financial information on the Company? Has the aforementioned reports been accredited or guaranteed by a third party accreditation institution?	✓		1. Drafting rules for Report: The ESG Report is prepared according to GRI, SASB and UN Global Compact guidelines, and is published voluntarily on the official website. 2. A third party accreditation institution has been delegated by the Company for the accreditation of the ESG Report from 2021 onward according to the ISAE 3000. 3. On March 9, 2023, "ESG Report Preparation and Verification Operating Procedures" was approved in the first Board Meeting of the Company to strengthen the Company's compliance in the preparation, verification, announcement and application of ESG Report.	None.
VI. If the Company has established the Sustainable Development Best Practice Principles in accordance with the "Sustainable Development Best Practice Principles for TWSE Listed and TPEX Listed Companies", specify the variation between the practice and the principles: Formulated the Code of Practice for Sustainable Development for SINBON Electronics Co., Ltd. (https://www.sinbon.com/tw/files/download/5d1e8e2dd1411bf), except for Article 27-1: "TWSE Listed and TPEX Listed Companies should continuously inject resources into cultural and artistic activities or cultural and creative industries through donations, sponsorship, investment, procurement, strategic cooperation, corporate voluntary technical services or other support modes to promote cultural development", there was no difference in other terms.				

Advocated items	The pursuit (Note 1)			Variation from the Sustainable Development Best Practice Principles of TWSE Listed and TPEX Listed Companies, and the reason
	Yes	No	Summary Explanation	
VII. Any other vital information that helps to under the pursuit of sustainability better:				
1. ESG Committee (Governance)/Board of Directors (Monitoring) Reports:				
(1) The Board of Directors is the supreme regulator for SINBON Electronics sustainability strategy, at present, it reports the various projects matters to the ESG Committee at regular meetings.				
(2) The ESG Committee is the supreme unit for implementing the sustainability strategy of SINBON Electronics, headed by the Chairman, which is responsible for setting the annual goals of corporate social responsibility in the economy, environment and society, regularly supervising the implementation status, leading the sustainable development of SINBON, reviewing the implementation progress of the short, medium and long-term goals, and reporting the implementation performance to the Head every 4 months.				
2. Identify financial impacts of climate risks and opportunities, develop countermeasures and management objectives In 2022, the ESG Committee developed a climate change risk and opportunity assessment tool according to Task Force on Climate related Financial Disclosures (TCFD), and risk and opportunity analysis are conducted by relevant responsible units according to the policies and regulations, market and technological changes, goodwill and substantive risks, to formulate adaptation and mitigation strategies. Through the participation of senior executives and the combination of the Company’s green process technology development blueprint, specific carbon reduction benefits and financial contributions are developed.				
3. Low-carbon product design: In 2022, the product carbon footprint calculation was carried out to find the hot spots of carbon emission based on the results of inventory, which will be the cornerstone of the promotion of future low-carbon product design, meanwhile, courses such as product carbon footprint were held to cultivate internal low-carbon talents.				
4. Introduce digital carbon management platform: the carbon management platform was introduced in 2022, and relevant data was collected regularly through the digital system. Through visualization, carbon data management can be used and analyzed more effectively to drive the digital transformation of the Group.				

Note 1: If "YES" is chosen for implementation, specify the important policies, strategies, measures and pursuit in concrete term. If "NO" is chosen, explain in the column of "Variation from the Sustainable Development Best Practice Principles for TWSE Listed and TPEX Listed Companies and the reasons" the variation and the reason, and specify related policies, strategies and measures planned for the future. However, in promoting Project 1 and 2, the TWSE or TPEX Listed Companies should clarify the governance and supervisory framework for sustainable development, including but not limited to management policies, strategy, target setting, review measures, etc. And the Company should clarify the risk management policies or strategies and risk evaluation for environmental, social and corporate governance issues related to Company operations.

Note 2: Principle of materiality refers to issues related to the environment, society, and corporate governance that will cause significant influence on the investors and other stakeholders.

Note 3: For information on the means of disclosure, refer to the sample version of the best practice principles posted at the website of the Corporate Governance Center of Taiwan Stock Exchange Corporation.

(VII) Climate Related Information of TWSE or TPEX Listed Companies

Distribution of Climate Related Information

Item	Distribution
I. Clarify supervision and governance of the Board of Directors and management on climate-related risks and opportunities.	1. Climate related issues regulated by the Board of Directors: (1) The Board of Directors is the supreme regulator for climate change at SINBON Electronics, at present, it reports the management situation and operational performance related to climate change at regular meetings. (2) The Board of Directors supervises the climate change management operations of SINBON Electronics, including climate strategy, annual goals, action plans, annual budgets and related major financial expenditures, tracking the achievement of goals and management operational performance. (3) The Board of Directors reviews the achievement of climate related goals and management performance. (4) The Board of Directors provides guidance on the current status and direction of climate change management to the ESG Committee 2. Climate related issues assessed and managed by management team: (1) The ESG Committee is the supreme executive for climate change, the Committee is headed by the Chairman, the Chairman is responsible for setting the annual goals of corporate social responsibility in the economy, environment and society, regularly supervising the implementation status, leading the sustainable development of SINBON, reviewing the implementation progress of the short, medium and long-term goals, and reporting the implementation performance to the Head every 4 months. (2) The environmental sustainability sub-committee of ESG Committee conducts annual climate change risk and opportunity identification, develops response strategies and sets goals against financial and strategic significant risk opportunities, and responsible for driving the implementation of action plans and tracking KPI performance. It reports to the ESG Committee Head (Chairman) every 4 months.

Item	Distribution
II. Clarify how the identified climate risks and opportunities affect the Company's business, strategy, and finances (short-term, medium-term, and long-term).	1. Add the severity of extreme weather events: short-term (1-2 years) financial impact (revenue decrease). Countermeasures: (1) Introduce ISO22301 for continuous operation management into the manufacturing plant (2) Establish a continuous operation management plan for climate entity risk scenarios (3) Import risk management system operation (4) Promotion of Factory Damage Prevention and Blockage Project (5) Comprehensive assessment of factors and days causing operation interruption, and comprehensively evaluate and layout the insurance arrangements of operation interruption from the perspective of the Group 2. Strengthen emission reporting obligations: short-term (1-2 years) financial impact (cost increase). Countermeasures: (1) Promote ISO14064-1 greenhouse gas inventory of operating sites with control rights (2) Entrust a professional third party to verify ISO14064-1 greenhouse gas emissions (3) Assign relevant departments to be responsible for identifying local regulations, conducting inventory checks, and reporting operations in the place of operation and product sales (4) Establish an internal greenhouse gas inventory system 3. Develop or expand low-carbon products and services: long-term (5-10 years) financial impact (revenue increase). Countermeasures: (1) Continuously track the energy-saving and low-carbon development trend of the connector industry (2) Increase R&D investment year by year (3) Research and development of low-carbon, high-efficiency, and carbon reduction applications related patents for connector products 4. Use more efficient production and distribution processes: short-term (1-2 years) financial impact (cost decrease). Countermeasures: (1) Introduce ISO50001 Energy Management System into the manufacturing base (2) Set up digital electricity meter and energy management platform in the manufacturing base (3) Perform energy audits to analyze the distribution of operational electricity consumption (4) Identify power consumption concentration points and process energy-saving opportunities (5) Promote internal energy-saving proposal reward mechanism
III. Clarify the financial impact of extreme climate events and transformation actions.	Same as above.

Item	Distribution
IV. Clarify how climate risk identification, assessment and management processes are integrated into the overall risk management system.	1. In 2021, SINBON adopted the "Risk Management Policies and Operating Procedures" as the supreme guiding principle for risk management. 2. The Board of Directors is the supreme decision-making unit for risk management, and the Corporate Decision-Making Team is the supreme unit for risk management. The Audit Office conducts risk management (i.e. internal audit). The top-down enterprise risk management approach is adopted to strengthen the risk management link between senior management and other departments, and ensure the reasonable management of Group risks. 3. The scope of risk management includes economic development, corporate governance, environmental protection, employee society, etc., various climate risk scenarios have been included in the management and control.
V. If scenario analysis is applied to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and main financial impacts used should be explained.	Climate risk analysis is conducted in different scenarios, including considering physical scenarios such as National Determined Contributions (NDS), Science Based Target, and SSP1, SSP2, SSP5-8.5 of IPCC Sixth Assessment Report (AR6).
VI. If there is a transformation plan for managing climate-related risks, the plan content and the indicators and objectives used to identify and manage physical and transformation risks shall be explained.	1. Following the spirit of Science-Based Targets (SBT), with 2021 as the benchmark year, a target of an absolute reduction of 40% (including categories 1 and 2) by 2030 is set. Comprehensively examine the carbon reduction space in categories 1 (direct emissions) and 2 (indirect energy emissions), by rationalizing travel management, replacing vehicles with electric/high-efficiency fuel vehicles, replacing high-efficiency air conditioning equipment, introducing energy management mechanisms, promoting energy-saving measures and using renewable energy, carbon reduction can be achieved. 2. Other relevant indicators: in addition to the main indicators of greenhouse gas emissions, other indicators such as energy consumption, electricity consumption, energy intensity, water intake, wastewater emissions, waste generation, etc. 3. SINBON Electronics introduces the ISO 50001 Energy Management System to set goals and performance indicators for various levels and departments to promote Energy-saving and Carbon Reduction Projects in various factory areas. In order to enhance the active participation of colleagues and achieve the goals, it is planned to conduct performance evaluations of Energy-saving and Carbon Reduction Projects in the future, and directly link the implementation results to the performance of operation units.
VII. If internal carbon pricing is used as a planning tool, the basis for pricing should be explained.	In the evaluation, it has not been imported yet.

Item	Distribution
VIII. If climate-related goals are set, information should be provided on the activities covered, the scope of greenhouse gas emissions, the planning period and the annual progress achieved; If carbon credits or RECs are applied to achieve relevant goals, the limit source and quantity of carbon credits or the quantity of RECs should be stated.	1. Following the spirit of Science-Based Targets (SBT), with 2021 as the benchmark year, a target of an absolute reduction of 40% (including categories 1 and 2) by 2030 is set. 2. Comprehensively examine the carbon reduction space in categories 1 (direct emissions) and 2 (indirect energy emissions), by rationalizing travel management, replacing vehicles with electric/high-efficiency fuel vehicles, replacing high-efficiency air conditioning equipment, introducing energy management mechanisms, promoting energy-saving measures and using renewable energy, carbon reduction can be achieved.
IX. Greenhouse gas inventory and confirmation (fill in 1-1 separately).	Since 2010, SINBON has been conducting greenhouse gas inventory voluntarily. Starting from 2021, it has been conducting inventory of wholly-owned sites in accordance with ISO 14064-1:2018 and it is verified by a third-party. In conjunction with the greenhouse gas inventory process, the data for Scope 1 and Scope 2 of greenhouse gas emissions in 2022 are summarized in the table below. After third-party verification, the data will be disclosed in the 2022 ESG Report (will be released in June 2023).

1-1 Greenhouse gas inventory and assurance status

Basic information of the Company ☐ Companies with a capital of over NT\$10 billion (steel and cement industries) ☐ Companies with a capital of over NT\$5 billion but less than NT\$10 billion ☒ Companies with a capital less than NT\$5 billion	The following contents shall be disclosed at least in accordance with the sustainable development roadmap of TWSE or TPEX Listed Companies ☐ Inventory of parent company ☐ Inventory of consolidated financial reporting subsidiaries ☐ Parent company acquire assurance ☐ Consolidated financial reporting subsidiaries acquire assurance

* Since 2010, SINBON has been conducting greenhouse gas inventory voluntarily. Starting from 2021, it has been conducting inventory of wholly-owned sites in accordance with ISO14064-1:2018 and it verified by a third-party. In conjunction with the greenhouse gas inventory process, the data for greenhouse gas emissions of Miaoli Factory in 2022 are summarized in the table below. After third-party verification, the data of wholly-owned sites will be disclosed in the 2022 Sustainability Report (expected to be disclosed in June 2023).

Scope 1	Total Emissions (mt. CO2e)	Intensity (mt. CO2e/NT\$ million)(Note2)	Confirmation Institution	Assurance Status Description (Note 3)
Parent Company	245	/	/	/
Scope 2	Total Emissions (mt. CO2e)	Intensity (mt. CO2e/NT\$ million)(Note2)	Confirmation Institution	Assurance Status Description (Note 3)
Parent Company	2,855	/	/	/

(VIII) Practice of ethical corporate government and the variation with the Ethical Corporate Governance Best Practice Principles for TWSE Listed and TPEX Listed Companies, and the reason:

Implementation of ethical corporate management

Items of evaluation	The pursuit (Note 1)			Variation from the Ethical Corporate Management Best Practice Principles for TWSE Listed and TPEX Listed Companies
	Yes	No	Summary Explanation	
I. Establishment of the ethical corporate management policy and action plans				
(I) Has the Company made policies of ethical corporate management passed by the Board, and explicitly stated the ethical corporate management policy and related action plans, and the commitment of the Board and the senior management in the proper pursuit of the ethical corporate management policy?	✓		The Company has established the “Ethical Corporate Management Best Practice Principles” and the “Ethical Corporate Management Operation Procedure and Code of Conduct”, and has properly pursued these policies and announced at the official website of the Company.	None.
(II) Has the Company developed the mechanisms for the assessment of the risk of unethical practices, and conducted analysis and assessed the kind of business activities vulnerable to the risk of unethical practices within the scope of operation at regular intervals, and mapped out the solution for preventing such practices covering at least the preventive measures as stated in Paragraph 2 under Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE Listed and TPEX Listed Companies”?	✓		Internal audits were included in the Annual Audit Plan. Audits will be conducted as scheduled or at any time where necessary.	None.
(III) Has the Company mapped out the solution for preventing unethical practices, and specified the operation procedures, code of conduct, penalty on violation and the system for complaints in the solutions, and properly implemented the plans with routine review and revision of the aforementioned solutions?	✓		The Principles and Operation Procedure and Code of Conduct have been incorporated into the annual training program with announcement at the official website of the Company.	None.

Items of evaluation	The pursuit (Note 1)			Variation from the Ethical Corporate Management Best Practice Principles for TWSE Listed and TPEX Listed Companies
	Yes	No	Summary Explanation	
II. Practice of ethical corporate management				
(I) Has the Company assessed the record of integrity on the counterparties of trade, and explicitly stated the integrity clause in the contracts binding the counterparties and the Company?	✓		It is explicitly stated in the standardized contracts of the Company.	None.
(II) Has the Company established a designated body charged with the advocacy of business integrity under ethical corporate management on a full-time (part-time) basis under the direct supervision of the Board, and report to the Board of the ethical corporate management policy and the plans for prevention of unethical practices with monitoring on the enforcement of the plans at regular intervals (at least once a year)?	✓		The designated body of the Company for this purpose is the "Legal Affairs Division". This body reports to the Board at least once a year or where necessary (the last report was presented in the 4th session of the Board in 2022). In addition, the internal audit function also report to the Board at regular intervals or as needed.	None.
(III) Has the Company established the policies for the avoidance of the conflict of interest and appropriate channels for expression, and properly pursued these policies?	✓		The Company has established the channel and mail box for hearing complaints. The Company has also established the "Stakeholders Section" and contact at its official website.	None.
(IV) For the proper pursuit of ethical corporate management, has the Company established an effective accounting system and internal control system, with related audit plans designed by the internal audit function on the basis of the findings of the assessment on the risk of unethical practices basing on which audit on prevention of unethical practice will be conducted, or CPAs will be delegated for conducting the audit?	✓		Arranged as a part of the Annual Audit Plan in accordance with the "Ethical Corporate Management Best Practice Principles" and "Ethical Corporate Management Operation Procedure and Code of Conduct" established by the Company.	None.

Items of evaluation	The pursuit (Note 1)			Variation from the Ethical Corporate Management Best Practice Principles for TWSE Listed and TPEX Listed Companies
	Yes	No	Summary Explanation	
(V) Has the Company organized internal and external training on ethical corporate management at regular intervals?	✓		The Board of the Company arranges the reference filing of the report on Ethical Corporate Management Best Practice Principles and as a part of training in the orientation of the new employees every year.	None.
III. The functioning of the informing and complaint system of the Company				
(I) Has the Company established the informing and complaint system and channels for facilitating informing and complaint, and appointed designated personnel to appropriately handle the personnel accused of unethical practice?	✓		1. The Company has established the "Stakeholder Section" at its official website handled by designated personnel.	None.
(II) Has the Company established the standard operation procedure for processing reports and complaints, the actions to be taken after the investigation, and the mechanisms of confidentiality?	✓		2. The Company has established the "Regulations Governing the Responses to the informing of Illegal and Unethical Practices" and announced at its official website.	None.
(III) Has the Company taken appropriate measures for the protection of the informants from undue treatment due to reporting on illegal or unethical practice?	✓		3. The measures taken by the Company for the protection of the informants include no disclosure of the source of the information, conduct investigation by a third party, and enter into agreement on confidentiality with the parties concerned.	None.
IV. Additional disclosure of information Has the Company disclosed the content of its Ethical Corporate Management Best Practice Principles and the result of implementation at its official website and MOPS?	✓		1. The website installed by the Company is: www.sinbon.com 2. The official website of MOPS (Market Observation Post Service): Note 2. 3. No record on violation of ethical corporate management by the Company.	None.
V. If the Company has established its Ethical Corporate Management Best Practice Principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE Listed and TPEX Listed Companies", specify the practice and variation from the Principles: No variation.				

Items of evaluation	The pursuit (Note 1)			Variation from the Ethical Corporate Management Best Practice Principles for TWSE Listed and TPEX Listed Companies
	Yes	No	Summary Explanation	
VI. Any other vital information that help to understand the practice of ethical corporate management better: (e.g.: review and revise the Ethical Corporate Management Best Practice Principles): The Board of the Company arranges the reference filing of the report on Ethical Corporate Management Best Practice Principles and included as a part of the training for the orientation of the new employees. The internal audit function also arranges related issues as special audit items.				

Note 1: Either "YES" or "NO" for the status of operation requires summary explanation in the remark column.

Note 2: http://mops.twse.com.tw/mops/web/t100sb04_1 (Market type: TWST listed. Search 3023, or SINBON)

- (IX) For Inquiry of Corporate Governance Best Practice Principles and related rules and regulations: <https://www.sinbon.com/tw/corporate-governance>
- (X) Any other vital information that helps to understand the pursuit of corporate governance by the Company better: visit the official website of the Company at www.sinbon.com.

(XI) Implementation of internal control for disclosure:

1. Declaration of internal control:

Statement of Declaration of Internal Control

Date: March 9 2023

SINBON Electronics Co., Ltd. has conducted internal audit in accordance with its Internal Control Regulation covering the period from January 1 to December 31, 2022, and hereby declares as follows:

- I. The company acknowledges and understands that, the establishment, enforcement and preservation of internal control system is the responsibility of the Board and the managers, and that the company has already established such system. The purpose of it is to reasonably ensure the effect and efficiency of operation (including profitability, performance and security of assets), the reliability, timeliness and transparency of reporting and the compliance with relevant legal rules.
- II. There is limitation inherent to internal control system, no matter how perfect the design. As such, effective internal control system may only reasonably ensure the achievement of the aforementioned goals. Further, the operation environment and situation may vary, and hence the effectiveness of the internal controls system. The internal control system of the company features the self-monitoring mechanism. Once identified, any shortcoming will be corrected immediately.
- III. The company judges the effectiveness of the internal control system in design and enforcement in accordance with the “Regulations Governing Establishment of Internal Control Systems by Public Companies” (hereinafter referred to as “the Regulations”). The Regulations are instituted for judging the effectiveness of the design and enforcement of internal control system. There are five components of effective internal control as specified in the Regulations with which the procedure for effective internal control are composed by five elements, namely, 1.control environment, 2. Risk Evaluation, 3. Control Operation, 4. Information and Communication, and 5. Monitoring. Each of the elements in turn contains certain audit items, and shall be referred to the Regulations for detail.
- IV. The company has adopted the aforementioned internal control system for internal audit on the effectiveness of the design and enforcement of the internal control system.
- V. Basing on the aforementioned audit findings, the company holds that has reasonably preserved the achievement of the aforementioned goals of internal control (including the monitoring over the subsidiaries) in the period

of January 1 to December 31, 2022, including the effectiveness and efficiency in operation, reliability, timeliness and transparency in reporting and compliance with relevant legal rules, and that the design and enforcement of internal control are effective.

- VI. This statement of declaration shall form an integral part of the annual report and prospectus on the company and will be announced. If there is any fraud, concealment and unlawful practice discovered in the content of the aforementioned information, the company shall be liable to legal consequences under Article 20, Article 32, Article 171 and Article 174 of the Securities and Exchanges Act.
- VII. This statement of declaration has been approved by the Board on March 9 2023.

SINBON Electronics Co., Ltd.

Chairman : Shaw-Shing Wang

President : Wei-Ming Liarnng

- 2. If a CPA is appointed to conduct a special audit on the internal control system, disclose the Auditor's Report: None.
- (XII) The Company and insiders were punished under law, or punished due to the violation of internal control system by insiders in the previous period to the date this report was printed, the major defect and the status of rectification: None.
- (XIII) Major resolutions of the Shareholders' Meeting and the Board in the previous period to the date this report was printed:

2021.10.22	Board of Director	<u>Report:</u> Report on stakeholder communication, report on the implementation of integrity management by the Headquarters Office, propaganda and guidance on the management procedures for internal major information processing and insider trading prevention, report on the development of a smart property management plan and report of the Corporate Social Responsibility Committee.

Proposal for Discussion: Review of the 2022 Annual Audit Plan, establishment of the "Internal Control Self-Assessment Procedure", establishment of the "Risk Management Policy and Procedure", amendment to the "Procedure for Processing of Material Insider Information and the Prevention of Insider Trade" in part, amendment to the "Regulations Governing the Response to Informing and Complaints of Illegal and Unethical Practices" in part, establishment of the "Information Security Policy and Management Operation Regulations".

2022.03.11	Board of Director	Report: Report on the 2021 Self-evaluation Results of the Performance Evaluation of the Board of Directors, Director's Liability Insurance Report and Ernst&Young CPAs' Independence Statement. Proposal for Discussion: Proposal for remuneration to employees and Directors in 2021, Proposal for the distribution of earnings in 2021, Statement of Declaration of Internal Control in 2021, 2022 Business Plan, Result of the Assessment of the Independence of the CPAs in the capacity of Independent Auditors of the Company, Amendment to the "Procedure for the Acquisition or Disposal of Assets" in part, Amendment to the "Corporate Governance Best Practice Principles" in part, Amendment to the "Sustainable Development Best Practice Principles" in part, Amendment to the "Procedure for the Board" in part, Amendment to the "Rules of Procedure for Shareholders' Meeting" in part, Amendment to the "Articles of Incorporation" in part, Raising capital amounting to US\$520,200 for wholly-owned subsidiary SINBON USA LLC, Capital investment in TOP TAIWAN XIV VENTURE CAPITAL CO., LTD., Establishment of the "ESG Committee", Schedule for the regular session of the Shareholders' Meeting in 2022 and related matters.
2022.04.22	Board of Director	Proposal for Discussion: Consolidated Financial Statements for the Q1 2022, proposal for determine the benchmark date for the issuance of new shares for the 7th issue of non-guaranteed domestic convertible bonds of the Company, review of shareholder meeting proposals, the plan for greenhouse gas inventory and verification work schedule, endorsement and guarantee for SINBON Hungary Kft, a wholly-owned subsidiary of the Company, cash capital increase of SINBON USA LLC, a wholly-owned subsidiary of the Company US\$299,994.46, cash capital increase of SINBON USA LLC, a wholly-owned subsidiary of the Company with a maximum limit of US\$1.5 million. Notes: In view of the plan for greenhouse gas inventory and verification work schedule, the Board of Directors reminds the management team to regularly review the progress and urges them to make adjustments when necessary.
2022.05.30	Shareholders' Meeting	Recognition of the 2022 Business Report and Financial Statements of 2021. Status: the minute of meeting on record has been uploaded to MOPS on May 30 2022. Recognition of the proposal for distribution of earnings in 2021. Status: base day for dividend on August 27 2022, payment made on September 16 2022. Passed the amendment to "Rules of Procedure for Shareholders' Meeting" in part. Status: announced and uploaded to MOPS on May 30 2022. Passed the amendment to "Procedure for the Acquisition or Disposal of Assets" in part. Status: uploaded to MOPS on May 30 2022. Passed the amendment to "Articles of Incorporation" in part.

Status: uploaded to MOPS on May 30 2022.

2022.07.22	Board of Director	<u>Proposal for Discussion:</u> Proposal of changing CPA of Ernst & Young. The consolidated financial statements of Q2 2022. Determination of the benchmark date for the issuance of new shares for the 7th issue of non-guaranteed domestic convertible bonds. Recognition for approval of remuneration to the new managers. Setting of the Company's 2022 ex-dividend benchmark date. Election of the Vice Chairman of the Company. Retirement of the Vice President of the Company's Headquarters office. Proposal of formulating the Company's "Articles of Association of Nominating Committee". Appointment of members of the Nominating Committee. Update of the Company's endorsement and guarantee in favor of SINBON USA LLC (hereinafter, "SINBON USA"), a wholly-owned subsidiary of the Company. The capitalization of retained earnings into new shares of Tong Cheng SINBON Electronics Co., Ltd., a wholly-owned subsidiary of the Company amounting to USD 3 million. The Company sets a limit of US\$3 million of raising capital for the 100% investee company, SINBON USA LLC(hereinafter, "SINBON USA"). The Company raised capital for the 100% investee company, SINBON Hungary Kft (hereinafter, "SINBON Hungary"), amounting to EUR 1 million. The Company's 85.53% trans-investment in Beijing SINBON TongAn Renewable Energy Co., Ltd. (hereinafter, "Beijing TongAn"), proposed to raise cash capital of CNY 20 million for its subsidiary Xuzhou ENMAGIC Energy Co., Ltd. (hereinafter referred to as Xuzhou ENMAGIC). The Company's 85.53% trans-investment in Beijing SINBON TongAn (hereinafter, "Beijing TongAn"), proposed to reduce the capital and liquidate its subsidiary Beijing SINBON Electronics Co., Ltd. (hereinafter, "Beijing SINBON"). The Company's 100% trans-investment in Kwan Ze Corporation Ltd. (hereinafter, "Kwan Ze"), proposed to jointly establish a joint venture company, " Enwan Technology Co., Ltd." with shareholders such as Chant Sincere Co., Ltd. and Nextronics Engineering Corp. (tentative). The Company intends to loan funds to wholly-owned sub-subsidiary SINBON C&C LLC (hereinafter, "C&C")
2022.10.21	Board of Director	<u>Report:</u> Propaganda on the management procedures for internal major information processing and insider trading prevention. Report on stakeholder communication. Report on the implementation of integrity management. Smart Property Management Plan Report. 2022 enterprise risk management operation report. 2021 ESG Report. <u>Proposal for Discussion:</u> Consolidated Financial Statements for Q3 2022. Determination of the benchmark date for the issuance of new shares for the 7th issue of non-guaranteed domestic convertible bonds. Review of 2023 Annual Audit Plan. Formulation of the Company's "Group Tax Policies and Management Measures". Amendment to the "Processing of Material inside Information and Prevention of Insider Trade Procedure" of the Company in part. Ratification of the right-of-use assets obtained from the Office Lease Contract signed between the Company and T-CONN Precision Co., Ltd., a subsidiary where the Company holds 57.45% of its stakes.

Ratification of the right-of-use assets obtained from the Machinery and Equipment Lease Contract signed between the Company and T-CONN Precision Co., Ltd., a subsidiary where the Company holds 57.45% of its stakes. The Company has processed the 8th issue of non-guaranteed convertible domestic bonds of NT\$1,000,000,000. Update of the loaning of funds to wholly-owned subsidiary SINBON Hungary Kft (hereinafter, "SINBON Hungary"). The Company's intends to participate in the investment of DAMON MOTORS INC's non-guaranteed convertible bonds.

Note: In view of the topics reported in the 2021 ESG Report, the Company set the 2030 carbon reduction target and explained the updated 2022 implementation progress (including carbon footprint inventory, TCFD projects, sustainable partners and supply chain, etc.). The Board of Directors raised concerns about the Company's strategy proposed by the operational team, including the commitment to reduce carbon emissions of the Group by 40% by 2030 and the measures for carbon reduction mechanisms, and also suggested that the Company regularly review whether the goals can be achieved through the strategies.

2023.03.09 Board of
Director

Report: Report on the 2022 Self-evaluation Results of the Performance Evaluation of the Board of Directors, Director's Liability Insurance Report and Ernst&Young CPAs' Independence Statement.

Proposal for Discussion: 2022 Separate Financial Statement and Consolidated Financial Statement. 2022 Employee Compensation and Director Compensation. Proposal for the Distribution of Earnings in 2022. Statement of Declaration of Internal Control in 2022. Formulation of the distribution principles for souvenirs received by shareholders at the Shareholders' Meeting. Formulation of the Company's "Preparation and Verification Operating Procedures of ESG Report". 2023 Annual Operating Plan. Review of the assessment result of the Independence of the CPAs of the Company. Non-assurance services intend to be provided by Ernst & Young and its affiliated companies to the Company and its subsidiaries. Determination of the benchmark date for the issuance of new shares for the 7th issue of non-guaranteed domestic convertible bonds. Update of the Company's greenhouse gas inventory and verification work schedule plan. The Company raised capital for the 100% investee company, SINBON USA LLC(hereinafter, "SINBON USA"), amounting to US\$3 million. The Company's intend to increase loan funds to wholly-owned sub-subsidiary SINBON Ohio LLC (hereinafter, "SINBON Ohio"). "Beijing SINBON TongAn Renewable Energy Co., Ltd." (hereinafter, "Beijing TongAn"), a subsidiary where the Company holds 85.53% of its stakes, suspended the listing of CNY common shares (A-shares) on the Shenzhen Stock Exchange. Adjustment of the investment holding structure of "Beijing SINBON TongAn Renewable Energy Co., Ltd. (hereinafter, "Beijing TongAn"), a subsidiary where the Company holds 85.53% of its stakes. Cash buy-back for capital reduction of "Beijing SINBON TongAn Renewable Energy Co., Ltd. (hereinafter, "Beijing TongAn"), a subsidiary where the Company holds 85.53% of its stakes. The Company's intend to

transfer Miaoli No. 3 Factory (E-Bike Assembly Factory) to T-CONN Precision Co., Ltd., a subsidiary where the Company holds 57.45% of its stakes (hereinafter referred to as T-CONN). The expected schedule and related matters of the 2023 Shareholders' Meeting.

- (XIV) Adverse opinions from the Directors over the resolutions of the Board on record or in written declaration, in the previous period to the date this report was printed, and the summary of the content: None.
- (XV) The resignation or dismissal of related personnel of the Company (including the Chairman, President, Chief Accounting Officer, Chief Financial Officer, head of internal audit, and head of R&D) in the previous period to the date this report was printed:

The table showing the resignation or dismissal of related personnel of the Company

April 1 2023

Occupational title	Name	Date of office	Date of relief from office	Reason for resignation or relief
Vice President	Chun-Yu, Chen	2018/4/20	2022/10/12	Retiring
Director	Ping, Li	1996/10/1	2022/12/31	Retiring
Ass. Director	Ming-Cheng, Lin	2015/6/1	2022/09/30	Retiring

Note: Related personnel of the Company are the Chairman, President, Chief Accounting Officer, Chief Financial Officer, head of internal audit, Corporate Governance Officer, and head of R&D.

V. Information on fee for CPAs service:

- (I) If the payment for the non-audit service of the CPAs of the Company, the CPA firm and its affiliates accounting for 1/4 or more of the fee for auditing service, disclose the content of audit and non-audit services and the amount: the Company voluntarily disclosed the amount of payment for audit and non-audit services and the content of the services specified as follows:

Unit: NT\$1,000

Name of CPA firm	Ernst & Young, Taiwan	
Name of CPA 1	Wen-Chen, Lo	
Name of CPA 2	Ming-Hung, Chen	
Auditing fee	6,200	
Non-auditing fee	System design	0
	Business registration	0
	Human Resources	0
	Others	2,260
	Subtotal	2,260
Does the audit period of the CPAs cover the whole fiscal year	Cover or not	Yes
	Audit period	2022

- (II) If the payment for CPAs audit services in the year of replacement of CPAs firm was less than the amount paid for the audit services of the previous year, disclose the amount of auditing fee reduced, the ratio of reduction and the reason: Not applicable.
- (III) If the auditing fee reduced by more than 10% from the same period of the previous year, disclose the amount reduced, the ratio and the reason: Not applicable.

Information on payment to CPAs of the Company

Currency unit: NT\$1,000

Name of CPA firm	Name of Independent Auditor	CPA audit period	Auditing fee	Non-auditing fee (Note 2)	Total	Remark
Ernst & Young, Taiwan	Tzu-Ping, Huang	January 1 2022 to June 30 2022	6,660	2,260	8,920	CPA Rotation
	Wen-Chen, Lo	June 30 2022 to December 31 2022				
	Ming-Hung, Chen	January 1 2022 to December 31 2022				

Note1: If CPA or audit firm is replaced, list out the audit period, and explain the reason in the Remark column and enclose the the auditing fee and non-auditing fee. The content of the non-auditing service should be explained

Note2: The content of service includes tax audit and accreditation of CSR Report.

VI. Information on replacement of CPAs:

(I) About the CPAs previously appointed:

Date of replacement	Not applicable		
Reason for replacement and explanation	Not applicable		
Explain if terminated by the principal or the CPA, or the CPA declined the appointment	The Parties concerned	CPA	Principal
	Status		
	Voluntary termination of the appointment		
	Declined the (continued) appointment		
The opinion stated in Auditor's Report issued with unqualified opinion in the last 2 years and the reason.	None		
Any different opinion from the issuer	None		
Additional information for disclosure (Particulars inscribed in Section 1-(4) and Section 1-(7) of Subparagraph 6 under Article 10 of the Principles should be disclosed).	None		

(II) About the successor CPA

Name of CPA firm	None
Name of Independent Auditor	None
Date of appointment	None
The issues for consultation on the accounting method or principle of special transactions before the appointment that may affect the audit opinion and the result.	None
The difference between the opinion of the successor CPAs and the predecessor expressed in writing.	None

(III) The reply of the previous CPAs of the Company on issues stated section 1 and section 2-(3) of subparagraph 6 under Article 10 of the Regulations: Not applicable.

VII. In case the Chairman, President, Chief Financial Officer or Chief Accounting Officer of the Company who has been employed by the CPA firm retained for services or its affiliate, disclose the name, occupational title, and the duration of employment by the CPA firm or its affiliate: Not applicable.

VIII. In the previous period to the date this report was printed, the transfer of shares or changes in the pledge of shares under lien by the Directors, Managers, and shareholders holding more than 10% of the shares issued by the Company:

(I) Changes in equity of the Directors, Managers and major shareholders:

Unit: share

Occupational title	Name	2022		In current period to April 1	
		Change in the quantity of shareholding	Change in the quantity of shares under lien	Change in the quantity of shareholding	Change in the quantity of shares under lien
Chairman	Shaw-Shing Wang	0	0	0	0
Vice Chairman	Wei-Ming, Liang	(240,000)	0	0	0
Director	Hsin-Chih, Yeh	(500,000)	0	0	0
Director	Argosy Research Inc.	0	0	0	0
Representative of Director	Chao-Liang, Wang	0	0	0	0
Director	Tai Yi Investment Co., Ltd.	9,000	0	0	0
Representative of Director	Wei-Chung, Wang	0	0	0	0
Director	Kuo Shian Investment Co., Ltd.	0	0	0	(300,000)
Representative of Director	Kuo-Hung, Wang	0	0	(105,022)	0
Director & Vice President	Wen-Sen, Huang	0	0	0	0
Director	Te-Cheng, Chiu	0	0	0	0
Independent Director	Cheng-Yen, Chang	0	0	0	0
Independent Director	Hou-Ming, Chen	0	0	0	0
Independent Director	Yu-Fen, Lin	0	0	0	0
Vice President	Chun-Yu, Chen (date of relief from office: October 12 2022)	36,586	0	Not applicable	Not applicable
Director	Ping, Li (date of relief from office: December 31 2022)	0	0	Not applicable	Not applicable
Director	Li-Li, Huang	3,000	0	0	0
Director	Hsiu-Sui, Lin	0	0	0	0
Director	Cheng-Ling, Li	0	0	0	0
Director	Yun-Ju, Huang	0	0	0	0
Director	Hsing-Chun, Wu	29,136	0	0	0

Occupational title	Name	2022		In current period to April 1	
		Change in the quantity of shareholding	Change in the quantity of shares under lien	Change in the quantity of shareholding	Change in the quantity of shares under lien
Director	Hao-Min, Hsu	(2,078)	0	0	0
Director	Chin-Tsung, Huang	0	0	0	0
Ass. Director	Ping-Chen, Sung	0	0	0	0
Ass. Director	Ming-Cheng, Lin (date of relief from office: September 30 2022)	14,493	0	Not applicable	Not applicable
Ass. Director	Chia-Ching, Lin	0	0	0	0
Ass. Director	Ya-Hui, Kuo	0	0	0	0
Ass. Director	Kuei-Chen, Feng	0	0	0	0
Ass. Director	Ping-Jen, Chen	0	0	0	0
Ass. Director	Chien-Ming, Huang	0	0	0	0
Ass. Director	Hsing-Hsiu, Kuo	0	0	0	0
Ass. Director	Kuo-Hung, Chen	0	0	0	0
Ass. Director	Ping-Chen, Fu	0	0	0	0
Ass. Director	Yang-Yu, Wu	0	0	0	0
Ass. Director	Shan, Li	0	0	0	0
Ass. Director	Yu-Hsuan, Lin	2,000	0	(1,000)	0
Ass. Director	Ya-Hui, Kao	0	0	0	0
Ass. Director	Yao-Ting, Li	0	0	0	0
Ass. Director	Yi-Hsien, Lin	0	0	0	0
Ass. Director	Hsin-Nan, Hsiung	9,000	0	(33,000)	0
Ass. Director	Chen-Chun, Wang	0	0	0	0
CFO	Chi-Chou, Chang	10,000	(50,000)	0	0

Note 1: Shareholders holding more than 10% of the shares issued by the Company shall be noted as Dominant Shareholders (no shareholder of the Company holding more than 10% of the shares issued by the Company).

Note 2: If the counterparties in the transfer of shares or pledge of shares under lien are related parties, fill in the table below.

(II) Information on transfer of shares:

Name (Note 1)	Reason for transfer of shares (Note 2)	Date of transaction	Counterparties of transactions	The relation between the counterparties and the Company, Directors, Managers, and shareholders holding more than 10% of the shares issued by the Company.	Quantity of shares	Transaction price
Hsin-Chih, Yeh	Disposal (Gift)	April 18 2022	Spouse	None	500,000	257.5
Wei-Ming, Liarnng	Disposal (Gift)	May 12 2022	Spouse	None	240,000	248.5

Note 1: Put down the Directors, Managers and shareholders holding more than 10% of the shares issued by the Company.

Note 2: Put down acquisition or disposal.

(III) Information on lien:

Name (Note 1)	Reason for change in lien (Note 2)	Date of the change	Counterparties of transactions	The relation between the counterparties and the Company, Directors, Managers, and shareholders holding more than 10% of the shares issued by the Company.	Quantity of shares	Proportion of shareholding (%)	Proportion under lien (%)	Amount of lien (redemption) (NT\$1,000)
Kuo Shian Investment Co., Ltd.	Redemption	2022.10.27	KGI Securities line of credit	None	200,000	1.01%	0%	N.A.
Kuo Shian Investment Co., Ltd.	Lien	2022.10.27	Cathay United Bank Taichung Branch	None	200,000	1.01%	8%	N.A.
Kuo Shian Investment Co., Ltd.	Redemption	2023.02.14	Taishin International Bank Co. Ltd. Jiang North Branch	None	200,000	1.01%	0%	N.A.
Kuo Shian Investment Co., Ltd.	Lien	2022.03.22	Cathay United Bank Taichung Branch	None	200,000	1.01%	8%	N.A.
Kuo Shian Investment Co., Ltd.	Redemption	2023.03.22	Taishin International Bank Co. Ltd. Jiang North Branch	None	300,000	1.01%	0%	N.A.

Note 1: Put down the Directors, Managers and shareholders holding more than 10% of the shares issued by the Company.

Note 2: Put down pledge under lien or redemption.

IX. The top 10 shareholders by proportion of shareholding are related parties, spouse, second-degree relative to one another:

Information on the relation of the top 10 shareholders by proportion of shareholding

Name (Note 1)	Holding of share by the person		Quantity of shareholding by spouse and underage children		Joint holding of share in the name of a third party		If the top 10 shareholders by proportion of shareholding are related parties, spouse, second-degree relative to one another, specify the names and relation. (Note 3)		Remark
	Quantity of shares	Proportion of shareholding	Quantity of shares	Proportion of shareholding	Quantity of shares	Proportion of shareholding	Title (or name)	Relation	
Investment Account of Small Denomination World Funds Co. Ltd. in custody of Standard Chartered Bank	13,876,000	5.80%	0	0.00%	0	0.00%	None	None	
Shaw-Shing Wang	7,508,062	3.14%	2,131,236	0.89%	0	0.00%	Representative of Tai Yi Investment: Wei-Chung, Wang	Father and son	
PineBridge Global Fund – PineBridge Asia except Japan Small Cap Equity Fund in Custody of Standard Chartered Bank	5,909,000	2.47%	0	0.00%	0	0.00%	None	None	

Name (Note 1)	Holding of share by the person		Quantity of shareholding by spouse and underage children		Joint holding of share in the name of a third party		If the top 10 shareholders by proportion of shareholding are related parties, spouse, second-degree relative to one another, specify the names and relation. (Note 3)		Remark
	Quantity of shares	Proportion of shareholding	Quantity of shares	Proportion of shareholding	Quantity of shares	Proportion of shareholding	Title (or name)	Relation	
Norges Bank in custody of Citibank Taiwan Limited- External manager of BlackRock Investment Management (Taiwan) Investment Account	4,285,011	1.79%	0	0.00%	0	0.00%	None	None	
Tai Yi Investment Co., Ltd.	4,190,000	1.75%	0	0.00%	0	0.00%	Shaw-Shing Wang	Father and son	
Representative Wei-Chung, Wang	1,159,158	0.48%	628,812	0.26%	0	0.00%			
Aberdeen Standard OEICII- ASI Global Smaller Companies Fund in custody of Citibank Taiwan	4,045,229	1.69%	0	0.00%	0	0.00%	None	None	

Name (Note 1)	Holding of share by the person		Quantity of shareholding by spouse and underage children		Joint holding of share in the name of a third party		If the top 10 shareholders by proportion of shareholding are related parties, spouse, second-degree relative to one another, specify the names and relation. (Note 3)		Remark
	Quantity of shares	Proportion of shareholding	Quantity of shares	Proportion of shareholding	Quantity of shares	Proportion of shareholding	Title (or name)	Relation	
Investment Account of Swedbank Robur Global Impact Fund in custody of Standard Chartered Bank	4,000,000	1.67%	0	0.00%	0	0.00%	None	None	
Investment account of Swedbank Robur Tech Fund in custody of Standard Chartered Bank	4,000,000	1.67%	0	0.00%	0	0.00%	None	None	
Argosy Research Inc.	3,806,421	1.59%	0	0.00%	0	0.00%	None	None	
Representative Chao-Liang, Wang	311,388	0.13%	0	0.00%	0	0.00%			
Fubon Life Insurance Co., Ltd.	3,125,000	1.31%	0	0.00%	0	0.00%	None	None	
Representative Ming-Hsing, Tsai	0	0.00%	0	0.00%	0	0.00%			

Note 1: List out the top 10 shareholders, if the shareholders are institutional shareholders, list out the names of the institutions and the representatives separately.

Note 2: The proportion of shareholding should include the holding in the own name of the person, by spouse, underage children or in the name of a third party in the calculation.

Note 3: Disclose the relation of the aforementioned shareholders, including institutions and natural persons, in accordance with the Regulations Governing Preparation of Financial Reports by Securities Issuers.

- X. The quantity of shares issued by particular investee company held jointly by the Directors, Managers, and direct or indirect controlled entity of the Company, and the proportion of shares under joint holding:

Unit: share; %; December 31 2022

Direct investment (Note 1)	Investment of the Company		Investment of the Directors, Managers or direct or indirect controlled business (Note 2)		Overall investment	
	Quantity of shares	Proportion of shareholding	Quantity of shares	Proportion of shareholding	Quantity of shares	Proportion of shareholding
SINBON International Enterprise Co., Ltd	-	100.00%	-	-	-	100.00%
Hong Kong SINBON Electronics Co., Ltd.	-	100.00%	-	-	-	100.00%
Kwan Ze Co., Ltd.	25,200,000	100.00%	-	-	25,200,000	100.00%
Argosy Research Inc.	3,174,598	3.56%	14,771,152	16.55%	17,945,750	20.11%
Beijing SINBON TongAn Renewable Energy Co., Ltd.	130,000,000	85.53%	-	-	130,000,000	85.53%
SINBON USA L.L.C	-	100.00%	-	-	-	100.00%
Radbon Avionics Inc.	7,700,000	55.00%	-	-	7,700,000	55.00%
SINBON Europe GmbH	-	100.00%	-	-	-	100.00%
T-CONN Precision Corporation	21,112,650	57.45%	-	-	21,112,650	57.45%
SINBON Hungary Kft	-	100.00%	-	-	-	100.00%
SINTOP Energy Management Co., Ltd.	680,400	53.57%	-	-	680,400	53.57%

Note 1: Investment accounted for under the equity method.

Note 2: Investment of Kwan Ze Co., Ltd.

Note 3: The symbol of “-” stands for 0, not applicable or none unless otherwise specified.

Chapter IV. Status of fundraising

I. Capital stock and shares:

(I) Sources of capital:

Year/month	Offering price	Authorized capital		Capital Stock		Remark		
		Quantity of shares (1,000 shares)	Amount (NT\$1,000)	Quantity of shares (1,000 shares)	Amount (NT\$1,000)	Sources of capital (NT\$1,000)	Non-cash investment in kind (NT\$1,000)	Others
December 1989	10	500	5,000	500	5,000	Established at 5,000 in cash	None	None
June 1991	10	1,300	13,000	1,300	13,000	Raising capital of 6,000 through offering new shares	Shareholders transaction at 2,000	None
December 1994	10	2,900	29,000	2,900	29,000	Raising capital of 5,000 through offering new shares	Credit against debt amounted to 11,000	None
September 1995	10	9,900	99,000	9,900	99,000	Raising capital of 70,000 through offering new shares	None	None
December 1997	10	19,800	198,000	19,800	198,000	—	Capitalization through merger amounting to 99,000	None
September 1998	10	50,000	500,000	30,000	300,000	Raising capital by offering new shares amounting to 64,560 Capitalization of retained earnings into new shares amounting to 11,880 Capitalization of additional paid-in capital into new shares amounting to 23,760 Capitalization of employee bonus into new shares amounting to 1,800	None	Note 1
September 1999	10	50,000	500,000	40,000	400,000	Raising capital by offering new shares amounting to 37,000 Capitalization of retained earnings into new shares amounting to 30,000 Capitalization of additional paid-in capital into new shares amounting to 30,000 Capitalization of employee bonus into new shares amounting to 3,000	None	Note 2
July 2000	10	50,000	500,000	46,800	468,000	Capitalization of retained earnings into new shares amounting to 44,000 Capitalization of additional paid-in capital into new shares amounting to 16,000 Capitalization of employee bonus into new shares amounting to 8,000	None	Note 3

Year/month	Offering price	Authorized capital		Capital Stock		Remark		
		Quantity of shares (1,000 shares)	Amount (NT\$1,000)	Quantity of shares (1,000 shares)	Amount (NT\$1,000)	Sources of capital (NT\$1,000)	Non-cash investment in kind (NT\$1,000)	Others
November 2000	10	50,000	500,000	50,000	500,000	Raising capital of 32,000 through offering new shares	None	Note 4
June 2001	10	90,000	900,000	61,500	615,000	Capitalization of retained earnings into new shares amounting to 100,000 Capitalization of employee bonus into new shares amounting to 15,000	None	Note 5
March 2002	10	150,000	1,500,000	70,798	707,981	Conversion of convertible bonds amounting to 92,981	None	Note 6
August 2002	10	150,000	1,500,000	88,213	882,132	Capitalization of retained earnings into new shares amounting to 141,596 Capitalization of employee bonus into new shares amounting to 20,000 Conversion of convertible bonds amounting to 12,555	None	Note 7
October 2002	10	150,000	1,500,000	89,849	898,489	Conversion of convertible bonds amounting to 16,357	None	Note 6
October 2002	10	150,000	1,500,000	90,028	900,279	Conversion of convertible bonds amounting to 1,790	None	Note 8
January 2003	10	150,000	1,500,000	90,455	904,554	Conversion of convertible bonds amounting to 4,275	None	Note 6
March 2003	10	150,000	1,500,000	90,578	905,780	Conversion of convertible bonds amounting to 1,226	None	Note 6
June 2003	10	190,000	1,900,000	100,336	1,003,358	Capitalization of retained earnings into new shares amounting to 17,516 Capitalization of employee bonus into new shares amounting to 10,000 Capitalization of additional paid-in capital into new shares amounting to 70,062	None	Note 9
August 2003	10	190,000	1,900,000	101,700	1,016,997	Conversion of convertible bonds amounting to 13,638	None	Note 6
September 2003	10	190,000	1,900,000	101,797	1,017,971	Conversion of convertible bonds amounting to 974	None	Note 6
July 2004	10	190,000	1,900,000	106,797	1,067,969	Capitalization of retained earnings into new shares amounting to 45,999 Capitalization of employee bonus into new shares amounting to 4,000	None	Note 10
August 2004	10	190,000	1,900,000	107,010	1,070,103	Conversion of convertible bonds amounting to 2,134	None	Note 6
July 2005	10	240,000	2,400,000	131,970	1,319,695	Capitalization of retained earnings into new shares amounting to 230,016 Capitalization of additional paid-in capital into new shares amounting to 19,576	None	Note 11

Year/month	Offering price	Authorized capital		Capital Stock		Remark		
		Quantity of shares (1,000 shares)	Amount (NT\$1,000)	Quantity of shares (1,000 shares)	Amount (NT\$1,000)	Sources of capital (NT\$1,000)	Non-cash investment in kind (NT\$1,000)	Others
August 2005	10	240,000	2,400,000	146,281	1,462,811	Conversion of convertible bonds amounting to 143,115	None	Note 6
November 2005	10	240,000	2,400,000	150,139	1,501,392	Conversion of convertible bonds amounting to 38,581	None	Note 6
July 2006	10	240,000	2,400,000	157,646	1,576,462	Capitalization of additional paid-in capital into new shares amounting to 75,070	None	Note 12
June 2007	10	450,000	4,500,000	176,563	1,765,636	Capitalization of retained earnings into new shares amounting to 157,646 Capitalization of additional paid-in capital into new shares amounting to 31,529	None	Note 13
June 2008	10	450,000	4,500,000	185,291	1,852,919	Capitalization of retained earnings into new shares amounting to 87,282	None	Note 14
November 2010	10	450,000	4,500,000	185,796	1,857,962	Conversion of convertible bonds amounting to 5,043	None	Note 15
April 2011	10	450,000	4,500,000	183,796	1,837,962	Capital reduction by expiration of treasury shares amounting to 20,000 on March 25 2011 as the base day.	None	Note 16
August 2011	10	450,000	4,500,000	182,666	1,826,662	Capital reduction by expiration of treasury shares amounting to 11,300 on August 20 2011 as the base day.	None	Note 16
November 2011	10	450,000	4,500,000	179,516	1,795,162	Capital reduction by expiration of treasury shares amounting to 31,500 on November 16 2011 as the base day.	None	Note 16
May 2012	10	450,000	4,500,000	180,887	1,808,865	Conversion of convertible bonds amounting to 13,704	None	Note 17
July 2012	10	450,000	4,500,000	180,928	1,809,282	Conversion of convertible bonds amounting to 417	None	Note 17
November 2012	10	450,000	4,500,000	200,015	2,000,155	Conversion of convertible bonds amounting to 190,873	None	Note 17
April 2013	10	450,000	4,500,000	207,671	2,076,709	Conversion of convertible bonds amounting to 76,554	None	Note 17
May 2015	10	450,000	4,500,000	207,956	2,079,563	Conversion of convertible bonds amounting to 2,854	None	Note 18
August 2015	10	450,000	4,500,000	211,109	2,111,090	Conversion of convertible bonds amounting to 31,528	None	Note 18
September 2015	10	450,000	4,500,000	215,262	2,152,625	Capitalization of additional paid-in capital into new shares amounting to 41,534	None	Note 19
November 2015	10	450,000	4,500,000	215,830	2,158,298	Conversion of convertible bonds amounting to 5,674	None	Note 18
March 2016	10	450,000	4,500,000	217,645	2,176,454	Conversion of convertible bonds amounting to 18,155	None	Note 18

Year/month	Offering price	Authorized capital		Capital Stock		Remark		
		Quantity of shares (1,000 shares)	Amount (NT\$1,000)	Quantity of shares (1,000 shares)	Amount (NT\$1,000)	Sources of capital (NT\$1,000)	Non-cash investment in kind (NT\$1,000)	Others
May 2016	10	450,000	4,500,000	217,934	2,179,342	Conversion of convertible bonds amounting to 2,888	None	Note 18
August 2016	10	450,000	4,500,000	217,958	2,179,585	Conversion of convertible bonds amounting to 243	None	Note 18
September 2016	10	450,000	4,500,000	224,495	2,244,949	Capitalization of additional paid-in capital into new shares amounting to 65,364	None	Note 20
November 2016	10	450,000	4,500,000	224,607	2,246,068	Conversion of convertible bonds amounting to 1,119	None	Note 18
March 2017	10	450,000	4,500,000	225,416	2,254,161	Conversion of convertible bonds amounting to 8,093	None	Note 18
November 2018	10	450,000	4,500,000	225,727	2,257,273	Conversion of convertible bonds amounting to 3,112	None	Note 21
March 2019	10	450,000	4,500,000	226,695	2,266,954	Conversion of convertible bonds amounting to 9,681	None	Note 21
April 2019	10	450,000	4,500,000	229,075	2,290,745	Conversion of convertible bonds amounting to 23,791	None	Note 21
June 2019	10	450,000	4,500,000	229,297	2,292,974	Conversion of convertible bonds amounting to 2,229	None	Note 21
September 2019	10	450,000	4,500,000	232,524	2,325,237	Conversion of convertible bonds amounting to 32,263	None	Note 21
December 2019	10	450,000	4,500,000	232,669	2,326,693	Conversion of convertible bonds amounting to 1,456	None	Note 21
March 2020	10	450,000	4,500,000	232,777	2,327,774	Conversion of convertible bonds amounting to 1,081	None	Note 21
March 2021	10	450,000	4,500,000	232,937	2,329,371	Conversion of convertible bonds amounting to 1,596	None	Note 22
June 2021	10	450,000	4,500,000	233,313	2,333,129	Conversion of convertible bonds amounting to 3,758	None	Note 22
September 2021	10	450,000	4,500,000	233,377	2,333,770	Conversion of convertible bonds amounting to 641	None	Note 22
December 2021	10	450,000	4,500,000	234,206	2,342,060	Conversion of convertible bonds amounting to 8,290	None	Note 22
March 2022	10	450,000	4,500,000	235,203	2,352,034	Conversion of convertible bonds amounting to 9,974	None	Note 22
June 2022	10	450,000	4,500,000	235,523	2,355,231	Conversion of convertible bonds amounting to 3,197	None	Note 22
September 2022	10	450,000	4,500,000	236,584	2,365,841	Conversion of convertible bonds amounting to 10,610	None	Note 22
December 2022	10	450,000	4,500,000	238,504	2,385,041	Conversion of convertible bonds amounting to 19,200	None	Note 22
March 2023	10	450,000	4,500,000	239,056	2,390,560	Conversion of convertible bonds amounting to 5,519	None	Note 22

Note 1: Approved under Securities and Futures Commission, Ministry of Finance Letter (87) Taiwan-Finance-Securities (I) No. 47522 dated June 6 1998.

Note 2: Approved under Securities and Futures Commission, Ministry of Finance Letter (88) Taiwan-Finance-Securities (I) No. 56082 dated June 20 1999.

Note 3: Approved under Securities and Futures Commission, Ministry of Finance Letter (89) Taiwan-Finance-Securities (I) No. 58816 dated July 7 2000.

Note 4: Approved under Securities and Futures Commission, Ministry of Finance Letter (89) Taiwan-Finance-Securities (I) No. 81883 dated October 2 2000.

- Note 5: Approved under Securities and Futures Commission, Ministry of Finance Letter (90) Taiwan-Finance-Securities (I) No. 123711 dated May 7 2001.
- Note 6: Approved under Securities and Futures Commission, Ministry of Finance Letter (90) Taiwan-Finance-Securities (I) No. 166362 dated November 9 2001.
- Note 7: Approved under Securities and Futures Commission, Ministry of Finance Letter (91) Taiwan-Finance-Securities (I) No. 0910139537 dated July 16 2002.
- Note 8: Approved under Securities and Futures Commission, Ministry of Finance Letter (91) Taiwan-Finance-Securities (I) No. 0910133858 dated June 27 2002.
- Note 9: Approved under Securities and Futures Commission, Ministry of Finance Letter (92) Taiwan-Finance-Securities (I) No. 0920126156 dated June 13 2003.
- Note 10: Approved under Securities and Futures Commission, Ministry of Finance Letter (93) Taiwan-Finance-Securities (I) No. 0930121806 dated May 18 2004.
- Note 11: Approved under Executive Yuan Financial Supervisory Commission Letter FSC (I) No. 0940119716 dated May 18 2005.
- Note 12: Approved under Executive Yuan Financial Supervisory Commission Letter FSC (I) No. 0950130935 dated July 17 2006.
- Note 13: Approved under Executive Yuan Financial Supervisory Commission Letter FSC (I) No. 0960032589 dated June 28 2007.
- Note 14: Approved under Executive Yuan Financial Supervisory Commission Letter FSC (I) No. 0970033372 dated July 4 2008.
- Note 15: Approved under Executive Yuan Financial Supervisory Commission Letter FSC No. 0990018240 dated May 4 2010.
- Note 16: Cancellation pursuant to Article 28- 2 of the Securities and Exchange Act
- Note 17: Approved for offering under Executive Yuan Financial Supervisory Commission Letter FSC No. 090018240 dated May 4 2010 and Executive Yuan Financial Supervisory Commission Letter FSC No. 1000060425 dated December 21 2011.
- Note 18: Approved for offering under Financial Supervisory Commission Letter FSC No.1030017865 dated May 26 2014.
- Note 19: Approved for offering under Financial Supervisory Commission Letter FSC No. 1040028514 dated July 28 2015.
- Note 20: Declared with Financial Supervisory Commission on July 18 2016 for causing into effect.
- Note 21: Approved for offering under Financial Supervisory Commission Letter FSC No. 1060014871 dated May 10 2017.
- Note 22: Approved for offering under Financial Supervisory Commission Letter FSC No. 1090373515 dated November 23 2020 and Financial Supervisory Commission Letter FSC No. 1110361530 dated November 17 2022.

Unit: share

Type of share	Stated capital			Remark
	Outstanding shares (Note)	Unissued shares	Total	
Common shares	239,056,037 shares listed at TWSE	210,943,963	450,000,000	Of which 30,000,000 shares were reserved for the conversion of subscription warrants, preferred shares featured subscription warrants, or corporate bonds featured subscription rights.

Note: Specify if the shares are listed at TWSE or TPEx (specify if the shares are restricted for repurchase from TWSE or TPEx).

(II) Shareholder Structure:

April 1 2023

Shareholder Structure	Number of persons	Quantity of shareholding	Proportion of shareholding
Government institutions	5	2,078,510	0.87 %
Financial institutions	68	16,245,883	6.80 %
Other institutions	225	14,222,749	5.95 %
Foreign institutions and nationals	485	151,051,540	63.18 %
Individuals	37,395	55,457,355	23.20 %
Others	0	0	0.00 %
Total	38,178	239,056,037	100.00 %

Note: Disclose the proportion of shareholding by investors from Mainland China for enterprise listed at TWSE (TPEx) and Emerging Stock Market; investors from Mainland China refers to the people, institutions, groups, or other entities or the investees of a third region of Mainland China as stated in Article 3 of the Regulations Governing the Permission of Investment of People from Mainland China in Taiwan.

(III) Dispersion of shareholding:

April 1 2023

Level of shareholding (share)	Number of shareholders	Quantity of shareholding	Proportion of shareholding
1 to 999	32,265	1,024,865	0.43 %
1,000 to 5,000	4,414	7,709,058	3.22 %
5,001 to 10,000	540	3,941,707	1.65 %
10,001 to 15,000	224	2,678,715	1.12 %
15,001 to 20,000	113	1,991,320	0.83 %
20,001 to 30,000	130	3,202,822	1.34 %
30,001 to 40,000	50	1,754,448	0.73 %
40,001 to 50,000	47	2,098,890	0.88 %
50,001 to 100,000	102	7,557,902	3.16 %
100,001 to 200,000	95	13,586,808	5.68 %
200,001 to 400,000	81	22,688,569	9.50 %
400,001 to 600,000	34	16,673,359	6.97 %
600,001 to 800,000	16	11,237,690	4.70 %
800,001 to 1,000,000	14	12,581,068	5.26 %
1,000,001 to 999,999,999	53	130,328,816	54.53 %
1,000,000,000 and above	0	0	0.00 %
Total	38,178	239,056,037	100.00 %

(IV) List of Dominant Shareholders:

Names of Dominant Shareholders	Shares	Quantity of shareholding	Proportion of shareholding
SmallCap World Fund, Inc.		13,876,000	5.80 %
Shao-Hsin, Wang		7,508,062	3.14 %
Southeast Asia Small Companies Fund PLC		5,909,000	2.47 %
JPMorgan Chase Bank N.A. Taipei Branch in custody for Norges Bank		4,285,011	1.79 %
Tai Yi Investment Co., Ltd.		4,190,000	1.75 %
Aberdeen Standard OEIC II- ASI Global Smaller Companies Fund		4,045,229	1.69 %
Swedbank Robur Globalfond		4,000,000	1.67 %
Swedbank Robur Technology		4,000,000	1.67 %
Argosy Research Inc.		3,806,421	1.59 %
ING Life Insurance Company Limited-PAR		3,125,000	1.31 %

(V) Market price, net value, earnings, dividend per share in the last 2 years and related information:

Item \ Year			2021	2022
Market price per share (Note 1)	High		301.5	294.0
	Low		207.5	230.0
	Average		255.90	267.07
Net value per share (Note 2)	Cum-dividend		44.22	53.58
	Ex-dividend		Undistributed	Undistributed
Earnings per share	Weighted average quantity of shares		233,157,000 shares	235,774,000 shares
	Earnings per share (Note 3)	Before adjustment	10.00	12.22
		After adjustment	Not applicable	Not applicable
Dividend per share	Cash dividend		7.00	8.50
	Distribution of additional paid-in capital as dividend		-	-
	Stock dividend	Distribution of retained earnings as dividend	-	-
		Stock dividend from capitalization of additional paid-in capital	-	-
	Undistributed dividend in accumulation (Note 4)		-	-
Analysis of return on investment (ROI)	Price earnings ratio (Note 5)		25.59	21.86
	Price to dividend ratio (Note 6)		36.56	31.42
	Cash dividend yield rate (Note 7)		2.74 %	3.18%

*If stock dividend is paid by the shares from capitalization of retained earnings or additional paid-in capital, disclose the information on the market price and cash dividend on the basis of the quantity of shares for release under retroactive adjustment.

Note 1: Display the highest and lowest market price of the year, calculate the average market price on the basis of the transaction value and volume of the year.

Note 2: Base on the quantity of outstanding shares as of the last day of the year, and fill in the information as per the resolution of the Board or the resolution of the Shareholder Meeting of the next year.

Note 3: If retroactive adjustment is necessary due to the payout of stock dividend, disclose the earnings per share before and after adjustment.

Note 4: If the requirement of the offering of equity securities allows for the accumulation of the unpaid dividend of the year to the year the Company has surplus, disclose the unpaid dividend accumulated to current period.

Note 5: Price earnings ration = the average closing price per share of the year/ earnings per share.

Note 6: Price to cash dividend ratio = the average closing price per share of the year/ cash dividend per share.

Note 7: Cash dividend yield rate = cash dividend per share/ average closing price per share of the year.

Note 8: Information on net value per share and earnings per share should be audited (reviewed) and to the last quarter prior to the date this report was printed. Fill in the information of the year in relevant fields to the date this report was printed.

(VI) Dividend policy of the Company and the distribution:

1. Dividend policy:

If the Company has earnings after the annual account settlement, appropriate for covering carryforward loss further to the appropriation for tax payment and adjustment under the Statement of Financial Accounting Standard. If there is still a balance, appropriate 10% as mandatory reserve until the amount of mandatory reserve is equivalent to the total capital of the Company. Special reserve required for appropriation or reversal shall be pooled up with the undistributed earnings accumulated in the previous period as distributable income, and considered for retaining in part or in whole depending on the business situation, and distribute the remaining balance as shareholder dividend at the resolution of the Shareholder Meeting.

The Board shall prepare a proposal for the distribution of the aforementioned earnings subject to the final approval of the Shareholder Meeting for distribution. The Company is at the stage of growth. For supporting the long-term capital planning for sustainable development and stable growth, the Company shall pay out cash dividend no less than 10% of the total of cash dividend and stock dividend.

Amendment by the Shareholder Meeting in the regular session of 2018: if the Company has earnings in the total account settlement of the year, retain the earnings in whole or in part depending on the business situation, and appropriate at least 50% of the net income as shareholder dividend.

2. Distribution:

The proposal for dividend payment in the regular session of Shareholder Meeting in 2022:

Type of dividend	Distribution per share	Source	Distribution
Cash dividend	7.00	NT\$7.00 is undistributed earnings	Dividend paid on September 16 2022
Stock dividend	0	None	None
Total	7.00		

(VII) The influence of the stock dividend proposed to this session of the Shareholder Meeting for release on the operation performance and earnings per share of the Company:

1. The influence on operation performance: No influence, as no stock dividend paid out.
2. The influence on earnings per share: No influence, as no stock dividend paid out.

(VIII) Remunerations to employees, Directors and Supervisors:

1. The percentage and scope of remunerations to the employees, Directors and Supervisors of the Company as stated in the Articles of Incorporation:
If the Company has made profit in the year, appropriate 1%~15% as remuneration to the employees, and no more than 3% as remuneration to the Directors and Supervisors. The Company shall appropriate for covering carryforward loss, where applicable.

Remuneration to the employees may be effected in cash or stock dividend. Employees of subsidiaries meeting certain condition shall also be entitled to remuneration.

2. The basis for the estimation of the amount of remuneration to the employees, Directors and Supervisors in current period, the basis for the calculation of the quantity of shares for release to employees as stock dividend, and the accounting procedure if there is a difference between the actual amount of payment and the estimated amount: the basis of estimation is the same as stated in the Articles of Incorporation. Dividend will be paid in cash in full amount. There is no difference between the actual amount and estimated amount of payment.

3. The remuneration passed by the Board:

Remuneration to employees (NTD)		Remuneration to Directors and Supervisors (NTD)	The amount of remuneration to employees in stock dividend in proportion to the net income and total remuneration to employees as stated in the separate financial statements.
Cash	Stock		
35,000,000	0	23,500,000	No stock dividend paid as remuneration to employees

The difference, the cause and the response: Not applicable.

4. The actual amount of remuneration to the employees, Directors and Supervisors in the previous period (including the quantity of shares released, the amount and stock price), and specify the difference, the cause and response if there is significant variation from the estimated remuneration to the employees, Directors and Shareholders:

Remuneration to employees (NTD)		Remuneration to Directors and Supervisors (NTD)	The amount of remuneration to employees in stock dividend in proportion to the net income and total remuneration to employees as stated in the separate financial statements.
Cash	Stock		
30,000,000	0	21,000,000	No stock dividend paid as remuneration to employees

The aforementioned actual payment is identical with the proposal for distribution passed by the Board.

(IX) The buy-back of shares by the Company:

April 1 2023

The buy-back issue	Not applicable
The purpose of buy-back	Not applicable
Buy-back period	Not applicable
Price range for buy-back	Not applicable
Types and quantity of shares being bought back	Not applicable
Amount of shares being bought back	Not applicable
Quantity of canceled or assigned shares	Not applicable
Accumulated quantity of Company shares in holding	Not applicable
Accumulated quantity of Company shares in holding in proportion to the total outstanding shares of the Company (%)	Not applicable

II. Corporate bonds :

(I) Corporate bonds :

Type of corporate bond (Note 2)		The 7th issue of non-guaranteed domestic convertible bonds (Note 5)	The 8th issue of non-guaranteed domestic convertible bonds (Note 5)
Date of issuance (offering)		December 15 2020	December 12 2022
Face amount		NT\$100,000	NT\$100,000
Place of offering and trade (Note 3)		Not applicable	Not applicable
Offering price		NT\$108.3	NT\$104.5
Total		NT\$1,300,000,000	NT\$1,000,000,000
Interest rate		0 %	0 %
Maturity date		3 Years maturing date: December 15 2023	3 Years maturing date: December 12 2025
Guarantor		None	None
Fiduciary agent		Taipei Fubon Bank	Taishin International Bank
Underwriter		Fubon Securities Co., Ltd.	Taishin Securities Co., Ltd.
Certifying lawyer		Kang-Te, Lu	Kang-Te, Lu
Certifying CPA		Tzu-Ping, Huang, Ming-Hung, Chen	Wen-Chen, Lo, Ming-Hung, Chen
Method of repayment		Repayment of principal in lump sum at maturity	Repayment of principal in lump sum at maturity
Outstanding amount		NT\$71,800,000	NT\$999,900,000
Redemption or early settlement clause		For additional information, refer to Article 18 and Article 19 of the Regulations Governing the Offering and Conversion of Bonds	For additional information, refer to Article 18 and Article 19 of the Regulations Governing the Offering and Conversion of Bonds
Restrictive clause (Note 4)		Not applicable	Not applicable
Name of credit rating institution, rating date, rating result on the corporate bond		None	None
Other rights attached	The amount of converted (swap or subscription of shares) common shares, overseas depository receipts or other securities to the date this report was printed.	None	None
	Regulations governing the offering and conversion (swap)	None	None
Regulations governing the offering and conversion, swap or subscription of shares, and possible dilution under the condition for offering and influence on shareholders equity for the time being.		The conversion price is NT\$197.7 for the time being. It is expected 372,599 shares of common shares could be converted with approximate dilution of 0.15% on the return.	The conversion price is NT\$286.5 for the time being. It is expected 3,490,052 shares of common shares could be converted with approximate dilution of 1.48% on the return.
Name of the custodian of the subject matter of swap		Not applicable	Not applicable

Note 1: Status of the issuance of corporate bonds, including through public offering and private placement. Corporate bonds issued through public offering are those became effective (approved) by FSC. Corporate bonds issued through private placement are those passed by the Board.

Note 2: The number of fields could be adjusted as needed.

Note 3: Note down if it is overseas corporate bonds.

Note 4: Such as the restriction on cash dividend, foreign investment, or keeping specific ratio of assets.

Note 5: For private placement, post in eye-catching manner.

Note 6: Convertible bonds, exchangeable bonds, and the overall declaration of corporate bonds or corporate bonds featured subscription rights shall be disclosed in tabular form on the information on convertible bonds, exchangeable bonds, and information on the overall declaration of the offering of corporate bonds and corporate bonds features subscription right.

(II) Information on exchangeable bonds:

Type of corporate bond (Note 1)		The 7th issue of non-guaranteed domestic convertible bonds		The 8th issue of non-guaranteed domestic convertible bonds	
Item	Year	2022	Current period to March 31 2023 (Note 4)	2022	Current period to March 31 2023 (Note 4)
Market price of convertible bonds (Note 2)	High	150.00	177.00	110.6	125.00
	Low	120.00	142.35	107.50	108.50
	Average	135.79	156.87	109.11	115.91
Conversion price		197.70 Adjusted to 192.7 on August 27 2023	192.70	286.5	286.5
Date of issuance (offering)		December 15 2020		December 12 2022	
Conversion price at the time of offering		203		286.5	
Means of performing conversion obligation (Note 3)		Issuing new shares		Issuing new shares	

Note 1: The number of fields could be adjusted as needed.

Note 2: If there are several places for the trading of overseas corporate bonds, list out the places.

Note 3: Settlement with outstanding shares or new shares

Note 4: Fill in the information in current period to the date this report was printed.

III. Preferred shares: Not applicable.

IV. Overseas depository receipts: Not applicable.

V. Employee Stock Option: Not applicable

VI. RSU/RSA: Not applicable.

VII. Merger and Acquisition (including merger, acquisition and spinoff): Not applicable.

VIII. Information on the implementation of the capital utilization plan: Not applicable.

Chapter V. Operation Highlight

I. Content of business:

(I) Scope of business:

1. CC01080 Manufacturing of electronic parts and components
2. F119010 Wholesaling of electronic materials.
3. CC01110 Manufacturing of computer and peripheral equipment.
4. F113050 Wholesaling of computer and business machine.
5. CC01030 Manufacturing of electrical appliances and audiovisual electronic products.
6. F113020 Wholesaling of electrical appliances.
7. CC01101 Manufacturing of telecommunication and controlled R/F devices.
8. F401021 Import of telecommunication and controlled devices.
9. CC01060 Manufacturing of cable communication machines.
10. CC01070 Manufacturing of wireless communication machines.
11. F113070 Wholesaling of telecommunication devices.
12. CC01090 Manufacturing of battery cells.
13. F113110 Wholesaling of battery cells
14. I501010 Product design
15. CF01011 Manufacturing of medical devices.
16. F108031 Wholesaling of medical devices.
17. CE01021 Manufacturing of measurement apparatus.
18. F113060 Wholesaling of measurement apparatus.
19. IG03010 Energy technical services.
20. F401010 International trade.
21. CD01040 Manufacturing of motorcycles and parts.
22. CD01050 Manufacturing of bicycles and parts.
23. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

(II) Industry Outlook:

Founded in 1989, Sinbon is a leader in the integrated design of electronic parts and manufacturing service. The scope of application of its products covers data retrieve, computer peripherals, and other electronic products. In alignment with the rapid development of the technology sector and the increasing demand in market over time, Sinbon is focused on the research and development of products and strengthening the professional knowledge of the employees to meet the technical demand of the customers and provide the customers with satisfactory and total solution.

After years of endeavor, Sinbon successfully transformed into a manufacturer with total solution for customers, and is involved with the automotive electronics, aeronautics, industry control, medical devices, and consumer electronics sectors to provide a wider array of high value-added products and services to customers.

Sinbon has established its business locations in Taiwan, China, Japan, the UK, Germany, Hungary, and the USA, and the interactive integrated and data interchange network of business information in market. Through this network, Sinbon can quickly respond to the needs of the customers, condense the processing of orders, shorten the production and delivery lead-time, and reduce the cost of design and development. These will help to provide the customers with boundary-free and instantaneous service and support. In addition, Sinbon provides a pleasant cooperation environment the customers preferred the most from global material sourcing and purchase, acceptance of purchase orders, sampling and manufacturing, and also post-delivery service. Sinbon can also translate the preliminary idea of customers on products to high quality and high performance products.

1. Industry Outlooks and Prospect:

According to a survey report of ITRI, the global connector market was driven by the ongoing development of 3C, IoT application market, and high speed I/O interface over the years, that the terminal application extended to automotive, industrial, medical, and green energy further to consumer electronics. In general, the connector industry was affected partially by the outbreak of COVID-19 and fell slightly and the rebound was contributed by the mushrooming of “home economy” and “EV”.

Manufacturers who can actively deploy in the materials and process technology of high frequency transmission required for mid to high end connectors could access to the lucrative IoT market at the next stage, including the ADAS, and the demand for the deriving image sensor module integrated connectors.

In addition, “digital transformation”, “ESG”, “supply chain” also emerged to attract much of the attention worldwide. According to a survey conducted by KPMG, the outbreak of the pandemic at the beginning of 2021 triggered the accelerated transformation of the industry. As suggested by 89% of the technology leaders, they have already accelerated for digital transformation. In the wake of climate

change, the idea of “zero carbon emission” has drawn much of the attention, and fermented from the consumer end to the industrial supply chain from upstream to downstream. Global supply chain transformed from “long chain” to “short chain” under the levy of tariff and sanction on enterprises under the cloud of China-US trade war. It was echoed with the influence of the pandemic on global logistics that localization of production appeared to the trend of development.

2. The association between the upstream, midstream and downstream industries:

The Company is at the midstream of the connector supply chain and deals with connectors and provides design and processing services for wire harness and PCBA. We can provide bare copper wire, plastics, and electroplating materials at upstream for the customers in one-stop service. The electronic parts and components produced and distributed by the Company are applicable to many areas of application.

Supply chain of the connector industry



3. The development trends of products in different areas:

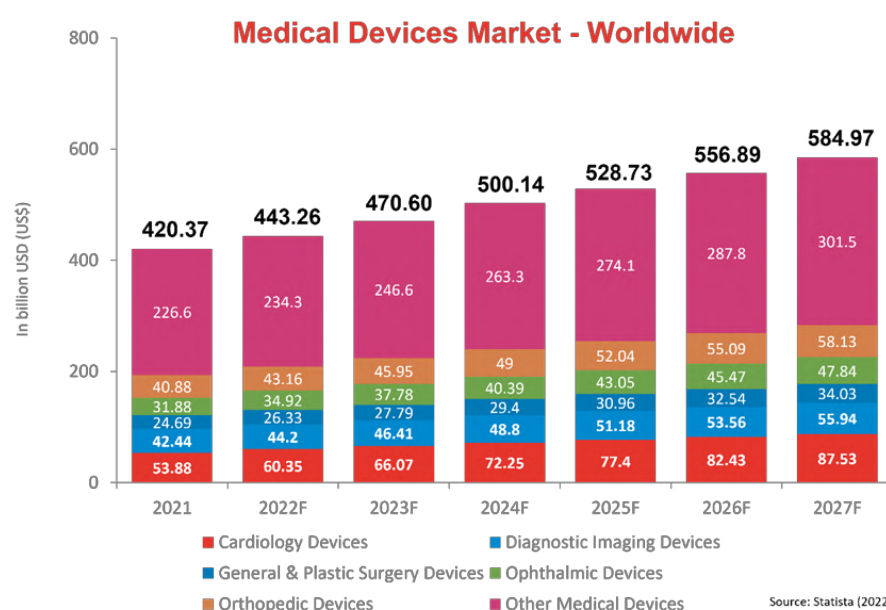
The electronic parts and components produced and distributed by the Company is widely applicable to the following 5 major industries:

(1) Medical Health:

The global market of medical devices

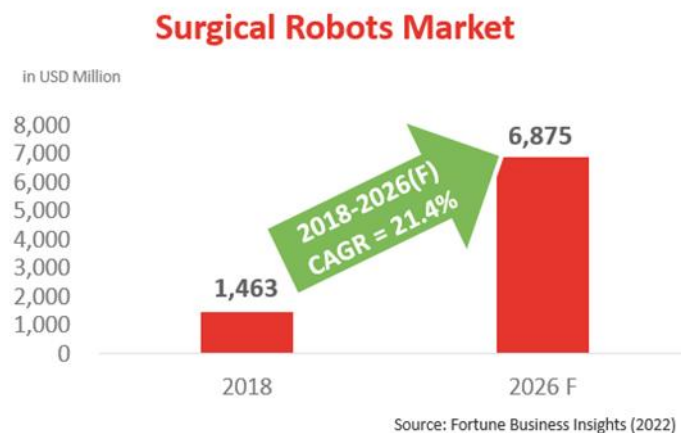
According to a report of Statista, the growth of the global market of medical devices is expected to achieve US\$443.2 billion in 2022, and will be as high as US\$584.9 billion by 2027 with compound annual growth rate (CAGR) at 5.71%. The USA will be the biggest market for the application of medical devices. The biggest market for medical devices will be cardiovascular related devices. The market value is expected to grow to US\$66 billion in 2023.

The increasing patient population of cardiovascular diseases, cancers, diabetes, stroke or kidney diseases and other chronic illness, the increasing demand for radioactive therapy and wearable devices, and the medical policy of the government in favor of the elderly with financial aid contributed to the growth of the overall market of medical devices. Yet, the expensive medical devices and the expenses incurred from the maintenance of the devices by highly trained professionals remained the main obstacle for further market growth.



The global market of surgical robots

According to a research conducted by Fortune Business Insights, the global market of surgical robots will grow from US\$1.4 billion in 2018 to US\$6.8 billion in 2026 with CAGR at 21.4%. The prime force driving from the growth is the application of minimal invasive auxiliary surgical robots, which can be attributable to the technological advancements over the years, which helped a large number of surgical robots and related high precision devices and instruments being approved by the regulatory authorities and in turn provides momentum for sizable market growth.



The continued growth of the global market of medical AI Application

An observation of Digitimes Research indicated that, the global medical AI application market will continue to grow with medical imaging analysis support the mainstream of growth. With the support of technology, medical care evolves in the direction of personalization in precision medical care. This triggered the application of AI and machine learning in the field of medical and healthcare. In the future, the AI application framework will be an input to the refinement of health management, forecasting of disease, medicine development, to the quality of decision-making process by physicians in clinical practice, and provide better quality medical service.

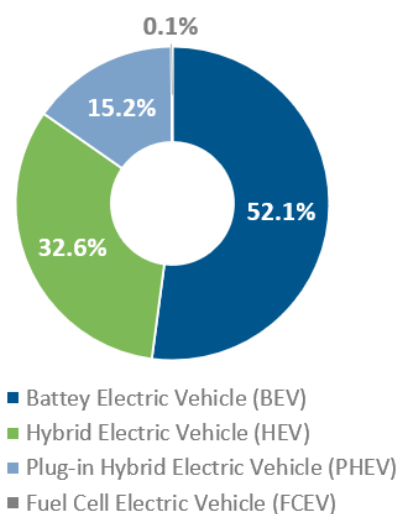
(2) Automotive & Aviation

The Global EV market

According to a study of IEK, the demand for EV in 2022 thrived in response to the trend of the demand for net zero carbon emission. In 2021, the sale in the global EV market was 11.34 million units, and will surpass 15 million units in 2022.

If we take a look at total EV sale by category in 2022, BEV accounted for 52.1%, HEV accounted for 32.6%, PHEV accounted for 15.2%, FCEV accounted for 0.1%. We could see that BEV emerged as the mainstream item in market.

Global Electric Vehicle Market By Type (2022)



Source: IEK 2022/11

If EV brand is taken into account, TOYOTA is the number one sale in 2022 which accounted for 15.5% of the market share, followed by BYD at 10.4%, Tesla at 9.8%, Kia at 7.2% and VW at 6.7% of the market shares, respectively. The top 5 growth brands by sale volume in descending order are BYD, Geely, Stellantis, Tesla, and Kia. The lion share of the champion brand TOYOTA has been replaced incrementally by EV products from China with battery EV as its premium item.

Global Electric Vehicle Sales Rank & Growth Rate Rank by Company (2022)

Sales Volume			Sales Growth Rate		
Rank	Company	Market Share	Rank	Company	Growth Rate
1	TOYOTA	15.5%	1	BYD	167.9%
2	BYD	10.4%	2	Geely	65.5%
3	Tesla	9.8%	3	Stellantis	42.4%
4	Kia	7.2%	4	Tesla	41.4%
5	VW	6.7%	5	Kia	32.0%

Source: IEK 2022/11

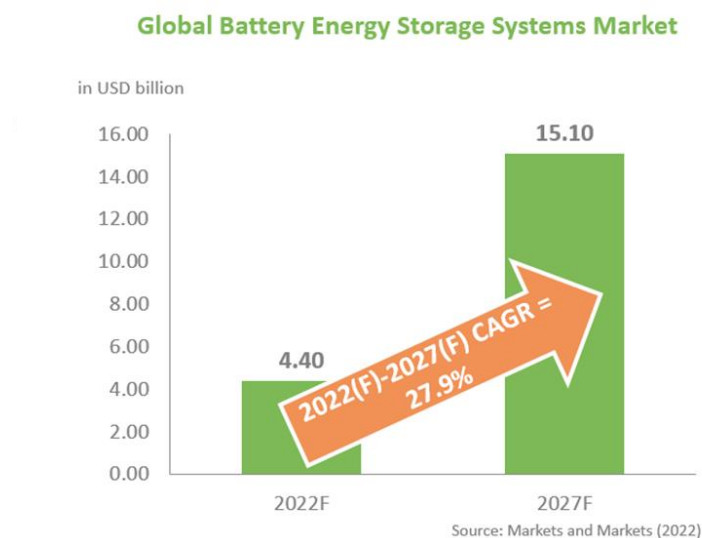
If we look at the sale by country, the top 5 countries in terms of sale in 2022 in descending order were: China at 43.6%, USA at 12.9%, Japan at 9.6%, Germany at 7.0%, and the UK at 6.1%. China remains number one in EV sale. The USA has surpassed Japan and became the number two in EV sale.

The USA passed the Inflation Reduction Act of 2022 in August 2022 to regulate the ratio of manufacturing or assembly of battery parts for EV in North America (USA, Canada, Mexico) at 50% in 2024 and at 100% in 2029. This act may speed up the relocation of the supply chain of the EV industry to North America.

(3) Green Energy

The global market of energy storage system

According to Bloomberg New Energy Finance, cumulative installation capacity of battery system in 2020 was 17 GW/34GWh, and is expected to grow to 385 GW/1028Gwh in 2030. The market size is expected to grow from US\$4.4 billion in 2022 to US\$15.1 billion in 2027 at CAGR of 27.9%.



The US Government passed the “Build Back Better” bill, which may stimulate the installation of PV energy + battery plants. It is

expected that the capacity of energy storage installation in 2030 will be 100GW and the USA will still have the lion share in market. China has announced her policy of carbon neutralization in 2060, and the government has also set the goal of 30 GW in capacity by 2025. China will emerge as the second biggest market of the world by then.

Other major countries are Germany, the UK, India, Australia, and Japan.

The global market of wind power

The market scale of the global offshore wind power is in 2022 amounted to US\$32.47 billion and is expected to increase to US\$129 billion in 2030. The projected compound growth rate in the period of 2022 to 2030 is 18.82%. The capacity from offshore wind power farm is expected to increase by 260GW in the period of 2022-2030, and the total capacity of offshore wind power farm in 2030 will increase to 316 GW.

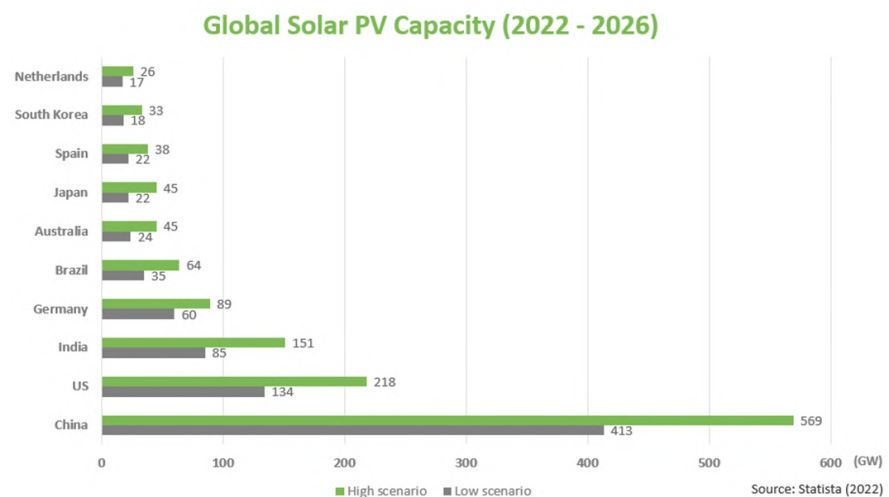


To achieve the goal of net zero carbon emission, GWEC and the International Renewable Energy Agency have set the development goal of total offshore wind power capacity of 380GW by 2030. To achieve this goal, governments, the industrial sectors and other stakeholders must work hard to develop wind power farm through streamlining the development procedure and enhancing the efficiency, refining the mechanisms of tender offer and procurement for assuring the procurement price can

realize the social value of offshore wind power. This will make the sustainable development of the industry chain possible.

The global market of solar energy

The increasing speed of achieving net zero carbon emission worldwide over the years stimulated tremendous growth in the regenerated energy market of wind power and photovoltaic energy. 2022 has been clouded by the Russo-Ukrainian war, energy shortage, trade dispute, and power rationing at the regional level that triggered turbulence in the photovoltaic energy market. Yet, market demand in China, the USA, Europe remained strong. According to the forecast of Wood Mackenzie, new installation for photovoltaic energy in 2022 will be 197GW with global installation capacity exceeding 1,000GW in aggregate at 25% annual growth rate. Global capacity installation in 2031 is forecasted at 3,500GW in 2031 at CAGR of 8% where large surface-mounted facility will be the mainstream. The steady growth of regenerated energy also triggered the rapid growth of the peripheral energy storage system market. According to a study of IEK, new facility introduced in 2022 can supply 16.1GW of power at the growth rate of 69%. In 2023, the battery market in the USA will continue to grow under the incentive of the US IRA policy, and will be the leader.



(4) Industrial Application

The global market of industrial robotics

In the last decade, the sale volume of industrial robots in the world market increased by three-fold, and peaked at 422,000 units in 2018, but fell down to 384,000 in 2020. In 2020, the automotive industry and electronic industry accounted for 23% and 31% of new installation, respectively. They have their shares in the export of industrial robots worldwide.

The development of sensor and sports control and software allows for easier operation of related hardware. The demand for robots in manufacturing plants, warehouse, and distribution centers continue to grow.

Top 10 Companies by Rank for Industrial Automation (2022)

Rank	Company	Rank	Company
1	Honeywell	6	ABB
2	Raytheon Technologies	7	Johnson Controls
3	Schneider Electric	8	SMC Corporation
4	Infosys	9	L3Harris
5	Softbank Group	10	Fanuc Corporation

Source: Value.Today (2022)

The global automatic identification and data capture market

It is expected that the global automatic identification and data capture market will increase to 819.6 million units in totality at CAGR of 12.2% from 2021 to 2028. The automatic identification and data capture technology allows for the automatic recognition of objects or image, and capture data for direct feeding to the computer system without manual operation. This technology is applied to inventory and asset management, safety, work flow management of many industries including retailing, manufacturing, transportation and logistics, governments, medical and healthcare, food and beverage and tourism.

Top 10 Companies by Revenue for Automatic Identification and Data Capture (2022)

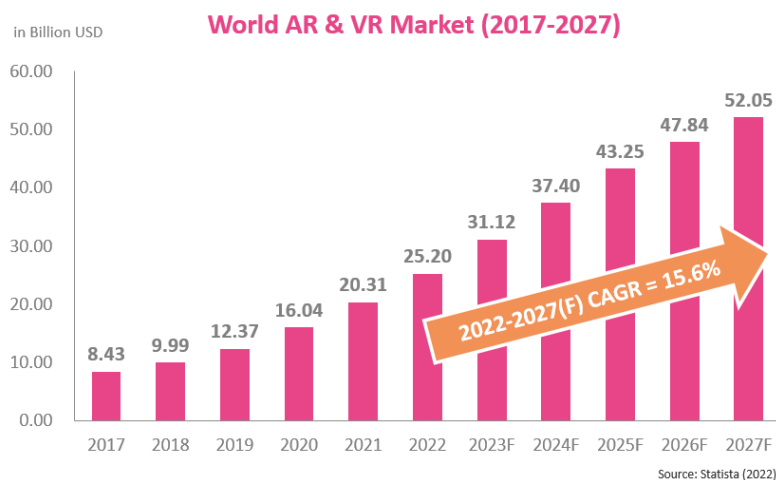
Rank	Company	Rank	Company
1	Denso	6	Zebra Technologies
2	Honeywell	7	Toshiba TEC
3	Fujitsu	8	Cognex
4	NEC Corporation	9	SATO
5	Avery Dennison	10	Datalogic

Source: Value.Today (2022)

(5) Communication

The global market of AR/VR

The key technologies of Augmented Reality or AR, and Virtual Reality or VR continue to grow in application under the influence of the topic of metaverse. This brings about an overall growth of the industry. According to a report of Statista, the growth of the global market of AR/VR is expected to achieve US\$25.21 billion in 2022, and will be as high as US\$52.05 billion by 2027 with compound annual growth rate (CAGR 2022- 2027) at 15.6%. Furthermore, the user population of AR/VR market is projected at 2.5931 billion by 2027 with user diffusion rate from 26.4% in 2022 to 32.6% in 2027.



The USA will be the biggest market for AR/VR in the world. The market value of AR/VR in the USA amounted to US\$7.055 billion in 2022, and will grow to US\$8.568 billion in 2023. In addition to the USA, the development of the market in Mainland China will

also be promising. The market value of the AR/VR market in China amounted to US\$5.428 billion in 2022. The development of related technologies has attracted much of the attention of the Chinese government. According to a forecast of IDC, the CAGR of the AR/VR market of China will achieve 42.2% in the period of 2021-2026 in rapid high growth.

AR & VR Market Volume by Country (2022)

in million USD

Rank	Country	Market Volume (2022)	Market Volume (2023F)
1	US	7,055	8,568
2	China	5,428	6,606
3	Japan	1,518	1,880
4	Germany	1,254	1,560
5	UK	940	1,167

Source: Statista (2022)

An observation of Digitimes Research indicated that a new wave of AR/VR headset is imminent under the launch of 5G and Wi-Fi 6. In the advent of 5G, manufacturers are more willing to develop AR/VR headset. The prevalence of 5G and Wi-Fi 6 allowed the VR/AR headsets to shake off the yoke of wire connection. The matching with 5G cell phone allows the users to enter a greater variety of scenarios, which makes it the media for the consumers in using AR/VR headsets. Furthermore, the development of products and technologies allowed the AR headset to create VR environment. VR devices can in turn make use of the AR effect create by camera. The dual application of AR + VR products deserves our close attention.

4. The major competition for principal items

Connectors and connection wire harness are the key items of the Company, and are extensively applicable to parts and component of electronic peripherals, electronic parts and components of optoelectronics, electronic parts and components of wireless communication, energy products, automotive industry, and parts and components of medical devices. Among the companies listed at TWSE or TPEx the principal business engagement of which is similar to the Company are Foxlink, Jess-Link Products and Bizlink. The carrying items of these industry peers are specified in the table below:

Company name	Key items
Foxlink (2392)	Manufacturing, sale and service of connectors, cables, battery, and power source products for the information industry, communication industry, automation equipment industry, precision machinery industry, and consumer electronics.
JPC Connectivity (6197)	Manufacturing, sale, and service of connectors, wire harness, and antennae.
BizLink Holding Inc. (3665)	Research and development production, and sale of related parts and components, connection cords, connectors, wire harness, and optoelectronic components for computers, automobiles, medical service, communication, and PV energy equipment.

Source: compiled by Fubon Securities

(III) R&D Outlook:

Year	Result of R&D
2011-2012	Successful development of HDMI, DDR 3, DDR 4, USB and other connectors and additional effort in the development of PV of which Junction Box, PV Connector and Cable have passed the tests of TUV and UL in PV international standard.
2013-2014	Our investee company, DigiO2, a digital medical service firm, engaged in a joint venture with the Remote Care Center of National Taiwan University Hospital in the remote care service project thereby developed the portable medical spraying device of “Brezze®Nebulizer”. This also enabled us to win the 2013 iF gold award in design from Germany.
2015-2016	1. Tablet PC development to DVT stage for SF Express. 2. Development to DVT stage for PC monitoring and control system. 3. EV Charger, EV charging gun, and AC charger pole are achieved at the DVT stage.
2017-2018	1. Assistance to the clients in the USA in the development of smart drug cabinet control line, smart light adjustable window control line. 2. Development of robotic arm control line, electronic fireplace, smart grids and other customized products.

2018-2019	1. Development of the sensor of safety air-bag belt, smart water heater, and parking lot display system. 2. AIOT (Artificial Intelligence of Things), the application system of AI x IoT.
2020-2021	1. Development of factory use automated data collector. This device can collect data on the status of machine operation and repetitions of the use of tool, and can generate product quantity data in real-time as interface for electronic production report for combining with the IoT technology to upload the data to cloud system in real-time. 2. Development of factory MES system to provide a platform for real-time information that gives assistance to the factory end in keeping production in control and the progress of work, and early warning on equipment maintenance. This helps management staff to improve their work efficiency and tracking the production. 3. Development of image verification system for assisting factory end for confirmation of the line color, line location and content of the label. This helps to eliminate the probability of human error in identification process.
2022-	1. The development, application, and cloud database of the integrated system for the control of smart car IoT & electric bike. 2. Furthering the technology in the research and development of products in the field of Data Capture (including Single & four slot Ethernet Cradle, Vehicle cradle, and Vehicle charger, and essential peripherals of industrial grade terminal) and the nurturing of the engineering and integration capacity. 3. Design and production of semiconductor equipment cabinets. 4. AI warehouse robots for moving materials to the production lines. 5. Development of various kinds of Mobility products, charging connectors for big current battery. 6. Fitness training and Box Build 7. Electric Heavy Bikes

In 2022, the Group spent NT\$950,978 thousand on research and development, which was an increase of 12% from the same period of the previous year. Significant effort has been made in the development of IoT, warehouse automation equipment, smart cars, green energy industries,

robotic application, smart home and electronic parts and components. Ongoing improvement will be made on factory equipment efficiency. The Group is expected to spend at least NT\$300 million or at least 3% of its revenue in research and development every year in the future.

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

1. Short-term business development plans:

(1) Short-term business direction:

- A. Customized heavy-duty, water-proof and weather-resistance electronic wire harness and connector solutions: provide customized wire harness design, with extension to physical design, PCB assembly, Smart Cable and other integrated engineering services. The products will be used in green energy industries, EV charging equipment, high precision equipment, semiconductor equipment, and different kinds of medical testing equipment. SINBON was engaged in the business of electric bikes over the years.
- B. Ongoing dealership of electronic parts and components: With years of experience and professional standing in parts and components, The Company provides the customers with consultation service and technical support in different kinds of electronic parts and components, and emerged as the most reliable partner of the customers and agents.
- C. Advocacy and pursuit of ESG sustainability strategy: the Company reorganized the Corporate Social Responsibility Committee and established the Sustainability Committee in 2021. The CEO acts as the Director of this committee. The position of Sustainability Officer has also been created and is in charge of the "Sustainable Development Office" as the designated body for the advocacy and pursuit of ESG sustainability. The Sustainability Committee is consisted of 6 teams charged with the duties of "corporate governance", "Green SINBON", "environmental sustainability", "sustainable supply chain", "sustainable partnership", and "value chain operation". These teams are administered by senior managers of the Company with the expectation of sustaining the upgrade of SINBON in the performance of environmental protection, social participation, and corporate governance in 2023.

- D. Active indulgence in product R&D for strengthening competitive power: prepared for the training and development of R&D people for ongoing refinement of R&D and engineering capacity. Further to the supply of innovative customized design to the need of the customers, the Company also seeks to assure quality for the ongoing assistance to customers in upgrading product performance, developing products with high added-value and competitive power.
 - E. Launching for digital transformation and accelerating factory automation: buildup of smart factory, introducing different factory automation systems. Upgrade production efficiency with stable quality assurance through integrating the smart and digital process.
- (2) Important policies of production and sale:
- A. Strategic Alliance:

Through strategic alliance or direct investment to respond to the rapid changes in market with expansion of business and vertical integration in the development, design, validation, and production of customized precision connectors to the expectation of the customers.
 - B. Continued performance improvement:

Through the performance evaluation function of the group to directly manage the indicators and operation performance of all business units of the group.
 - C. Development of niche products:

The Company provides integrated engineering service to upgrade the added-value of products. The gravity of production and sale rests with the development of niche models and products with challenge. The Company has successfully completed the development of high voltage wire harness for EC, aviation/navigation/vehicle GPS electronic parts and components, portable body signal devices, x-ray machine, MRI devices, porosity testing device, wind power generator, and also actively involved in the development of industrial controllers, industrial computer, electronic medical devices, PV and wind power generation, and aviation electronic parts and components.

D. In-depth development of the iMAGIC industry:

The Company aligns with the development trend and is engaged in the development of medical use, automotive, green, industrial, and communication connectors and PCBA, and further the development of the parts and components for automated warehouse system, robotic arms, warehouse moving robots, smart power system, unmanned shops, EV charging module, IoT module electric bikes, and drones.

2. Long-term business development plans:

- (1) The Company will continue to go for high growth through the launch of the strategic matrix (existing customers and products, existing customers and new products, and new customers and new products).
- (2) The Company planned to establish its production facility in Mexico and expand the production capacity at the plants in USA and Hungary for proximity to customer need.
- (3) The Company has established a designated body for business development. This body is responsible for keeping track on market situation and the trend of development in the future and also development of the uncultivated niche market.
- (4) Continue to upgrade the R&D team and fortify its core know-how, and lay hands on frontier industries as early as possible and continue to challenge for products with challenging sophistication.
- (5) Strategic Alliance: SINBON has proactively sought strategic alliance or joint venture partners through different channels over the years. This would help to bolster the competitive power of the Company and also provide the customers with total solutions in service through the integration of resources.
- (5) Indulge in sustainability and corporate governance, and voluntarily take part in major ESG rating at global level. SINBON also proactively responds to the SDGs of the United Nations, and gear up with the world for sketching out the strategic road map for sustainability in mid to long-term.

II. Market, Production and Sale

(I) Market analysis:

Unit: NT\$1,000

Region of sale		2021		2022	
		Amount	%	Amount	%
Domestic sale		1,872,357	7.33	1,872,357	7.33
Export sale	USA	5,338,758	20.91	5,338,758	20.91
	Europe	2,836,630	11.11	2,836,630	11.11
	Mainland China	12,504,279	48.98	12,504,279	48.98
	Others	2,978,682	11.67	2,978,682	11.67
	Total	25,530,706	100.00	25,530,706	100.00

(II) Principal use and production process of key items:

Key items	Principal use or function	Production process
Electronic peripheral parts:	Connection cord: PCMCIA signal lines, computer and peripherals cables (I/O Cable), USB Link Cable, Flat Cable, barcode reader input/output interface module, LCD soft PCB, LCD ultra fine coaxial signal cables. Connectors: connectors used in network communication, computer peripherals and consumer electronics. Systems: scanning receivers, USB PEN DRIVE, research and manufacturing services and consumer electronics.	1. Wire cutting and stripping 2. Terminated 3. Assembly, Crimping 4. Inspection 5. Packing
Electronic peripheral parts:	Manufacturing and sale of power rectifier.	
Wireless communication	Mobile phone transmission line, cell phone connector, antennae, RFID.	
Optoelectronic communication parts and components	Optoelectronic connector, LED, LCM and high frequency coaxial line.	

Key items	Principal use or function	Production process
Others	Parts and components for automotive, medical, and industrial use.	1. SMT 2. Assembly 3. Inspection 4. Packing

(III) The supply of key materials:

Name of material	Suppliers	Status of supply
Connectors	Hirose, Hsin Cheng	Good, stable
Wires	Far East Cable, Staubli	Good, stable

(IV) Names of customers accounting for more than 10% of the total purchase or sale in either of the last 2 years, and the amount and proportion of purchase and sale, also explain the changes:

1. Customers of sale: There was no particular customer accounting for more than 10% of the total sale over the last 2 years.

2. Supplier:

Profiles of key suppliers over the last 2 year

Unit: NT\$1,000

Item	2021				2022			
	Name	Amount	Proportion to the total purchase of the year (%)	Relation with the issuer	Name	Amount	Proportion to the total purchase of the year (%)	Relation with the issuer
1	Supplier A	3,178,177	14.63	None	Supplier A	3,425,698	15.44	None
2	Supplier B	1,263,538	5.82	None	Supplier B	1,069,025	4.82	None
3	Others	17,275,214	79.55		Others	17,694,149	79.74	
	Net purchase	21,716,929	100.00		Net purchase	22,188,872	100.00	-

Cause of change: The amount of purchase from Supplier A increased due to the growth of sale of the Company.

Note 1: List out the names of the suppliers accounting for more than 10% of the total purchase over the last 2 years, and the amount and proportion of purchase. Use supplier code if it is specified in the buy-sell agreement that the names of the suppliers or counterparties of trade are individuals and not related-parties that cannot be disclosed.

Note 2: For companies listed at TWSE or TPEX for the trading of stock have audited or reviewed financial information to the date this report was printed, disclose such information.

(V) Production value and volume in the last 2 years

Unit: 1,000 pcs; NT\$1,000

Year	2021			2022		
Production quantity and quality Key items (or by segment)	Production capacity	Production volume	Production value	Production capacity	Production volume	Production value
Wire harness	-	240,398	18,341,376	-	299,020	23,519,351
Connectors	-	136,103	550,371	-	122,537	536,344
Others	-	-	-	-	-	146,682
Total	-	376,501	18,891,747	-	421,557	24,202,377

Note 1: Production capacity refers to the quantity of production generated with the use of the production equipment on hand under normal condition after considering for necessary discontinuation of work and holidays.

Note 2: If the production of the products could be substituted, combine the calculation of production capacity and make note on that.

Note 3: The Company is only a dealer of connectors, not manufacturer.

Note 4: Others refers to construction sales.

(VI) Sale volume and value over the last 2 years

Unit: 1,000 pcs; 1,000 pcs; NT\$1,000

Production quantity and quality Key items (or by segment)	Year		2021				2020			
			Domestic sale		Export sale		Domestic sale		Export sale	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Connection cord	10,109	1,443,139	128,207	18,272,260	10,943	1,706,748	140,209	21,867,118		
Connectors	172,120	398,482	2,176,042	5,044,654	185,428	460,520	2,375,727	5,900,247		
Others	2,081	27,240	26,373	344,931	1,998	322,006	25,600	318,161		
Total	184,310	1,868,861	2,330,622	23,661,845	198,369	2,489,274	2,541,536	28,085,526		

- III. The number of employees, the average years of seniority in services, average age, and education in the last 2 years to the date this report was printed:

Year		2021	2022
Number of employees	Director labor	4,904	4,783
	Indirect labor	2,066	2,154
	Total	6,970	6,937
Average age		30.84	33.03
Average years of seniority in service		3.16	3.55
Education	PhD	0.04%	0.04%
	Master	1.99%	2.13%
	College/university	30.58%	32.23%
	Senior high school	31.41%	30.00%
	Below senior high school	35.98%	35.59%
	Total	100.00%	100.00%

- IV. Information on expenditures on environmental protection:

(I) The total amount of loss or penalty due to pollution of the environment in the previous period to the date this report was printed: Not applicable.

(II) Policy in the future and possible spending:

1. Zhong Hua Plant in Miaoli

(1) The revision of the solid waste cleanup document amounted to NT\$10,000.

(2) The fee for environmental inspection and testing amounted to NT\$10,000.

2. Guo Hua Plant in Miaoli

(1) For connecting to the sewage system of Miaoli, the adjustment of pipeline at the plant is expected to cost NT\$450,000.

(2) Improvement of the industrial wastes parking zone is expected to cost NT\$150,000.

(3) The revision of the solid waste cleanup document amounted to NT\$10,000

(4) The fee for environmental inspection and testing amounted to NT\$15,000.

(5) The fee for waste solvents cleanup amounted to NT\$120,000.

V. Labor-Management Relation:

(I) The benefit policy, continuing education, training, and retirement system of the employees of the Company and the pursuit of these policies:

1. All employees are covered by labor insurance and national health insurance:

The Company will include employees for labor insurance and health insurance coverage as of zero hour on the day the employees reported for duties for the protection of their rights and privileges.

2. Group Insurance:

The Company provides group insurance for the employees in accordance with the Regulations Governing Insurance for the Employees. Life insurance, accident insurance, medical insurance for hospitalization and cancer are covered. The amount insured varied with the positions and nature of the duties. The insurance premium will be paid by the budget of the Company that employees are not required to pay at all.

From 2019, dependents of the employees are included in the coverage of injury treatment and hospitalization. The Company will pay for the premium in full amount.

3. Routine health examination for the employees:

Employees are the valuable assets of the Company and the health of whose are pivotal to the production capacity of the Company and their family lives. For this reason, the Company provides health examination for personnel at the rank of managers and above once a year. Other employees also receive health examination in accordance with the Occupational Safety and Health Act.

4. Employee training:

For alignment with the object of the strategic development of the Group and the satisfaction of the skills and knowledge of the employees required for their jobs, the Company provides a wide array of means and channels for learning. Examples are: internal training, domestic training, overseas study, and reading gathering.

5. Employee bonus:

Employees share the profit of growth with the Company. The strong bonding and cohesiveness of the employees yield result under team spirit.

6. Employee Welfare Committee:

- (1) Gifts and allowance for matrimony, bereavement, and celebrity.
- (2) Pleasure trips for the employees are organized at regular intervals.
- (3) Different kinds of social functions were organized for enhancing communication and harmony.
- (4) Gift voucher or gifts for festivals and birthday celebration.
- (5) Entered into agreement with several shops to provide discount price and special offer for the employees.
- (6) Allowances for hospitalization, and relief from disasters.
- (7) Scholarship for employees in continuing education.
- (8) Seminars on professional topics from time to time

7. Employee retirement system:

The Company appropriates for the pension reserve of employees monthly in accordance with the "Labor Pension Act" thereby at least 6% of the monthly salary of each employee will be deposited in their respective personal pension fund account at the Labor Insurance Bureau. The Company recognized the amount of NT\$62,526 thousand and NT\$60,074 thousand, respectively, in 2022 and 2021 for appropriation under the plan.

Under the Regulations Governing Pension Fund of Employees established in accordance with the "Labor Standards Act", the payment of pension to employees is based on the basic points of the years of service and the average monthly salary of the employee at the time of approval for retirement. For those whose service seniority is 15 years or less, 2 basic points will be given for each year of service. For service seniority over 15 years, 1 basic point will be given for each year of service with accumulation of up to 45 basic points. The Company appropriates 2% of the total salaries as pension reserve monthly as required, and deposit at the special account of the Bank of Taiwan under the account title of Labor Pension Reserve Monitoring Committee. As of December 31 2022, the Company appropriated NT\$9,600 thousand under the defined benefit plan for the next year at the present value of NT\$134,168 thousand for the defined benefit obligation. The net defined benefit liabilities amounted to NT\$53,501 thousand. Application with the Company for retirement may be made via the electronic signature system or file with HR Department.

8. Free parking:

Parking is a problem at the Taipei Office. The Company spares a budget for renting a parking lot for the free parking of the employees.

9. The following leave and holidays are senior to the requirement under the Labor Standards Act:

(1) Maternity leave: the mandatory leave for maternity is 56 days while the Company offers 61 days.

(2) The "Leave for caring of parents or spouse suffering critical illness or injuries" is senior to the Labor Standards Act: this kind of leave is not required by law. The Company just expresses its concern for the employees in circumstances of the sudden critical illness or injuries of their parents or spouse that they must have sufficient time for related arrangement and caring of their love ones. Accordingly, employees may take 10 days off in the first and the second half of the first year of critical illness or injuries of their parents or spouse, respectively, under the provision of "Leave for caring of parents or spouse suffering critical illness or injuries".

(3) Leave with pay: Further to the 14 days of leave without pay for personal reason under the Labor Standards Act, the Company offers the employees 7 days of "persona leave with pay".

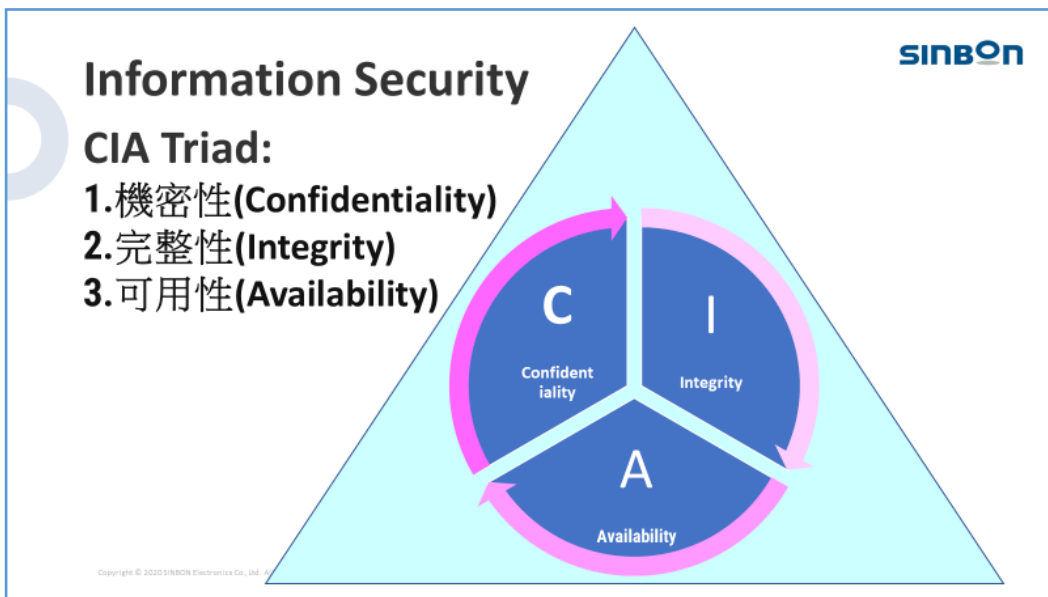
(II) Loss caused by Labor-Management dispute in the previous period to the date this report was printed: not applicable.

VI. Information Security Management:

(I) The framework of information security risk management

1. The Company has established the Information Security Management Committee charged with the duties of approving information security policies. The committee has a subordinated body, the Information Security Department, which is responsible for the reporting and pursuing the information security policy of the Group, the advocacy and proper pursuit of related measures for assurance of the security of the information system in ongoing operation.
2. The Auditing Office is the supervisory body of information security, and is responsible for the audit of information security, proposition of corrective action plan and tracking with the status of rectification to reduce information security risk.

(II) The information security policy and action plans



1. Protection of the confidentiality, integrity and usability of the information operation of the Company for sustainability.
2. For assuring the information security of the Company and proper access control, and the privacy of information.
3. The implementation of information security policies of the Company includes the following:
 - (1) Formation of cross-function information security organization to map out, advocate, enforce and continue improvement plan for assuring an information environment secure for ongoing operation.
 - (2) Conduct risk assessment and management of information security at regular intervals, and implement relevant control measures properly.
 - (3) Provide information security education and training at regular intervals to upgrade the awareness of information security and protection, and related rules of operation.
 - (4) Establish a secure and reliable information system environment for assisting the sustainable development of business at the Company. Install appropriate backup and monitoring mechanisms for vital information system or equipment with routine exercise drill for assuring normal functioning.
 - (5) Establish the reporting and responding procedures for critical information security events with appropriate and timely response and recover within specific period of time to avoid spillover of the damage.

(6) The following control measures were taken as vital information security tasks:

Item	Explanation	Processing
Control of user ID and access	Management of account access and operating system.	User ID and access control
Access control	System access and data transmission management measures	System access control and user management
Threat	System weak points and malicious intrusion	1. Weak point scanning, 2. Antivirus protection, 3. Screening of behavior
Usability	State of service of the system and response to interruption	1. System monitoring and alarm system 2. Equipment failure and response 3. Backup and alternate backup mechanism 4. Disaster recovery exercise drill

(III) Resources committed to information security management

The Company has committed massive resources for the development of good people for many years. Further to the staffing with information security personnel internally, the Company also outsources for information security diagnosis. If the test result indicated the existence of loopholes, the Company will require to fixing the problem and conduct a new round of test within designated period of time.

The Company provides information security education and training at regular intervals and has 100% attainment towards the goal. In addition, the Company also arranges professional training programs on information security and personal information in system management, network management, program development, information security management, information security testing, personal information protection and related fields of specialization.

Continue to improve the information system of the organization, and prevent possible loophole from internal information system security. Complete of the exercise drill in external phishing email (social engineering) in 2022, and started to introduce the ISO 27001 system. It is expected that accreditation can be accomplished in 2023. With the 3 layers of security

management in planning, prevention, continued monitoring, and response to emergency, the Company will continue to fortify the management process of information security for the effective assessment and management of risk.

- (IV) The loss, possible influence caused by critical information security incidents in the previous period to the date this report was printed, and the policy in response to the situation. If reasonable assessment is impossible, explain why.

Not applicable

VII. Important agreements:

Nature of agreements	Contracting parties	Perpetuity of the agreements	Summary of the content	Restrictive clause
Agreement with Suppliers on Special Arrangement	P	August 22 2017 ~ the last day of the arrangement	SINBON engaged in a joint venture with Company P for tooling development. The parties hereto entered into an agreement on this joint venture for assuring the ownership and right of use of the intellectual property rights thereof.	None
Dealership agreement	C	July 15 2015 ~	SINBON distributes the products made by Company C as a dealer, the parties hereto entered into an agency agreement for defining the regions of sales and commission.	None

MOU on joint venture	E	November 18 2016 ~	The parties entered into an MOU for the consent of SINBON in assisting Company E in capacity expansion. Company E promises on the purchase quantity.	None
Supplier agreements	A	January 25 2018	SINBON is the supply chain of Company A, and entered into an agreement with Company A On supply	None
Design agreements	M	August 18 2017	SINBON conducts R&D on products for Company M. The parties hereto entered into an agreement on design joint-venture.	None
Manufacturing Agreement	A	July 01 2019 ~	SINBON is the supplier of Company A. The parties hereto enter into an agreement on supply	None
Parts and Components Purchase Agreement	A	September 12 2019 ~	SINBON is a supplier of parts and components to Party A. The parties hereto entered into an agreement on the production and supply of related parts and components.	None

Equity Joint-Venture Agreement	V	May 19 2020	SINBON and affiliate Company T invest in Company V	SINBON and affiliate Company T cannot provide production and assembly service to competitors engaged in the same business as Company V.
Agreement pertinent to equity joint-venture	N	June 14 2018	Company N invests in SINBON affiliate Company R and provides related technical licensing, and run Company R in joint effort.	None
Agreement pertinent to equity joint-venture	I	April 15 2021 ~	SINBON and Company I engaged in equity joint-venture for the development of green energy.	None
Procurement agreement	J	July 20 2022 ~	SINBON is the supplier of Company J. The parties hereto enter into an agreement on supply	None

Chapter VI. Financial Information

I. Condensed Balance Sheet and Comprehensive Income Statement (2018-2022) Specify the names of the independent auditors and audit opinion:

(I) Condensed Balance Sheet and Comprehensive Income Statement:

Condensed Balance Sheet (Consolidated under IFRS)

Unit: NT\$1,000

Year		Financial Information (2018-2022) (Note 1)				
		2018 (Audited)	2019 (Audited)	2020 (Audited)	2021 (Audited)	2022 (Audited)
Item						
Current assets		11,361,548	13,568,882	19,087,028	22,056,872	27,654,708
Property, plant and equipment (Note 2)		1,854,001	2,154,817	2,701,729	2,828,071	3,042,740
Intangible assets		94,820	91,601	70,899	48,226	41,422
Other assets (Note 2)		177,400	353,925	323,964	441,705	545,214
Total assets		14,201,536	17,184,967	23,683,043	27,148,720	32,977,383
Current liabilities	Cum-dividend	6,981,572	8,823,257	11,793,084	14,376,646	17,785,324
	Ex-dividend	8,008,194	10,056,977	13,260,588	16,017,504	Undistributed
Non-current liabilities		423,332	564,497	2,121,826	1,636,694	1,718,995
Total liabilities	Cum-dividend	7,404,904	9,387,754	13,914,910	16,013,340	19,504,319
	Ex-dividend	8,431,526	10,621,474	15,382,414	17,654,198	Undistributed
Shareholders equity attributable to the parent company		6,572,643	7,517,407	9,154,788	10,357,746	12,633,499
Capital stock		2,266,954	2,326,694	2,327,775	2,342,060	2,385,041
Additional paid-in capital		904,086	1,228,781	1,885,096	2,190,472	3,067,205
Retained earnings	Cum-dividend	3,743,536	4,443,155	5,341,646	6,207,190	7,451,950
	Ex-dividend	2,716,914	3,209,435	3,874,142	4,566,332	Undistributed
Other equities		(341,933)	(481,223)	(399,729)	(381,976)	(270,697)
Treasury shares		-	-	-	-	-
Non-controlling interests		223,989	279,806	613,345	777,634	839,565
Total equity	Cum-dividend	6,796,632	7,797,213	9,768,133	11,135,380	13,473,064
	Ex-dividend	5,770,010	6,563,493	8,300,629	9,494,522	Undistributed

Note 1: Financial information covering 2018~2022 were audited.

Note 2: No reappraisal of assets has been conducted over the years.

Note 3: The proposal for distribution of earnings in 2022 was pending on the final decision of the General Meeting of Shareholders. The ex-dividend amount was not disclosed.

Note 4: The financial information of the Company has not been rectified or recompiled upon the notification of the competent authority.

Condensed Balance Sheet (Separate under IFRS)

Unit: NT\$1,000

Year Item		Financial Information (2018-2022) (Note 1)				
		2018 (Audited)	2019 (Audited)	2020 (Audited)	2021 (Audited)	2022 (Audited)
Current assets		2,840,557	3,106,100	5,508,374	6,081,057	7,806,293
Property, plant and equipment (Note 2)		518,658	526,522	673,018	704,798	786,077
Intangible assets		-	-	-	-	-
Other assets (Note 2)		24,773	136,430	99,479	198,328	106,096
Total assets		10,126,114	11,221,369	15,277,067	17,147,563	20,449,609
Current liabilities	Cum-dividend	3,276,402	3,402,927	4,158,829	5,283,238	6,227,963
	Ex-dividend	4,303,024	4,636,647	5,626,333	6,924,096	Undistributed
Non-current liabilities		277,069	301,035	1,963,450	1,506,579	1,588,147
Total liabilities	Cum-dividend	3,553,471	3,703,962	6,122,279	6,789,817	7,816,110
	Ex-dividend	4,580,093	4,937,682	7,589,783	8,430,675	Undistributed
Shareholders equity attributable to the parent company		6,572,643	7,517,407	9,154,788	10,357,746	12,633,499
Capital stock		2,266,954	2,326,694	2,327,775	2,342,060	2,385,041
Additional paid-in capital		904,086	1,228,781	1,885,096	2,190,472	3,067,205
Retained earnings	Cum-dividend	3,743,536	4,443,155	5,341,646	6,207,190	7,451,950
	Ex-dividend	2,716,914	3,209,435	3,874,142	4,566,332	Undistributed
Other equities		(341,933)	(481,223)	(399,729)	(381,976)	(270,697)
Treasury shares		-	-	-	-	-
Non-controlling interests		-	-	-	-	-
Total equity	Cum-dividend	6,572,643	7,517,407	9,154,788	10,357,746	12,633,499
	Ex-dividend	5,546,021	6,283,687	7,687,284	8,716,888	Undistributed

Note 1: Financial information covering 2018~2022 were audited.

Note 2: No reappraisal of assets has been conducted over the years.

Note 3: The proposal for distribution of earnings in 2022 was pending on the final decision of the General Meeting of Shareholders. The ex-dividend amount was not disclosed.

Note 4: The financial information of the Company has not been rectified or recompiled upon the notification of the competent authority.

Condensed Comprehensive Income Statement (Consolidated under IFRS)

Unit: NT\$1,000

Item \ Year	Financial Information (2018-2022) (Note 1)				
	2018 (Audited)	2019 (Audited)	2020 (Audited)	2021 (Audited)	2022 (Audited)
Revenue	15,645,253	17,886,170	21,797,542	25,530,706	30,574,800
Gross profit	3,919,945	4,589,668	5,585,997	6,409,195	7,731,524
Operating income	1,631,689	1,892,758	2,649,177	2,787,859	3,326,449
Non-operating incomes and expenses	288,379	276,405	78,689	240,841	516,016
Net income before tax	1,920,068	2,169,163	2,727,866	3,028,700	3,842,465
Net income of continued operations	1,371,529	1,677,851	2,183,500	2,487,829	3,023,030
Loss from discontinued operations	-	-	-	-	-
Net income (loss)	1,371,529	1,677,851	2,183,500	2,487,829	3,023,030
Other comprehensive income (after tax)	25,083	(136,197)	91,276	19,807	122,190
Total comprehensive income	1,396,612	1,541,654	2,274,776	2,507,636	3,145,220
Net income attributable to the shareholders of parent company	1,413,477	1,718,511	2,113,868	2,331,502	2,880,553
Net income attributable to non-controlling interests	(41,948)	(40,660)	69,632	156,327	142,477
Total comprehensive income attributable to shareholders of parent company	1,441,241	1,586,951	2,213,705	2,350,660	2,996,877
Total comprehensive income attributable to non-controlling interests	(44,629)	(45,297)	61,071	156,976	148,343
Earnings per share	6.26	7.47	9.08	10.00	12.22

Note 1: Financial information covering 2018~2022 were audited.

Note 2: Loss from discontinued operation is presented by the net amount after taxation.

Note 3: The financial information of the Company has not been rectified or recompiled upon the notification of the competent authority.

Condensed Comprehensive Income Statement (Separate under IFRS)

Unit: NT\$1,000

Item \ Year	Financial Information (2018-2022) (Note 1)				
	2018 (Audited)	2019 (Audited)	2020 (Audited)	2021 (Audited)	2022 (Audited)
Revenue	5,035,927	4,899,284	5,570,753	6,928,235	7,691,998
Gross profit	1,285,215	1,258,919	1,350,582	1,685,433	2,062,122
Operating income	471,163	313,250	324,942	492,367	471,073
Non-operating incomes and expenses	1,174,503	1,680,569	2,121,339	2,248,442	2,933,776
Net income before tax	1,645,666	1,993,819	2,446,281	2,740,809	3,404,849
Net income of continued operations	1,413,477	1,718,511	2,113,868	2,331,502	2,880,553
Loss from discontinued operations	-	-	-	-	-
Net income (loss)	1,413,477	1,718,511	2,113,868	2,331,502	2,880,553
Other comprehensive income (after tax)	27,764	(131,560)	99,837	19,158	116,324
Total comprehensive income	1,441,241	1,586,951	2,213,705	2,350,660	2,996,877
Net income attributable to the shareholders of parent company	-	-	-	-	-
Net income attributable to non-controlling interests	-	-	-	-	-
Total comprehensive income attributable to shareholders of parent company	-	-	-	-	-
Total comprehensive income attributable to non-controlling interests	-	-	-	-	-
Earnings per share	6.26	7.47	9.08	10.00	12.22

Note 1: Financial information covering 2018~2022 were audited

Note 2: Loss from discontinued operation is presented by the net amount after taxation.

Note 3: The financial information of the Company has not been rectified or recompiled upon the notification of the competent authority.

(II) Names of Independent Auditors in 2018~2022, and audit opinions:

Year	Name of Independent Auditor	Audit Opinion	Remark
2018	Ernst & Young, Taiwan Tzu-Ping, Huang, CPA Hung-Kuang, Lin, CPA	Unqualified with Emphasis-of-Matter and Other-Matter Paragraphs	
2019	Ernst & Young, Taiwan Tzu-Ping, Huang, CPA Ming-Hung, Chen, CPA	Unqualified with Emphasis-of-Matter and Other-Matter Paragraphs	
2020	Ernst & Young, Taiwan Tzu-Ping, Huang, CPA Ming-Hung, Chen, CPA	Unqualified with Emphasis-of-Matter and Other-Matter Paragraphs	
2021	Ernst & Young, Taiwan Tzu-Ping, Huang, CPA Ming-Hung, Chen, CPA	Unqualified with Emphasis-of-Matter and Other-Matter Paragraphs	
2022	Ernst & Young, Taiwan Wen-Chen, Lo, CPA Ming-Hung, Chen, CPA	Unqualified with Emphasis-of-Matter and Other-Matter Paragraphs	

II. Financial Analysis 2018~2022:

(I) Financial Analysis:

Year (Note 1) Financial Analysis 2018~2022 (Consolidated under IFRS)						
		2018 (Audited)	2019 (Audited)	2020 (Audited)	2021 (Audited)	2022 (Audited)
Item of analysis (Note 2)						
Financial structure	Liabilities to assets ratio (%)	52.14	54.63	58.75	58.98	59.14
	Long-term capital to property, plant and equipment ratio (%)	367.01	362.22	419.57	429.29	474.60
Ability to repay debt	Current ratio	162.74	153.79	161.85	153.42	155.49
	Quick ratio	108.69	100.36	105.09	77.87	81.52
	Debt service coverage ratio	45.27	45.30	56.54	39.36	46.58
Utility	Accounts receivable turnover (time)	3.83	3.73	3.45	3.55	3.90
	Average days of cash receipt	95	98	106	103	94
	Inventory turnover (time)	3.64	3.21	2.95	2.29	2.00
	Accounts payable turnover (time)	4.01	4.10	3.61	3.32	3.51
	Average days of sale	100	114	124	159	182
	Property, plant and equipment turnover (time)	9.37	8.92	8.98	9.23	10.42
	Total assets turnover (time)	1.17	1.14	1.07	1.00	1.02
Profitability	Return on assets (%)	10.53	10.95	10.88	10.04	10.28
	Return on equity (%)	20.95	22.99	24.86	23.80	24.57
	Net income before tax to paid-in capital ratio (%) (Note 6)	84.7	93.23	117.19	129.32	161.11
	Net profit rate (%)	8.77	9.38	10.02	9.74	9.89
	Earnings per share (NTD)	6.26	7.47	9.08	10.00	12.22

Year (Note 1) Financial Analysis 2018~2022 (Consolidated under IFRS)						
		2018 (Audited)	2019 (Audited)	2020 (Audited)	2021 (Audited)	2022 (Audited)
Item of analysis (Note 2)						
Cash flow	Cash flow rate (%)	4.92	19.21	4.64	9.35	13.98
	Cash flow adequacy rate (%)	78.45	81.73	44.86	30.72	35.76
	Cash reinvestment rate (%)	(6.54)	6.95	(5.19)	(0.82)	4.95
Leverage	Operation leverage	2.31	2.36	2.03	2.22	2.23
	Financial leverage	1.03	1.03	1.02	1.03	1.03
Explain the cause of the change in financial ratios over the previous 2 periods. (Analysis is not required for changes below 20%) I. The change in net income before tax to paid-in capital ratio is caused by the increase of net income before tax. II. The change in cash flow rate is caused by the increase of net cash flow from operation. III. The change in cash reinvestment ratio is caused by increase of net cash flow from operation.						

Year (Note 1) Financial Analysis 2018~2022 (Separate under IFRS)						
		2018 (Audited)	2019 (Audited)	2020 (Audited)	2021 (Audited)	2022 (Audited)
Item of analysis (Note 2)						
Financial structure	Liabilities to assets ratio (%)	35.09	33.01	40.07	39.60	38.22
	Long-term capital to property, plant and equipment ratio (%)	1,267.24	1,427.75	1,591.97	1,610.69	1,728.11
Ability to repay debt	Current ratio	86.7	91.28	132.45	115.10	125.34
	Quick ratio	67.2	69.69	88.97	66.89	69.96
	Debt service coverage ratio	91.84	156.5	160.36	95.71	115.54
Utility	Accounts receivable turnover (time)	4.65	4.5	4.12	4.37	4.56
	Average days of cash receipt	78	81	89	84	80

Year (Note 1)		Financial Analysis 2018~2022 (Separate under IFRS)				
		2018 (Audited)	2019 (Audited)	2020 (Audited)	2021 (Audited)	2022 (Audited)
Item of analysis (Note 2)						
	Inventory turnover (time)	6.16	5.3	3.29	2.49	2.02
	Accounts payable turnover (time)	4.06	3.97	3.56	3.82	4.23
	Average days of sale	59	69	111	146	181
	Property, plant and equipment turnover (time)	12.65	9.38	9.29	10.06	10.32
	Total assets turnover (time)	0.51	0.46	0.42	0.43	0.41
Profitability	Return on assets (%)	14.33	16.20	16.05	14.52	15.45
	Return on equity (%)	22.33	24.39	25.36	23.90	25.06
	Net income before tax to paid-in capital ratio (%) (Note 6)	72.59	85.69	105.09	117.03	142.76
	Net profit rate (%)	28.07	35.08	37.95	33.65	37.45
	Earnings per share (NTD)	6.26	7.47	9.08	10.00	12.22
Cash flow	Cash flow rate (%)	5.53	7.31	12.89	0.22	17.71
	Cash flow adequacy rate (%)	30.32	28.11	24.92	2.68	11.67
	Cash reinvestment rate (%)	(10.18)	(9.63)	(6.22)	(12.17)	(3.73)
Leverage	Operation leverage	2.45	3.53	3.66	3.06	3.89
	Financial leverage	1.04	1.04	1.05	1.06	1.07
Explain the cause of the change in financial ratios over the previous 2 periods. (Analysis is not required for changes below 20%)						
I. The change in debt service coverage ratio is caused by the increase of net income.						
II. The change in average days of sale is caused by the increase of inventory at the ending of the period.						
III. The change in net income before tax to paid-in capital ratio is caused by the increase of net income before tax.						
IV. The change in cash flow adequacy ratio is caused by the increase of net cash flow from operation.						
V. The change in operation leverage is caused by the increase of revenue.						

Note 1: The information on financial analysis 2018~2022 were audited.

Note 2: The following equations should be presented at the end of this statement.

1. Financial structure
 - (1) Liabilities to assets ratio = total liabilities / total assets.
 - (2) Long-term capital to property, plant and equipment ratio = (total equity + non-current liabilities) / net value of property, plant and equipment.
2. Ability to repay debt
 - (1) Current ratio = current assets / current liabilities.
 - (2) Quick ratio = (current assets - inventory - prepaid expenses) / current liabilities.
 - (3) Debt service coverage ratio = net income before income tax and interests expenses / interest expenses for the current period.
3. Utility
 - (1) Accounts receivable (including accounts receivable and bills receivable arising from business operation) turnover rate = net sales of goods / average receivables for different periods (including balance of accounts receivable and bills receivable arising from business operation).
 - (2) Average days of cash receipt = 365 / accounts receivable turnover.
 - (3) Inventory turnover rate = operating costs / average inventory (including inventory and construction work in progress).
 - (4) Accounts payable (including accounts payable and bills payable arising from business operation) turnover rate = operating costs / average payable for different period (including accounts payable and bills payable arising from business operation).
 - (5) Average days of sale = 365 / inventory turnover rate.
 - (6) Property, plant and equipment turnover rate = net sales / average net worth of property, plant and equipment.
 - (7) Total asset turnover rate = net sales / total average assets.
4. Profitability
 - (1) Return on asset = (profit or loss after tax + interests expenses × (1 - tax rate)) / average total assets
 - (2) Return on equity = profit and loss after tax / net average shareholders' equity
 - (3) Net profit rate = profit and loss after tax / net sales of goods.
 - (4) Earnings per share = (Income attributable to shareholders of parent company - preferred share dividend) / weighted average of outstanding shares (Note 4)
5. Cash flow
 - (1) Cash flow ratio = net cash flow due to operating activities / current liabilities.
 - (2) Net cash flow adequacy rate = net cash flow from operating activities over the current five years / (capital expenditure + increase in inventory + cash dividends) for the current five years)
 - (3) Cash re-investment ratio = (net cash flow from operation - cash dividends) / (gross property, plant and equipment + long-term investment + other non-current assets + working capital). (Note 5)
6. Leverage:
 - (1) Operation leverage = (net sale - variable operating costs and expenses) / operating income. (Note 6)
 - (2) Financial leverage = operating income / (operating income - interests

expenses)

Note 3: Pay close attention to the following when using the aforementioned equation to calculate the earnings per shares:

1. Based on the weighted average quantity of outstanding shares, not the quantity of shares issued by the end of the year.
2. Consider the duration of any shares issued for raising new capital or treasury shares in circulation in the calculation of the weighted average quantity of shares.
3. If there are new shares through capitalization of retained earnings or capitalization of additional paid-in capital, adjustment in proportion of the capitalization in retrospect should be taken into account in the calculation of the earnings per share of the previous period and mid-term. The outstanding period of these new shares could be omitted.
4. If the preferred shares are nonconvertible accumulative preferred shares, the dividend for the year (paid out or not) should be subtracted from net income, or add to net loss. If the preferred shares are noncumulative by nature, and there is net income, dividend to preferred shares should be subtracted from net income. No adjustment is necessary if it is net loss.

Note 4: Pay close attention to the following in measurement through cash flow analysis:

1. Net cash flow from operation refers to the amount of net cash inflow from operation as presented in the statement of cash flows.
2. Capital expenditure refers to the cash outflow in each year for capital investment.
3. The increase of inventory is only accounted for when the balance at the end of the period is greater than the beginning of the period. If there is decrease of inventory at the end of the year, put zero in the calculation.
4. Cash dividend includes the cash dividend paid to common shares and preferred shares.
5. Gross property, plant and equipment refers to the property, plant and equipment before deducting accumulated depreciations.

Note 5: Issuers shall classify the cost of operation and operating expenses into fixed cost / expense and variable cost / expense. If estimation or subjective judgment is involved, make sure it is justifiable and consistent.

Note 6: If the stock issued by the Company has no face value or the face value is not NT\$10/share, calculate the aforementioned ratio to paid-in capital by taking the ratio of the shareholder equity attributable to the shareholders of the parent company as presented in the balance sheet.

III. Supervisors or Auditing Committee Review Report on the Financial Statements of the Previous Period:

SINBON Electronics Co., Ltd.
Review Report of Auditing Committee

The Board of Directors prepared the 2022 Separate Financial Statements and Consolidated Financial Statements of SINBON Electronics Co., Ltd., which have been audited by the Independent Auditors from Ernst & Young, Taiwan, Wen-Chen, Lo, CPA, and Ming-Hung, Chen, CPA. These financial statements and the Business Report and Proposal for Distribution of Earnings have been reviewed by the Auditing Committee. In our opinion, these statements and reports were proper in compliance with the Company Act and other applicable legal rules, and hereby presented for your approval pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To

General Meeting of Shareholders of SINBON Electronics Co., Ltd.

SINBON Electronics Co., Ltd.

Convener of Auditing Committee, Ho-Min, Chen

March 9 2023

- IV. The financial report of the previous period, including the Independent Auditors Report, the Balance Sheet, Comprehensive Income Statement, Statement of Change in Shareholders Equity, Statement of Cash Flows and notes to the financial statements covering the two periods for comparison:

Independent Auditors' Report Translated from Chinese

To SINBON Electronics Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of SINBON Electronics Co., Ltd. and its subsidiaries (the "Group") as of 31 December 2022 and 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2022 and 2021, and notes to the consolidated financial statements, including the summary of significant accounting policies (together "the consolidated financial statements").

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other Matter – Making Reference to the Audits of Component Auditors* section of our report), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2022 and 2021, and their consolidated financial performance and cash flows for the years ended 31 December 2022 and 2021, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other

ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

1. Valuation for inventories

As of 31 December 2022, the Group's net inventories amounted to NT\$12,256,145 thousand. Net inventories accounted for 37% of consolidated total assets, which was considered material in the consolidated statements. As the fluctuation in market demand and the fast-changing technology could cause losses of obsolete and slow-moving inventories, the assessment of the inventory write-downs require significant management judgement. We therefore determined this a key audit matter.

Our audit procedures included, but not limited to, understanding and testing the adequacy of accounting policy around obsolete and slow-moving inventories; evaluating stocktaking plan and selecting important storage locations to observe inventory counts to ensure inventory quantities and status; obtaining inventory aging schedule to test whether inbound and outbound records are accurate; re-calculating the unit cost of inventories; and evaluating and testing net realizable value adopted by management. We also assessed the adequacy of disclosures of financial assets. Please refer to Notes 5 and 6 to the Group's consolidate financial statements.

2. Impairment of accounts receivable

As of 31 December 2022, gross accounts receivable and loss allowance by the Group amounted to NT\$7,213,711 thousand and NT\$76,116 thousand, respectively. Net accounts receivable accounted for 22% of consolidated total assets. Since the loss allowance of account receivables is measured by the expected credit loss for the duration of the account receivables, it is necessary to divide account receivables into groups in the process of measurement and analyze the application of related assumptions, including appropriate aging intervals and their respective loss rate. As the measurement of expected credit loss involves making judgment, analysis and

estimates, and the result will affect the net account receivable, we therefore determined this a key audit matter.

Our audit procedures included, but not limited to, analyzing the appropriateness of the grouping of account receivables and confirming whether customers with significantly different credit loss types are grouped by similar risk characteristics. Testing the provision matrix, including evaluating the appropriateness of the aging intervals and the accuracy of the basic data by reviewing the original certificates; testing the related statistics information of loss rate based on the rolling rate within one year. We also assessed the adequacy of disclosures of financial assets. Please refer to Notes 5 and 6 to the Group's consolidate financial statements.

Other Matter– Making Reference to the Audits of Component Auditors

As explained in Note 4(3), we did not audit the financial statements of certain consolidated subsidiaries, which statements reflected total assets of NT\$7,415,475 thousand and NT\$5,846,770 thousand, both constituting 22% of consolidated total assets as of 31 December 2022 and 2021 and total operating revenues of NT\$8,704,838 thousand and NT\$7,159,405 thousand, both constituting 28% of consolidated operating revenues for the years ended 31 December 2022 and 2021. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions expressed herein are based solely on the audit reports of the other auditors. We did not audit the financial statements of certain associates and joint ventures accounted for under the equity method whose statements are based solely on the reports of other auditors. As explained in Note 6(7), these associates and joint ventures under equity method amounted to NT\$778,315 thousand and NT\$784,175 thousand, representing 2% and 3% of consolidated total assets as of 31 December 2022 and 2021. The related shares of profits from the associates and joint ventures under the equity method amounted to NT\$122,148 thousand and NT\$130,470 thousand, representing 3% and 4% of the consolidated net income before tax for the years ended 31 December 2022 and 2021, respectively, and the related shares of other comprehensive income from the associates and joint ventures under the equity method amounted to NT\$(19,731) thousand and NT\$53,842 thousand, representing (16)% and 272% of the consolidated other comprehensive income for the years ended 31 December 2022 and 2021, respectively.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by 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 to continue as a going concern of the Group, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group.
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 to continue as a going concern of the Group. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the 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 2022 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's 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.

Other

We have audited and expressed an unqualified opinion including an Other Matter Paragraph on the parent company only financial statements of SINBON Electronics Co., Ltd. as of and for the years ended 31 December 2022 and 2021.

/s/Lo, Wen Chen

/s/Chen, Ming Hung

Ernst & Young, Taiwan

9 March 2023

Notice to Readers

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

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the re-sponsibility of the management.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
31 December 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of 31 December	
		2022	2021
Current assets			
Cash and cash equivalents	4,6(1)	\$5,108,757	\$4,008,815
Financial assets at fair value through profit or loss, current	4,6(2)	298,849	247,949
Notes receivable, net	4,6(3)	1,757,151	724,820
Accounts receivable, net	4,6(4),7	7,137,595	5,969,369
Other receivables	7	346,275	292,394
Current income tax assets		9,180	17,492
Inventories	4,6(5)	12,256,145	10,179,125
Prepayments		676,304	510,812
Other current assets		64,452	106,096
Total current assets		<u>27,654,708</u>	<u>22,056,872</u>
Non-current assets			
Financial assets at fair value through profit or loss, noncurrent	4,6(2)	-	2,333
Financial assets at fair value through other comprehensive income, noncurrent	4,6(6)	358,828	388,571
Investments accounted for under the equity method	4,6(7)	778,315	784,175
Property, plant and equipment	4,6(8)	3,042,740	2,828,071
Right-of-use assets	4,6(19)	432,608	461,993
Other intangible assets		41,422	48,226
Deferred tax assets	4,6(23)	123,548	136,774
Other non-current assets	4,6(9)	545,214	441,705
Total non-current assets		<u>5,322,675</u>	<u>5,091,848</u>
Total assets		<u><u>\$32,977,383</u></u>	<u><u>\$27,148,720</u></u>

(continued)

English Translation of Consolidated Financial Statements Originally Issued in Chinese
SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS(Continued)
31 December 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	As of 31 December	
		2022	2021
Current liabilities			
Short-term loans	4,6(10)	\$3,457,685	\$3,357,725
Financial liabilities at fair value through profit or loss, current	4,6(11)	-	241
Contract liabilities, current	4,6(17)	4,980,696	2,825,473
Notes payable		599,262	436,717
Accounts payable		6,250,273	5,703,930
Other payables	4,6(12),7	1,883,926	1,493,951
Current tax liabilities	4	273,700	138,546
Lease liabilities, current	4,6(19)	99,449	93,555
Bonds payable, current portion	4	176,281	-
Long-term loans, current portion		4,658	301,017
Other current liabilities		59,394	25,491
Total current liabilities		17,785,324	14,376,646
Non-current liabilities			
Financial liabilities at fair value through profit or loss, noncurrent	4,6(11)	5,100	-
Bonds payable	4,6(13)	945,648	994,351
Long-term loans	4	16,924	10,983
Deferred tax liabilities	4,6(23)	414,830	242,579
Lease liabilities, noncurrent	4,6(19)	268,921	307,261
Long-term deferred revenue	4,6(14)	13,838	13,957
Net defined benefit obligation, noncurrent	4,6(15)	53,501	67,561
Other non-current liabilities-others		233	2
Total non-current liabilities		1,718,995	1,636,694
Total liabilities		19,504,319	16,013,340
Equity attributable to the parent company			
Capital	6(16)		
Common stock		2,365,841	2,333,770
Certificate of entitlement to new shares from convertible bond		19,200	8,290
Subtotal		2,385,041	2,342,060
Additional Paid-in Capital	6(16)	3,067,205	2,190,472
Retained earnings			
Legal reserve		1,727,300	1,493,995
Special reserve		381,975	399,729
Unappropriated earnings		5,342,675	4,313,466
Subtotal		7,451,950	6,207,190
Other components of equity	4		
Exchange differences on translation of foreign operations		(359,257)	(561,279)
Unrealized gains or losses measured at fair value through other comprehensive income		88,560	179,303
Subtotal		(270,697)	(381,976)
Equity attributable to the parent company		12,633,499	10,357,746
Non-controlling interests	4,6(16)	839,565	777,634
Total equity		13,473,064	11,135,380
Total liabilities and equity		\$32,977,383	\$27,148,720

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the years ended 31 December 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

	Notes	For the years ended 31 December	
		2022	2021
Operating revenues	4,6(17),7	\$30,574,800	\$25,530,706
Operating costs	6(5.20),7	(22,843,276)	(19,121,511)
Gross profit-net		<u>7,731,524</u>	<u>6,409,195</u>
Operating expenses	6(20),7		
Sales and marketing expenses		(1,890,654)	(1,525,269)
General and administrative expenses		(1,487,058)	(1,245,255)
Research and development expenses		(950,978)	(849,022)
Expected credit losses	4,6(18)	(76,385)	(1,790)
Subtotal		<u>(4,405,075)</u>	<u>(3,621,336)</u>
Operating income		<u>3,326,449</u>	<u>2,787,859</u>
Non-operating income and expenses	6(21)		
Interest revenue		25,082	12,707
Other income		182,317	216,950
Other gains and losses		270,779	(40,340)
Finance costs		(84,310)	(78,946)
Share of profit or loss of associates and joint ventures in equity method	4,6(7)	122,148	130,470
Subtotal		<u>516,016</u>	<u>240,841</u>
Income from continuing operations before income tax		<u>3,842,465</u>	<u>3,028,700</u>
Income tax expense	4,6(23)	(819,435)	(540,871)
Net income		<u>3,023,030</u>	<u>2,487,829</u>
Other comprehensive income	6(22)		
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit plans		5,864	(178)
Unrealized gains (losses) on equity instruments measured at fair value through other comprehensive income		(73,068)	28,401
Share of other comprehensive income of associates and joint ventures which will not be reclassified subsequently to profit or loss	6(7)	(21,090)	54,053
Income tax related to items that may not be reclassified subsequently		(1,173)	36
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		259,682	(77,543)
Share of other comprehensive (loss) income of associates and joint ventures which may be reclassified subsequently to profit or loss	6(7)	1,359	(211)
Income tax related to items that may be reclassified subsequently		(49,384)	15,249
Total other comprehensive income, net of tax		<u>122,190</u>	<u>19,807</u>
Total comprehensive income		<u>\$3,145,220</u>	<u>\$2,507,636</u>
Net income attributable to:	4,6(24)		
Stockholders of the parent		\$2,880,553	\$2,331,502
Non-controlling interests		<u>142,477</u>	<u>156,327</u>
		<u>\$3,023,030</u>	<u>\$2,487,829</u>
Comprehensive income attributable to:			
Stockholders of the parent		\$2,996,877	\$2,350,660
Non-controlling interests		<u>148,343</u>	<u>156,976</u>
		<u>\$3,145,220</u>	<u>\$2,507,636</u>
Earnings per share (NTD)			
Earnings per share-basic	4,6(24)	<u>\$12.22</u>	<u>\$10.00</u>
Earnings per share-diluted		<u>\$11.88</u>	<u>\$9.80</u>

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the years ended 31 December 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	Equity Attributable to the Parent Company										
	Capital			Retained earnings			Other components of equity				
	Common stock	Certificate of entitlement to new shares from convertible bond	Additional Paid-in Capital	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gains (Losses) on Equity Instruments Measured at Fair Value Through Other Comprehensive Income (losses)	Total	Non-Controlling Interests	Total Equity
Balance as of 1 January 2021	\$2,327,775	\$ -	\$1,885,096	\$1,280,774	\$481,223	\$3,579,649	\$(501,613)	\$101,884	\$9,154,788	\$613,345	\$9,768,133
Appropriation and distribution of 2020 retained earnings											
Legal reserve				213,221		(213,221)			-		-
Cash dividends						(1,467,504)			(1,467,504)		(1,467,504)
Special reserve					(81,494)	81,494			-		-
Other changes in additional paid-in capital											
Disposal of investments accounted for under the equity method			(2,415)			472	30	(472)	(2,385)		(2,385)
From differences between equity purchase price and carrying amount arising from actual acquisition or disposal of subsidiaries			33,203						33,203		33,203
Changes in ownership interests in subsidiaries			10,174						10,174		10,174
Net income in 2021						2,331,502			2,331,502	156,327	2,487,829
Other comprehensive income (loss), net of tax in 2021						(142)	(59,696)	78,996	19,158	649	19,807
Total comprehensive income (loss)	-	-	-	-	-	2,331,360	(59,696)	78,996	2,350,660	156,976	2,507,636
Increase in non-controlling interests										7,313	7,313
Proceeds from disposal of equity instruments at fair value through other comprehensive income of associates and joint ventures						(748)		748	-		-
Proceeds from disposal of equity instruments at fair value through other comprehensive income						1,964		(1,853)	111		111
Bonds converted to stock	5,995	8,290	264,414						278,699		278,699
Balance as of 31 December 2021	\$2,333,770	\$8,290	\$2,190,472	\$1,493,995	\$399,729	\$4,313,466	\$(561,279)	\$179,303	\$10,357,746	\$777,634	\$11,135,380
Balance as of 1 January 2022	\$2,333,770	\$8,290	\$2,190,472	\$1,493,995	\$399,729	\$4,313,466	\$(561,279)	\$179,303	\$10,357,746	\$777,634	\$11,135,380
Appropriation and distribution of 2021 retained earnings											
Legal reserve				233,305		(233,305)			-		-
Cash dividends						(1,640,858)			(1,640,858)		(1,640,858)
Special reserve					(17,754)	17,754			-		-
Other changes in additional paid-in capital											
Embedded conversion options derived from convertible			90,910						90,910		90,910
Change in equity of associates and joint ventures accounted for using equity method			1,577						1,577		1,577
Disposal of investments accounted for under the equity method			(1,927)			374	20	(374)	(1,907)		(1,907)
From differences between equity purchase price and carrying amount arising from actual acquisition or disposal of subsidiaries			5,202						5,202		5,202
Net income in 2022						2,880,553			2,880,553	142,477	3,023,030
Other comprehensive income (loss), net of tax in 2022						4,691	202,002	(90,369)	116,324	5,866	122,190
Total comprehensive income (loss)	-	-	-	-	-	2,885,244	202,002	(90,369)	2,996,877	148,343	3,145,220
Decrease in non-controlling interests										(86,412)	(86,412)
Bonds converted to stock	32,071	10,910	780,971						823,952		823,952
Balance as of 31 December 2022	\$2,365,841	\$19,200	\$3,067,205	\$1,727,300	\$381,975	\$5,342,675	\$(359,257)	\$88,560	\$12,633,499	\$839,565	\$13,473,064

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended 31 December 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	For the years ended 31 December	
	2022	2021
Cash flows from operating activities:		
Net income before tax	\$3,842,465	\$3,028,700
Adjustments to reconcile net income before tax to net cash provided by operating activities:		
Income and expense adjustments:		
Depreciation	474,862	444,258
Amortization	51,193	39,914
Interest expense	84,310	78,946
Interest income	(25,082)	(12,707)
Dividend income	(46,251)	(16,559)
Share of profit of associates and joint ventures	(122,148)	(130,470)
Gain on disposal of property, plant and equipment	(595)	(9,767)
Expected credit loss	76,385	1,790
Gain on disposal of investments	(15,068)	(22,361)
Gain of financial assets/liabilities at fair value through loss or profit	(32,185)	(75,433)
Property, plant and equipment transferred to expenses	556	2,874
Amortization of deferred government grants	(367)	(360)
Changes in operating assets and liabilities:		
(Increase) decrease in notes receivable	(1,032,331)	539,662
(Increase) decrease in accounts receivable	(1,244,611)	399,204
Increase in other receivables	(56,318)	(110,708)
Increase in inventories, net	(2,077,020)	(4,014,426)
Increase in prepayments	(165,492)	(170,551)
Decrease (increase) in other current assets	41,644	(85,111)
Increase (decrease) in notes payable	162,545	(108,938)
Increase in accounts payable	546,343	883,359
Increase in contract liabilities	2,155,223	1,147,762
Increase in other payables	399,764	199,489
Increase (decrease) in other current liabilities	33,903	(23,741)
Decrease in accrued pension liabilities	(8,196)	(5,582)
Cash generated from operations	3,043,529	1,979,244
Interest received	25,082	12,707
Dividends received	46,251	16,559
Interest paid	(70,976)	(62,437)
Income tax paid	(557,487)	(600,577)
Net cash provided by operating activities	2,486,399	1,345,496

(Continued)

English Translation of Consolidated Financial Statements Originally Issued in Chinese
SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS(Continued)
For the years ended 31 December 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	For the years ended 31 December	
	2022	2021
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(472,659)	(541,353)
Proceeds from disposal of property, plant and equipment	21,992	150,118
Decrease in other intangible assets	7,993	22,673
Dividends received	100,496	102,977
Acquisition of financial assets at fair value through other comprehensive income	(58,918)	(75,000)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	23,590
Decrease in financial assets at fair value through other comprehensive income	15,689	2,449
Proceeds from disposal of financial assets at fair value through profit or loss	-	52,870
Acquisition of financial assets at fair value through profit or loss	(17,552)	-
Proceeds from disposal of investments accounted for under the equity method	22,519	38,082
Increase in other noncurrent assets	(259,616)	(248,332)
Decrease (increase) in other account receivable	2,437	(2,437)
Net cash used in investing activities	(637,619)	(474,363)
Cash flows from financing activities:		
Increase in short-term loans	99,960	296,224
Proceeds from bonds issued	1,045,040	-
(Decrease) increase in long-term loanss (including current portion)	(290,418)	270
Cash dividends	(1,640,858)	(1,467,504)
Cash payments for the principal portion of the lease liability	(97,040)	(123,938)
Increase (decrease) in deposits received	231	(169)
(Decrease) increase in non-controlling interests	(81,210)	50,690
Net cash used in financing activities	(964,295)	(1,244,427)
Effect of exchange rate changes on cash and cash equivalents	215,457	(68,266)
Net increase (decrease) in cash and cash equivalents	1,099,942	(441,560)
Cash and cash equivalents at beginning of period	4,008,815	4,450,375
Cash and cash equivalents at end of period	\$5,108,757	\$4,008,815

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended 31 December 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. History and organization

SINBON Electronics Co., Ltd. (the Company) was incorporated in Republic of China (R.O.C) in December 1989. The main activities of the Company include manufacturing and selling computer peripherals, connectors, wires and other parts. The shares of the Company commenced trading on Taiwan's Over-the-Counter Market in May 2001 and were listed on the Taiwan Stock Exchange in August 2002.

2. Date and procedures of authorization of financial statements for issue

The consolidated financial statements of the Company and its subsidiaries (the Group) for the years ended 31 December 2022 and 2021 were authorized for issue by the Board of Directors on 9 March 2023.

3. Newly issued or revised standards and interpretations

- (1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after 1 January 2022. The adoption of these new standards and amendments had no material impact on the Group.

- (2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") which are endorsed by FSC, but not yet adopted by the Group as at the end of the reporting period are listed below.

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

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(a) Disclosure Initiative - Accounting Policies – Amendments to IAS 1

The amendments improve accounting policy disclosures that to provide more useful information to investors and other primary users of the financial statements.

(b) Definition of Accounting Estimates – Amendments to IAS 8

The amendments introduce the definition of accounting estimates and include other amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to help companies distinguish changes in accounting estimates from changes in accounting policies.

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

The amendments narrow the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after 1 January 2023. The new or amended standards and interpretations have no material impact on the Group.

- (3) Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 "Insurance Contracts"	1 January 2023
c	Classification of Liabilities as Current or Non-current – Amendments to IAS 1	1 January 2024
d	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	1 January 2024
e	Non-current Liabilities with Covenants – Amendments to IAS 1	1 January 2024

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- (a) IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors’ interests in the associate or joint venture.

- (b) IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after 1 January 2023 (from the original effective date of 1 January 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after 1 January 2023.

(c) Classification of Liabilities as Current or Non-current – Amendments to IAS 1

These are the amendments to paragraphs 69-76 of IAS 1 Presentation of Financial statements and the amended paragraphs related to the classification of liabilities as current or non-current.

(d) Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

The amendments add seller-lessees additional requirements for the sale and leaseback transactions in IFRS 16, thereby supporting the consistent application of the standard.

(e) Non-current Liabilities with Covenants – Amendments to IAS 1

The amendments improved the information companies provide about long-term debt with covenants. The amendments specify that covenants to be complied within twelve months after the reporting period do not affect the classification of debt as current or non-current at the end of the reporting period.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group's financial statements were authorized for issue, the local effective dates are to be determined by FSC. The new or amended standards and interpretations have no material impact on the Group.

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

4. Summary of significant accounting policies

(1) Statement of Compliance

The consolidated financial statements of the Group for the years ended 31 December 2022 and 2021 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”) and International Financial Reporting Standards, International Accounting Standards, and Interpretations developed by the International Financial Reporting Interpretations Committee, which are endorsed by FSC.

(2) Basis of Preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars (NT\$) unless otherwise stated.

(3) Basis of Consolidation

Preparation principle of consolidated financial statement

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- (a) power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- (b) exposure, or rights, to variable returns from its involvement with the investee, and
- (c) the ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- (a) the contractual arrangement with the other vote holders of the investee
- (b) rights arising from other contractual arrangements
- (c) the Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Group loses control of a subsidiary, it:

- (a) derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- (b) derecognizes the carrying amount of any non-controlling interest;
- (c) recognizes the fair value of the consideration received;
- (d) recognizes the fair value of any investment retained;
- (e) recognizes any surplus or deficit in profit or loss; and
- (f) reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss.

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The consolidated entities are listed as follows:

Investor	Subsidiary	Main businesses	Percentage of ownership (%)		Note
			31 December 2022	31 December 2021	
The Company	SINBON International Enterprise Co., Ltd. (SB BVI)	Holding company	100.00%	100.00%	
The Company	Hong Kong SINBON Electronics Co., Ltd. (HKSB)	Selling a wide variety of connectors, wires and cables	100.00%	100.00%	
The Company	Kwan-Ze Corporation Ltd. (Kwan-Ze)	Selling a wide variety of electronic materials and holding company	100.00%	100.00%	
The Company	SINBON USA L.L.C. (SINBON USA)	Logistic center	100.00%	100.00%	
The Company	Beijing SINBON TongAn Renewable Energy Co., Ltd. (SB TongAn)	Manufacturing and selling a wide variety of connectors, wires and cables	85.53%	85.53%	
The Company	SINBON Europe GmbH (SINBON Europe)	Logistic center	100.00%	100.00%	
The Company	Radbon Avionics Inc. (Radbon)	Selling signal cables and cabin wiring	55.00%	55.00%	
The Company	T-CONN Precision Co., Ltd.(T-CONN)	Manufacturing and selling a wide variety of connectors, wires and cables	57.45%	57.45%	
The Company	SINBON Hungary Kft (SB Hungary)	Manufacturing and selling a wide variety of connectors, wires and cables	100.00%	100.00%	
The Company	SINTOP Energy Management Co., Ltd. (SINTOP)	Renewable energy investment management consulting business	53.57%	53.57%-	
SB BVI	Jiangyin SINBON Electronics Co., Ltd. (JYSB)	Manufacturing and selling a wide variety of connectors, wires and cables	100.00%	100.00%	

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Investor	Subsidiary	Main businesses	Percentage of ownership (%)		Note
			31 December 2022	31 December 2021	
SB BVI	Shenzhen SINBON Electronics Co., Ltd. (SZSB)	Selling a wide variety of connectors, wires and cables	100.00%	100.00%	
SB BVI	Shanghai SINBON Electronics Co., Ltd. (SHSB)	Selling a wide variety of connectors and cables	100.00%	100.00%	
SB BVI	Tong Cheng SINBON Electronics Co., Ltd. (TCSB)	Manufacturing and selling a wide variety of connectors, wires and cables	100.00%	100.00%	
T-CONN	T-CONN Precision (Zhongshan) Co., Ltd. (T-CONN Zhongshan)	Manufacturing and selling a wide variety of connectors, wires and cables	57.45%	57.45%	
T-CONN	Super Progressive Ltd. (SPL)	Logistic center	57.45%	57.45%	
SB TongAn	Beijing SINBON Electronics Co., Ltd. (BJSB)	Manufacturing and selling a wide variety of connectors, wires and cables	85.53%	85.53%	
SB TongAn	ENMAGIC Renewable Energy Co., Ltd. (TWEM)	Manufacturing and selling a wide variety of connectors, wires and cables	85.53%	85.53%	
SB TongAn	Jiangsu ENMAGIC Energy Co., Ltd. (JSEM)	Manufacturing and selling a wide variety of connectors, wires and cables	85.53%	85.53%	
SB TongAn	Xuzhou ENMAGIC Energy Co., Ltd. (XZEM)	Development of new energy technology	85.53%	85.53%	
JSEM	Kunshan ENMAGIC Energy Co., Ltd. (KSEM)	Manufacturing and selling a wide variety of connectors, wires and cables	85.53%	85.53%	
SINBON USA	Worldwide Wire Harnesse Co., Ltd. (SST)	Holding Company	50.00%	50.00%	
SINBON USA	SINBON Ohio LLC (SB Ohio)	Manufacturing and selling a wide variety of connectors, wires and cables	100.00%	51.00%	Note1 Note2
SST	SINBON Technologies Tennessee L.L.C. (STT)	Logistic Center	50.00%	50.00%	

Note 1: On 1 July 2022, SINBON USA acquired 49% shares of SB Ohio. Therefore, its ownership increased from

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

51% to 100%.

Note 2: On 27 December 2022, SINBON Circuits & Cables LLC was approved to change its name to SINBON Ohio LLC.

The subsidiaries included in the consolidated financial statements listed above, some of which financial statements are recorded as the basis of the verification by other accountants. As of 31 December 2022 and 2021, the related assets amounted to NT\$7,415,475 thousand and NT\$5,846,770 thousand. The net sales of these subsidiaries amounted to NT\$8,704,838 thousand and NT\$7,159,405 thousand.

(4) Foreign currency transactions

The Group's consolidated financial statements are presented in New Taiwan Dollars (NT\$), which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency rates prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Non-monetary items measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

- (a) Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
- (b) Foreign currency items within the scope of IFRS 9 Financial Instruments are accounted for based on the accounting policy for financial instruments.
- (c) Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(5) Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NT\$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. The following partial disposals are accounted for as disposals:

- (a) when the partial disposal involves the loss of control of a subsidiary that includes a foreign operation; and
- (b) when the retained interest after the partial disposal of an interest in a joint arrangement or a partial disposal of an interest in an associate that includes a foreign operation is a financial asset that includes a foreign operation.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or joint arrangement that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(6) Current and non-current distinction

An asset is classified as current when:

- (a) The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
- (b) The Group holds the asset primarily for the purpose of trading
- (c) The Group expects to realize the asset within twelve months after the reporting period
- (d) The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- (a) The Group expects to settle the liability in its normal operating cycle
- (b) The Group holds the liability primarily for the purpose of trading
- (c) The liability is due to be settled within twelve months after the reporting period
- (d) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(7) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term, highly liquid time deposits (including ones that have maturity within 3 months) or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(8) Financial instruments

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

Financial assets and financial liabilities within the scope of IFRS 9 *Financial Instruments* are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

(1) Financial instruments: Recognition and Measurement

The Group accounts for regular way purchase or sales of financial assets on the trade date.

The Group classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

- A. the Group's business model for managing the financial assets and
- B. the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- 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.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

- A. purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
- B. financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- A. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets 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.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

- (a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
- (b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
- (c) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:
 - (i) Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
 - (ii) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Group

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represent a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

(2) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the balance sheet.

The Group measures expected credit losses of a financial instrument in a way that reflects:

(a) an unbiased and probability-weighted amount that is determined by

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

evaluating a range of possible outcomes;

- (b) the time value of money; and
- (c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measured as follows:

- A. At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Group measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
- B. At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
- C. For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.
- D. For lease receivables arising from transactions within the scope of IFRS 16, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Group needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(3) Derecognition of financial assets

A financial asset is derecognized when:

- i. The rights to receive cash flows from the asset have expired.
- ii. The Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred.
- iii. The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

(4) Financial liabilities and equity

Classification between liabilities or equity

The Group classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Compound instruments

The Group evaluates the terms of the convertible bonds issued to determine whether it contains both a liability and an equity component. Furthermore, the Group assesses if the economic characteristics and risks

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

of the put and call options contained in the convertible bonds are closely related to the economic characteristics and risk of the host contract before separating the equity element.

For the liability component excluding the derivatives, its fair value is determined based on the rate of interest applied at that time by the market to instruments of comparable credit status. The liability component is classified as a financial liability measured at amortized cost before the instrument is converted or settled.

For the embedded derivative that is not closely related to the host contract (for example, if the exercise price of the embedded call or put option is not approximately equal on each exercise date to the amortized cost of the host debt instrument), it is classified as a liability component and subsequently measured at fair value through profit or loss unless it qualifies for an equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. Its carrying amount is not remeasured in the subsequent accounting periods. If the convertible bond issued does not have an equity component, it is accounted for as a hybrid instrument in accordance with the requirements under IFRS 9 *Financial Instruments*.

Transaction costs are apportioned between the liability and equity components of the convertible bond based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

On conversion of a convertible bond before maturity, the carrying amount of the liability component being the amortized cost at the date of conversion is transferred to equity.

Financial liabilities

Financial liabilities within the scope of IFRS 9 *Financial Instruments* are classified as financial liabilities at fair value through profit or loss or

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss. A financial liability is classified as held for trading if:

- i. it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term
- ii. on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking
- iii. it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument)

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

- i. it eliminates or significantly reduces a measurement or recognition inconsistency; or
- ii. a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(5) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(9) Derivative instrument

The Group uses derivative instruments to hedge its foreign currency risks and interest rate risks. A derivative is classified in the balance sheet as assets or liabilities at fair value through profit or loss except for derivatives that are

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

designated effective hedging instruments which are classified as derivative financial assets or liabilities for hedging.

Derivative instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The changes in fair value of derivatives are taken directly to profit or loss, except for the effective portion of hedges, which is recognized in either profit or loss or equity according to types of hedges used.

When the host contracts are either non-financial assets or liabilities, derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not designated at fair value through profit or loss.

(10) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability, or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(11) Inventories

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

Raw materials - Purchase cost under weighted average cost method.

Finished goods and work in progress – Cost of direct materials and labor and a

proportion of manufacturing
overheads

based on normal operating capacity
but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Rendering of services is accounted in accordance with IFRS 15 and not within the scope of inventories.

(12) Investments accounted for under the equity method

The Group's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Group has significant influence.

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Under the equity method, the investment in the associate or an investment in a joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate or joint venture. After the interest in the associate or joint venture is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the Group's related interest in the associate or joint venture.

When changes in the net assets of an associate or a joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affect the Group's percentage of ownership interests in the associate or joint venture, the Group recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate or joint venture on a pro-rata basis.

When the associate or joint venture issues new stock, and the Group's interest in an associate or a joint venture is reduced or increased as the Group fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in additional paid-in capital and investment accounted for using the equity method. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Group disposes the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 *Investments in Associates and Joint Ventures*. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 *Impairment of Assets*. In determining the value in use of the investment, the Group estimates:

- (a) Its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
- (b) The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate or an investment in a joint venture is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 *Impairment of Assets*.

Upon loss of significant influence over the associate or joint venture, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.

(13) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 *Property, plant and equipment*. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Items	Useful Lives
Buildings	5~50 years
Machinery and equipment	3~15 years
Transportation equipment	5~10 years
Office equipment	3~10 years
Other equipment	2~15 years
Leasehold improvements	Lower of leasehold years or useful lives

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate, and are treated as changes in accounting estimates.

(14) Leases

The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, has both of the following:

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- (a) the right to obtain substantially all of the economic benefits from use of the identified asset; and
- (b) the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Group for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximizing the use of observable information.

Group as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group recognizes right-of-use asset and lease liability for all leases which the Group is the lessee of those lease contracts.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- (a) fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- (b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- (c) amounts expected to be payable by the lessee under residual value guarantees;

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- (d) the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- (e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability on an amortized cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

- (a) the amount of the initial measurement of the lease liability;
- (b) any lease payments made at or before the commencement date, less any lease incentives received;
- (c) any initial direct costs incurred by the lessee; and
- (d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Group measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group applies IAS 36 "Impairment of Assets" to determine whether the right-of-use asset is impaired and to account for any impairment loss

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

identified.

Except for those leases that the Group accounted for as short-term leases or leases of low-value assets, the Group presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements of comprehensive income.

For short-term leases or leases of low-value assets, the Group elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

For the rent concession arising as a direct consequence of the Covid-19 pandemic, the Group elected not to assess whether it is a lease modification but accounted it as a variable lease payment.

Group as a lessor

At inception of a contract, the Group classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Group recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Group allocates the consideration in the contract applying IFRS 15.

The Group recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(15) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

A summary of the policies applied to the Group's intangible assets is as follows:

	Computer software
Useful lives	1~15 years
Amortization method used	Amortized on a straight- line basis over the estimated useful life
Internally generated or acquired	Acquired

(16) Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 *Impairment of Assets* may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(17) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provision for decommissioning, restoration and rehabilitation costs

The provision for decommissioning, restoration and rehabilitation costs arose on construction of a property, plant and equipment. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of that particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Provision for warranties

A provision is recognized for expected warranty claims on products sold, based on past experience, management's judgement and other known factors.

(18) Revenue recognition

The Group's revenue arising from contracts with customers are primarily related to sale of goods and rendering of services. The accounting policies are explained as follows:

Sale of goods

The Group manufactures and sells machinery. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. The main product of the Group are computer peripherals, connectors, wires and other parts and revenue is recognized

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

based on the consideration stated in the contract.

The Group provides its customer with a warranty with the purchase of the products. The warranty provides assurance that the product will operate as expected by the customers. And the warranty is accounted in accordance with IAS 37.

The credit period of the Group's sale of goods is from 60 to 120 days, while the term for wind energy sales is receiving three-month term acceptance after a period of three-month from delivery due to industry characteristics. For most of the contracts, when the Group transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The Group usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract. For some of the contracts, the Group has transferred the goods to customers but does not has a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets. Besides, in accordance with IFRS 9, the Group measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses.

Rendering of services

The Group provides maintenance services for the sale of construction for solar photovoltaic power generation system. Such services are separately priced or negotiated and provided based on contract periods.

Most of the contractual considerations of the Group are collected evenly throughout the contract periods. When the Group has performed the services to customers but does not have a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets. However, for some rendering of services contracts, part of the consideration was received from customers upon signing the contract, and the Group has the obligation to provide the services subsequently; accordingly, these amounts are recognized as contract liabilities.

The period between the transfers of contract liabilities to revenue is usually within one year, thus, no significant financing component has arisen.

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Construction revenues

Contract revenue is recognized within the scope that is likely to generate revenue and can be measured reliably, including the original amount of the contract signed, plus any changes related to the contract, claims for compensation and incentive payments, etc. When the construction contract meet the following criteria, the entity recognizes revenue over time. The customer simultaneously receives and consumes all of the benefits provided by the entity as the entity performs; the entity's performance creates or enhances an asset that the customer controls as the asset is created; or the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date. Contract assets are recognized when the service has been transferred to the customer but the right to unconditionally receive the consideration has not yet been granted. However, there are some contracts, because part of the consideration is collected from the customer when the contract is signed, and the company assumes the obligation to provide labor services in the future, so it is recognized as a contract liability.

Depending on the nature of the contract, the degree of completion is calculated as the proportion of contract costs incurred to date on completion of work to the estimated total contract costs. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized only to the extent of expected cost recovery and expected contract losses are recognized immediately in profit or loss.

(19) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(20) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset. When the grant relates to an expense item, it is recognized as

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Where the Group receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the statement of comprehensive income over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual installments. Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as additional government grant.

(21) Post-employment benefits

All regular employees of the Company and its domestic subsidiaries are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company and its domestic subsidiaries. Therefore, fund assets are not included in the Group's consolidated financial statements. Pension benefits for employees of the overseas subsidiaries and the branches are provided in accordance with the respective local regulations.

For the defined contribution plan, the Company and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due. Overseas subsidiaries and branches make contribution to the plan based on the requirements of local regulations.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- (a) the date of the plan amendment or curtailment, and
- (b) the date that the Group recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

(22) Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- i. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

accounting profit nor taxable profit or loss

- ii. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- i. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- ii. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities 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. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(23) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred, the identifiable assets acquired, and liabilities assumed are measured at acquisition date fair value. For each business combination, the acquirer measures any non-controlling interest in the acquire either at fair value or at the non-controlling interest's proportionate share of the acquirer's identifiable net assets. Acquisition-related costs are accounted for as expenses in the periods in which the costs are incurred and are classified under administrative expenses.

When the Group acquires a business, it assesses the assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquire.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquire is remeasured to fair value at the acquisition date through profit or loss. Any contingent consideration to be transferred by the acquirer will be recognized at the acquisition-date fair value. Subsequent changes to the fair value of the contingent consideration, which is deemed to be an asset or liability, will be recognized in accordance with IFRS 9 *Financial Instruments* (before 1 January 2022: IAS 39 "Financial Instruments: Recognition and Measurement" either in profit or loss or as a change to other comprehensive income. However, if the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured as the amount of the excess of the aggregate of the consideration transferred and the non-controlling interest over the net fair value of the identifiable assets acquired and the liabilities assumed. If this aggregate is lower than the fair value of the net assets acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

impairment losses. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purpose and is not larger than an operating segment before aggregation.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation. Goodwill disposed of in this circumstance is measured based on the relative recoverable amounts of the operation disposed of and the portion of the cash-generating unit retained.

5. Significant accounting judgments, estimates and assumptions

The preparation of the Group's consolidated financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(1) Judgement

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

De facto control without a majority of the voting rights in investee

The Group does not have more than 50% of the voting rights and is the main shareholder in certain investees. After taking into consideration factors such as absolute size of the Group's holding, relative size of the other shareholdings, how widely spread the remaining shareholders are, contractual arrangements between shareholders, potential voting rights, etc., the Group reached the conclusion that it has material influence but does not have de facto control over these investees. Please refer to Note 6

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(7) for further details.

(2) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flow model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details. Pension benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Please refer to Note 6 for more details.

(b) Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

the respective Group company's domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

(c) Accounts receivables—estimation of impairment loss

The Group estimates the impairment loss of accounts receivables at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note 6 for more details.

(d) Inventories

Estimates of net realizable value of inventories take into consideration that inventories may be damaged, become wholly or partially obsolete, or their selling prices have declined. The estimates are based on the most reliable evidence available at the time the estimates are made. Please refer to Note 6 for more details.

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

6. Contents of significant accounts

(1) Cash and cash equivalents

	As of 31 December	
	2022	2021
Cash on hand	\$7,148	\$5,974
Demand deposits	5,101,609	3,846,530
Time deposits	-	156,311
Total	<u>\$5,108,757</u>	<u>\$4,008,815</u>

(2) Financial assets at fair value through profit or loss

	As of 31 December	
	2022	2021
Financial assets mandatorily at fair value through profit or loss:		
Stocks	\$182,524	\$190,378
Corporate bonds	72,330	57,168
Cross currency swaps	43,578	-
Forward exchange contracts	239	403
Embedded derivative-bonds	178	2,333
Total	<u>\$298,849</u>	<u>\$250,282</u>
Current	\$298,849	\$247,949
Non – current	-	2,333
Total	<u>\$298,849</u>	<u>\$250,282</u>

Financial assets at fair value through profit or loss were not pledged.

(3) Notes receivables

	As of 31 December	
	2022	2021
Notes receivables arising from operating activities	\$1,757,151	\$724,820
Notes receivables arising from non-operating activities	-	-
Subtotal (total carrying amount)	1,757,151	724,820
Less: loss allowance	-	-
Total	<u>\$1,757,151</u>	<u>\$724,820</u>

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Part of the Group's notes receivable have been signed into with recourse contracts with financial institutions. Please refer to Note 12.

Notes receivables were not pledged.

The Group follows the requirement of IFRS 9 to assess the impairment. Please refer to Note 6(18) for more details on loss allowance and Note 12 for details on credit risk management.

(4) Trade receivables

	As of 31 December	
	2022	2021
Trade receivables	\$7,213,711	\$5,970,535
Less: loss allowance	(76,116)	(1,166)
Subtotal	7,137,595	5,969,369
Trade receivables from related parties	-	-
Total	<u>\$7,137,595</u>	<u>\$5,969,369</u>

Trade receivables were not pledged.

Trade receivables are generally on 60-120 day terms, while the term for wind energy sales is receiving three-month term acceptance after a period of three-month from delivery due to industry characteristics. The total carrying amount are NT\$7,213,711 thousand and NT\$5,970,535 thousand as of 31 December 2022 and 2021. Please refer to Note 6(18) for more details on loss allowance of trade receivables for the years ended 31 December 2022 and 2021. (Please refer to Note 12 for more details on credit risk management.)

(5) Inventories

	As of 31 December	
	2022	2021
Raw materials	\$3,763,863	\$3,248,734
Work in progress	712,258	755,881
Finished goods	6,359,589	5,057,489
Merchandise	1,420,435	1,117,021
Total	<u>\$12,256,145</u>	<u>\$10,179,125</u>

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The inventory cost recognized as operating costs for the years ended 31 December 2022 and 2021 were NT\$22,843,276 thousand and NT\$19,121,511 thousand, respectively. The price reduction (gain from price recovery) of inventories related to cost of goods sold were NT\$52,598 thousand and NT\$(16,832) thousand.

Gain from price recovery of inventories was due to the sale of obsolete products and the net realized value recovery for the year ended 31 December 2021.

No inventories were pledged.

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

	As of 31 December	
	2022	2021
Equity instrument investments measured at fair value through other comprehensive income – Non-current Unlisted companies' stocks	<u>\$358,828</u>	<u>\$388,571</u>

On 15 June 2022, the Group invested NT\$50,000 thousand in Top Taiwan XIV Venture Capital Co., Ltd. which were reported under equity instrument investments measured at fair value through other comprehensive income during the period.

On 25 April 2022, the Group invested NT\$8,918 thousand in Katalyst Interactive Inc. which were reported under equity instrument investments measured at fair value through other comprehensive income during the period.

On 20 June 2022, the paid-in capital returned from capital reduction of Top Taiwan Venture Capital Co., Ltd. and Top Taiwan VII Venture Capital Co., Ltd. amounted to NT\$11,250 thousand and NT\$4,439 thousand, respectively.

In the second quarter of 2021, the Group disposed NT\$7,530 thousand in Gongwin Biopharm Holdings Co., Ltd., which were reported under equity instrument investments measured at fair value through other

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

comprehensive income during the period. Upon derecognition, the fair value of the investments was NT\$20,832 thousand, and the cumulative disposal gain of NT\$13,302 thousand was transferred from other components of equity to retained earnings.

On 26 January 2021, the Group disposed of the unlisted stocks in Japan SINBON Electronics Co., Ltd., which were reported under equity instrument investments measured at fair value through other comprehensive income during the period. Upon derecognition, the fair value of the investments was NT\$1,510 thousand, and the cumulative disposal loss of NT\$556 thousand was transferred from other components of equity to retained earnings.

The paid-in capital returned as a result of liquidating Top Taiwan III Venture Capital Co., Ltd. in the third quarter of 2021 amounted to NT\$777 thousand and the unrealized disposal loss of NT\$4,914 thousand was transferred from other components of equity to retained earnings.

On 29 April 2020, Top Taiwan II Venture Capital Co., Ltd., was liquidated. On 22 October 2021, the paid-in capital returned from the liquidation in the amount of NT\$471 thousand was received and the unrealized disposal loss of NT\$5,979 thousand was transferred from other components of equity to retained earnings.

On 23 April 2021, the Group invested NT\$75,000 thousand in SINTOP Energy I Corp. which were reported under equity instrument investments measured at fair value through other comprehensive income during the period.

On 9 July 2021, the paid-in capital returned from capital reduction of Top Taiwan VII Venture Capital Co., Ltd. amount was NT\$2,499 thousand.

Financial assets at fair value through other comprehensive income were not pledged.

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(7) Investments accounted for using the equity method

The following table lists the investments accounted for using the equity method of the Group:

Investees	As of 31 December			
	2022		2021	
	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)
Investments in associates:				
<u>Listed company</u>				
Argosy Research Inc.	\$778,315	20.11%	\$784,175	20.12%
<u>Unlisted companies</u>				
Sardines Wisdom Technology Co., Ltd.	-	26.64%	-	26.64%
Total	<u>\$778,315</u>		<u>\$784,175</u>	

Because Sardines Wisdom Technology Co., Ltd. (Sardines Wisdom) suffered losses and the Group didn't intend to support Sardines Wisdom, the Group reduced the book value of the investment in Sardines Wisdom to zero through recognizing loss.

On the first quarter of 2022, the Group disposed of 0.2% interest in Argosy Research Inc. The cash consideration amounted to NT\$22,519 thousand and the Group recognized gain on disposal of investment in the amount of NT\$15,068 thousand. The cumulative gain of disposal amounting to NT\$374 thousand was transferred from other components of equity to retained earnings and paid-in capital and exchange differences on translation of foreign operations in the amount of NT\$1,927 thousand and NT\$(20) thousand was transferred to the profit and loss according to the disposal ratio. Therefore, the Group's ownership interest in Argosy Research Inc. was decreased from 20.12% to 19.92%

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Argocy Research Inc., which is held by the Group, bought back 1,000,000 treasury shares in the third quarter of 2022, and transferred the repurchased 154,000 shares to employees in the fourth quarter of 2022. Therefore, the shareholding ratio of Argocy Research Inc. increased from 19.92% to 20.11%, and the recognized capital reserve change was NT\$1,577 thousand.

In 2021, the Group disposed of 0.29% interest in Argocy Research Inc. The cash consideration amounted to NT\$32,196 thousand and the Group recognized gain on disposal of investment in the amount of NT\$22,046 thousand. The cumulative disposal gain of NT\$472 thousand was transferred from other components of equity to retained earnings and paid-in capital and exchange differences on translation of foreign operations in the amount of NT\$2,415 thousand and NT\$(30) was transferred to the profit and loss according to the disposal ratio.

On 20 May 2020, Top Taiwan IV Venture Capital Co., Ltd., was liquidated. On 27 September 2021, the paid-in capital returned from the liquidation in the amount of NT\$5,886 thousand was received and the Group has recognized gain on disposal of investment in the amount of NT\$315 thousand.

Although the Group holds 20.11% of the voting rights of Argocy Research Inc., the decisions related to its activities must be approved by the majority of the voting rights of the relevant shareholders' meeting. In this case, it shows that the Group does not have the actual ability to unilaterally lead the relevant activities. Accordingly, the Group has no control but only significant influence over Argocy Research Inc.

Fair value of the investment in the associate when there is a quoted market price for the investment: Argocy Research Inc. is a listed entity on the Taipei Exchange (TPEX). The fair value of the investment in Argocy Research Inc. was NT\$1,435,660 thousand and NT\$2,446,976 thousand as of 31 December 2022 and 31 December 2021, respectively.

The Group's investments in Argocy Research Inc. and Sardines Wisdom Technology Co., Ltd. are not individually material. The aggregate financial information of the Group's share of its associates is as follows:

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	For the years ended	
	31 December	
	2022	2021
Profit or loss from continuing operations	\$122,148	\$130,470
Other comprehensive income (post-tax)	(19,731)	53,842
Total comprehensive income	<u>\$102,417</u>	<u>\$184,312</u>

The associates had no contingent liabilities capital commitments and pledged as of 31 December 2022 and 31 December 2021.

Our audit, insofar as it related to the investments accounted for under the equity method amounting to NT\$778,315 thousand and NT\$784,175 thousand as of 31 December 2022 and 2021; the related shares of investment income from the associates and joint ventures amounted to NT\$122,148 thousand and NT\$130,470 thousand for the years ended 31 December 2022 and 2021, respectively; and the related shares of other comprehensive income from the associates and joint ventures amounted to NT\$(19,731) thousand and NT\$53,842 thousand for the years ended 31 December 2022 and 2021, respectively; are based solely on the reports of other independent accountants.

(8) Property, plant and equipment

	Land	Buildings	Machinery and equipment	Office equipment	Transportation equipment	Other equipment	Leasehold improvements	Construction in progress and equipment pending examination	Total
Cost:									
As of 1 January 2022	\$215,174	\$2,208,012	\$1,468,996	\$209,626	\$31,638	\$522,427	\$123,606	\$32,219	\$4,811,698
Additions	24,853	58,905	220,764	24,941	2,602	73,066	376	67,152	472,659
Disposals	-	(726)	(21,022)	(9,755)	-	(26,102)	(378)	-	(57,983)
Exchange differences	(182)	20,181	35,287	4,767	687	8,352	467	280	69,839
Other changes	-	96,817	26,183	(1,533)	1,629	17,945	-	(39,402)	101,639
As of 31 December 2022	<u>\$239,845</u>	<u>\$2,383,189</u>	<u>\$1,730,208</u>	<u>\$228,046</u>	<u>\$36,556</u>	<u>\$595,688</u>	<u>\$124,071</u>	<u>\$60,249</u>	<u>\$5,397,852</u>

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

			Machinery and equipment	Office equipment	Transportation equipment	Other equipment	Leasehold improvements	Construction in progress and equipment pending examination	Total
	Land	Buildings							
As of 1 January 2021	\$171,952	\$2,207,045	\$1,267,574	\$191,645	\$32,264	\$551,650	\$24,275	\$10,227	\$4,456,632
Additions	43,759	50,598	234,827	28,092	1,399	97,709	17,561	67,408	541,353
Disposals	-	(48,037)	(39,485)	(8,764)	(1,881)	(141,941)	(1,467)	-	(241,575)
Exchange differences	(537)	(18,749)	(14,964)	(3,490)	(174)	(1,666)	(126)	2,990	(36,716)
Other changes	-	17,155	21,044	2,143	30	16,675	83,363	(48,406)	92,004
As of 31 December 2021	<u>\$215,174</u>	<u>\$2,208,012</u>	<u>\$1,468,996</u>	<u>\$209,626</u>	<u>\$31,638</u>	<u>\$522,427</u>	<u>\$123,606</u>	<u>\$32,219</u>	<u>\$4,811,698</u>
Depreciation and impairment:									
As of 1 January 2022	\$ -	\$824,823	\$739,710	\$138,572	\$21,314	\$244,143	\$15,065	\$ -	\$1,983,627
Depreciation	-	108,360	149,903	25,727	3,857	74,968	11,999	-	374,814
Disposals	-	(621)	(17,274)	(9,246)	-	(9,067)	(378)	-	(36,586)
Exchange differences	-	8,704	16,269	3,395	494	3,928	467	-	33,257
Other changes	-	-	-	-	-	-	-	-	-
As of 31 December 2022	<u>\$ -</u>	<u>\$941,266</u>	<u>\$888,608</u>	<u>\$158,448</u>	<u>\$25,665</u>	<u>\$313,972</u>	<u>\$27,153</u>	<u>\$ -</u>	<u>\$2,355,112</u>
As of 1 January 2021	\$ -	\$745,716	\$657,850	\$126,920	\$19,609	\$192,372	\$12,436	\$ -	\$1,754,903
Depreciation	-	133,744	119,289	21,695	3,516	65,765	4,221	-	348,230
Disposals	-	(48,022)	(29,367)	(7,496)	(1,693)	(13,179)	(1,467)	-	(101,224)
Exchange differences	-	(6,615)	(8,062)	(2,547)	(118)	(815)	(125)	-	(18,282)
Other changes	-	-	-	-	-	-	-	-	-
As of 31 December 2021	<u>\$ -</u>	<u>\$824,823</u>	<u>\$739,710</u>	<u>\$138,572</u>	<u>\$21,314</u>	<u>\$244,143</u>	<u>\$15,065</u>	<u>\$ -</u>	<u>\$1,983,627</u>
Net carrying amount as at:									
31 December 2022	<u>\$239,845</u>	<u>\$1,441,923</u>	<u>\$841,600</u>	<u>\$69,598</u>	<u>\$10,891</u>	<u>\$281,716</u>	<u>\$96,918</u>	<u>\$60,249</u>	<u>\$3,042,740</u>
31 December 2021	<u>\$215,174</u>	<u>\$1,383,189</u>	<u>\$729,286</u>	<u>\$71,054</u>	<u>\$10,324</u>	<u>\$278,284</u>	<u>\$108,541</u>	<u>\$32,219</u>	<u>\$2,828,071</u>

Property, plant and equipment was not pledged.

There is no capitalization of interest due to purchase of property, plant and equipment.

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Components of building that have different useful lives are the main building structure and air conditioning, which are depreciated over 50 years and 25 years, respectively.

(9) Other non-current assets

	As of 31 December	
	2022	2021
Prepayment for equipment	\$314,214	\$273,899
Long-term deferred charges	102,559	95,907
Refundable deposits	83,474	50,459
Other assets	44,967	21,440
Total	<u>\$545,214</u>	<u>\$441,705</u>

No other non-current assets were pledged.

(10) Short-term loans

	As of 31 December	
	2022	2021
Unsecured bank loans	<u>\$3,457,685</u>	<u>\$3,357,725</u>
Interest rates applied	<u>2022</u> <u>0.54%~5.57%</u>	<u>2021</u> <u>0.53%~3.90%</u>

The Group's unused short-term lines of credits amounted to NT\$8,801,078 thousand and NT\$7,230,547 thousand as of 31 December 2022 and 2021, respectively.

(11) Financial liabilities at fair value through profit or loss

	As of 31 December	
	2022	2021
Held for trading:		
Derivatives not designated as hedging Instruments		
Embedded derivative-bonds	\$5,100	\$ -
Cross currency swaps	-	241
Total	<u>\$5,100</u>	<u>\$241</u>
Current	\$ -	\$241
Non-current	5,100	-
Total	<u>\$5,100</u>	<u>\$241</u>

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(12) Other payables

	As of 31 December	
	2022	2021
Salaries payable	\$699,310	\$586,371
Commissions payable	159,302	107,436
Professional service fees payable	56,794	38,397
Employee's compensation	42,425	36,770
Remuneration to directors and superrisors	31,639	24,700
Dividend payable	20,814	20,452
Other payables-other	873,642	679,825
Total	<u>\$1,883,926</u>	<u>\$1,493,951</u>

(13) Bonds payable

	As of 31 December	
	2022	2021
Liability component		
Principal amount	\$1,178,100	\$1,014,400
Discounts on bonds payable	(56,171)	(20,049)
Subtotal	1,121,929	994,351
Less: current portion	(176,281)	-
Net	<u>\$945,648</u>	<u>\$994,351</u>
Embedded derivative	<u>\$4,922</u>	<u>\$(2,333)</u>
Equity component	<u>\$110,602</u>	<u>\$112,157</u>

A. Issuance of convertible bonds:

On 12 December 2022, the Company issued the eighth zero coupon unsecured convertible bonds. The terms of the convertible bonds were evaluated to include a liability component, embedded derivatives (a call option and a put option) and an equity component (an option for conversion into issuer's ordinary shares). The terms of the bonds are as follows:

Issue amount: NT\$1,000,000 thousand

Period: 12 December 2022 ~ 12 December 2025

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Redemption clauses:

- a. The Company may redeem the bonds, in whole or in part, after 3 months of the issuance (13 March 2023) and prior to 40 days before the maturity date (2 November 2025), at the principal amount of the bonds with an interest calculated at the rate of 0% per annum (early redemption conversion price) if the closing price of the Company's ordinary shares on the Taiwan Stock Exchange (TWSE) for a period of 30 consecutive trading days, is at least 130% of the conversion price.
- b. The Company may redeem the bonds, in whole or in part, after 3 months of the issuance (13 March 2023) and prior to 40 days before the maturity date (2 November 2025), at the early redemption conversion price if at least 90% in principal amount of the bonds has already been exchanged, redeemed, purchased or cancelled.
- c. The Company may redeem the bonds in cash, within 5 trading days after the base date of withdrawing the bonds as stated on the "Withdrawal of Convertible Bonds Notice", at the par value if the bondholders do not reply to the share affair agency in writing before the base date.

Reversal clauses:

- a. The bondholders have the right to require the Company to redeem all or any portion of the bonds, 40 days prior to 2 year anniversary (12 December 2024) of the issuance, at the principal amount of the bonds with an interest calculated at the rate of 0.5% per annum.

Terms of Exchange:

- a. Underlying Securities: Common shares of the Company
- b. Exchange Period: The bonds are exchangeable at any time on or after 13 March 2023 and prior to 12 December 2025 into common shares of the Company
- c. Exchange Price and Adjustment: The exchange price was originally NT\$286.5 per share. The exchange price will be subject to

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

adjustments upon the occurrence of certain events set out in the indenture.

In accordance with IFRS 9, said financial instrument is classified as an embedded derivative so the exercise price of the embedded put option is allocated to the liability component and equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. The difference between the equity component and the book value was recognized in profit or loss. The difference between the liability component and the book value was recognized in "Share premium-warrants".

The financial assets of convertible bonds are measured at amortized cost, fair value through profit or loss amounted to NT\$5,100 thousand as of 31 December 2022.

- B. On 15 December 2020, the Company issued the seventh zero coupon unsecured convertible bonds. The terms of the convertible bonds were evaluated to include a liability component, embedded derivatives (a call option and a put option) and an equity component (an option for conversion into issuer's ordinary shares). The terms of the bonds are as follows:

Issue amount: NT\$1,300,000 thousand

Period: 15 December 2020 ~ 15 December 2023

Redemption clauses:

- a. The Company may redeem the bonds, in whole or in part, after 3 months of the issuance (16 March 2021) and prior to 40 days before the maturity date (5 November 2023), at the principal amount of the bonds with an interest calculated at the rate of 0% per annum (early redemption conversion price) if the closing price of the Company's ordinary shares on the Taiwan Stock Exchange (TWSE) for a period of 30 consecutive trading days, is at least 130% of the conversion price.
- b. The Company may redeem the bonds, in whole or in part, after 3 months of the issuance (16 March 2021) and prior to 40 days before the maturity date (5 November 2023), at the early

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

redemption conversion price if at least 90% in principal amount of the bonds has already been exchanged, redeemed, purchased or cancelled.

- c. The Company may redeem the bonds in cash, within 5 trading days after the base date of withdrawing the bonds as stated on the "Withdrawal of Convertible Bonds Notice", at the par value if the bondholders do not reply to the share affair agency in writing before the base date.

Reversal clauses:

- a. The bondholders have the right to require the Company to redeem all or any portion of the bonds, 40 days prior to 2 year anniversary (15 December 2022) of the issuance, at the principal amount of the bonds with an interest calculated at the rate of 0.5% per annum.

Terms of Exchange:

- a. Underlying Securities: Common shares of the Company
- b. Exchange Period: The bonds are exchangeable at any time on or after 16 March 2021 and prior to 15 December 2023 into common shares of the Company.
- c. Exchange Price and Adjustment: The exchange price was originally NT\$203 per share. The exchange price will be subject to adjustments upon the occurrence of certain events set out in the indenture. On 31 December 2022 and 31 December 2021, the exchange prices were NT\$192.7 and NT\$197.7, respectively.

In accordance with IFRS 9, said financial instrument is classified as an embedded derivative so the exercise price of the embedded put option is allocated to the liability component and equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component.

The difference between the equity component and the book value was recognized in profit or loss. The difference between the liability component and the book value was recognized in "Share premium-warrants".

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The financial assets of convertible bonds are measured at amortized cost, fair value through profit or loss amounted to NT\$178 thousand and NT\$2,333 thousand as of 31 December 2022 and 31 December 2021, respectively.

The convertible bonds that have already been converted were NT\$1,121,900 thousand and NT\$285,600 thousand as at 31 December 2022 and 31 December 2021, respectively.

(14) Long-term deferred revenue

	For the years ended 31 December	
	2022	2021
Beginning balance	\$13,957	\$14,378
Amortization	(367)	(360)
Exchange differences	248	(61)
Ending balance	<u>\$13,838</u>	<u>\$13,957</u>

	As of 31 December	
	2022	2021
Deferred revenue - related to assets	<u>\$13,838</u>	<u>\$13,957</u>

Government grants have been received for the purchase of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants.

(15) Post-employment benefits

Defined contribution plan

The Company and its domestic subsidiaries adopt a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company and its domestic subsidiaries will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Company and its domestic subsidiaries have made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Subsidiaries located in the People's Republic of China will contribute social welfare benefits based on a certain percentage of employees' salaries or

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

wages to the employees' individual pension accounts.

Pension benefits for employees of overseas subsidiaries and branches are provided in accordance with the local regulations.

Pension expenses under the defined contribution plan for the years ended 31 December 2022 and 2021 were NT\$62,526 thousand and NT\$60,074 thousand, respectively.

Defined benefits plan

The Company and its domestic subsidiaries adopt a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company and its domestic subsidiaries contribute an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Company and its domestic subsidiaries assess the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Company and its domestic subsidiaries will make up the difference in one appropriation before the end of March the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under discretionary accounts, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Group

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

expects to contribute NT\$9,600 thousand to its defined benefit plan during the 12 months beginning after 31 December 2022.

The weighted average duration of the defined benefits obligation was 10.5 years as of 31 December 2022.

Pension costs recognized in profit or loss are as follows:

	For the years ended 31 December	
	2022	2021
Current service costs	\$687	\$797
Net interest on the net defined benefit liabilities (assets)	408	601
Total	<u>\$1,095</u>	<u>\$1,398</u>

Reconciliations of liabilities (assets) of the defined benefit obligation and plan assets at fair value are as follows:

	As of		
	31 Dec. 2022	31 Dec. 2021	1 Jan. 2021
Defined benefit obligation	\$134,168	\$140,221	\$138,096
Plan assets at fair value	(80,576)	(72,660)	(65,131)
Net defined benefit liabilities	53,592	67,561	72,965
Less: current portion	(91)	-	-
Net defined benefit liabilities, noncurrent	<u>\$53,501</u>	<u>\$67,561</u>	<u>\$72,965</u>

Reconciliation of liabilities (assets) of the defined benefit plan are as follows:

	As of		
	Defined benefit obligation	Plan assets at fair value	Net defined benefit liabilities
As of 1 January 2021	\$138,096	\$(65,131)	\$72,965
Current service cost	797	-	797
Interest expense (income)	1,174	(573)	601
Subtotal	<u>140,067</u>	<u>(65,704)</u>	<u>74,363</u>

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	As of		
	Defined benefit obligation	Plan assets at fair value	Net defined benefit liabilities
Remeasurements of the defined benefit liabilities /assets:			
Actuarial gains and losses arising from changes in financial assumptions	2,372	-	2,372
Experience adjustments	(1,584)	-	(1,584)
Remeasurements of the defined benefit assets	-	(610)	(610)
Subtotal	788	(610)	178
Payments of benefit obligation	(634)	634	-
Contributions by employer	-	(6,980)	(6,980)
As of 31 December 2021	140,221	(72,660)	67,561
Current period service costs	687	-	687
Interest expense (income)	911	(503)	408
Subtotal	141,819	(73,163)	68,656
Remeasurements of the defined benefit liabilities /assets:			
Actuarial gains and losses arising from changes in financial assumptions	(6,073)	-	(6,073)
Experience adjustments	5,416	-	5,416
Remeasurements of the defined benefit assets	-	(5,207)	(5,207)
Subtotal	(657)	(5,207)	(5,864)
Payments of benefit obligation	(6,994)	6,994	-
Contributions by employer	-	(9,200)	(9,200)
As of 31 December 2022	\$134,168	\$(80,576)	\$53,592

The principal assumptions used in determining the Company's defined benefit plan are shown below:

	As of 31 December	
	2022	2021
Discount rate	0.85%	0.65%
Expected rate of salary increases	3.00%	3.00%

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Sensitivity analysis for significant assumption are shown below:

	For the years ended 31 December			
	2022		2021	
	Defined benefit obligation increase	Defined benefit obligation decrease	Defined benefit obligation increase	Defined benefit obligation decrease
Discount rate increase by 0.50%	\$ -	\$4,717	\$ -	\$5,810
Discount rate decrease by 0.50%	5,028	-	6,228	-
Future salary increase by 1.00%	10,101	-	12,468	-
Future salary decrease by 1.00%	-	9,084	-	11,098

The sensitivity analyses above are based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analyses compared to the previous period.

(16)Equities

(a) Common stock

The Company's authorized capital was NT\$4,500,000 thousand as of 31 December 2022 and 2021. The issued capital was NT\$2,365,841 thousand and NT\$2,333,770 thousand in a total of 236,584 thousand shares and 233,377 thousand shares, respectively. Each share has one voting right and a right to receive dividends.

The investors requested to convert the Company's convertible bonds into common stocks in the amount of NT\$42,981 thousand in a total of 4,298 thousand shares from 1 January 2022 to 31 December 2022, and 2,378 thousand shares had completed the registration process as of 31 December 2022. As the registration process has not been completed, the accumulated book value of certificate of entitlement to new shares from convertible bond amounted to NT\$19,200 thousand in a total of 1,920 thousand shares as of 31 December 2022.

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

As of 1 January 2022, the accumulated book value of certificates of bond - to - stock conversion that had completed the registration process amounted to NT\$8,290 thousand in a total of 829 thousand shares in the first quarter of 2022.

(b) Capital surplus

	As of 31 December	
	2022	2021
Additional paid-in capital	\$2,416,991	\$1,543,555
Treasury share transactions	5,749	5,749
Share of changes in net assets of associates and joint ventures accounted for using the equity method	132,519	132,869
Difference between consideration received and carrying amount of interests in subsidiaries acquired/disposed of	27,385	22,183
Increase through changes in ownership interests in subsidiaries	373,254	373,254
Premium from merger	705	705
Share options	110,602	112,157
Total	<u>\$3,067,205</u>	<u>\$2,190,472</u>

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(c) Retained earnings and dividend policies

According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

- a. Payment of all taxes and dues;
- b. Offset prior years' operation losses;
- c. Set aside 10% as legal reserve;
- d. Set aside or reverse special reserve in accordance with law and regulations;
- e. The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.

As the Company is undergoing a growth stage, the policy of dividend distribution should reflect its long-term financial planning. The Board of Directors shall make the distribution proposal annually and present it at the Shareholder's meeting every year. The distribution of shareholders dividend shall be allocated cash dividends to be distributed may not be less than 10% of total dividends to be distributed.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total paid-in capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

When the Company distributing distributable earnings, it shall set aside to special reserve, an amount equal to "other net deductions from shareholders" equity for the current fiscal year, provided that if the company has already set aside special reserve according to the requirements for the adoption of IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders' equity. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed from the special

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

reserve.

The FSC on 31 March 2021 issued Order No. Financial-Supervisory-Securities-Corporate-1090150022, which sets out the following provisions for compliance:

On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the Company can reverse the special reserve by the proportion of the special reserve first appropriated and distribute it.

The Company did not reverse any special reserve as a result of use, disposal or reclassification of related assets during the years ended 31 December 2022 and 2021.

Details of the 2022 and 2021 earnings distribution and dividends per share as approved and resolved by the Board of Directors' meeting and shareholders' meeting on 9 March 2023 and 30 May 2022, respectively, are as follows:

	Appropriation of earnings		Dividend per share (NT\$)	
	2022	2021	2022	2021
Common stock -cash dividend	\$2,030,999	\$1,640,858	\$8.5	\$7.0
Legal reserve	288,562	233,305		
Special reserve	(111,279)	(17,754)		

Please refer to Note 6(20) for details on employees' compensation and remuneration to directors and supervisors.

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(d) Non-controlling interests

	For the years ended 31 December	
	2022	2021
Beginning balance	\$777,634	\$613,345
Gains attributable to non-controlling interests	142,477	156,327
Other comprehensive income, attributable to non-controlling interests, net of tax:		
Exchange differences resulting from translating the financial statements of foreign operations	9,655	(2,809)
Unrealized gains or losses measured at fair value through other comprehensive income	(3,789)	3,458
Disposal of the shares of the subsidiary	-	8,747
Dividend distribution of the subsidiary	(66,678)	(49,270)
Acquisition of new shares in a subsidiary not in proportionate to ownership interest	-	28,325
Acquisition of the shares of the subsidiary	(19,734)	19,511
Ending balance	<u>\$839,565</u>	<u>\$777,634</u>

(17) Operating revenue

	For the years ended 31 December	
	2022	2021
Revenue from contracts with customers		
Sale of goods	\$29,772,576	\$24,971,208
Construction revenues	162,981	-
Other operating revenue	639,243	559,498
Total	<u>\$30,574,800</u>	<u>\$25,530,706</u>

Analysis of revenue from contracts with customers for the years ended 31 December 2022 and 2021 are as follows:

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(1) Disaggregation of revenue

For the year ended 31 December 2022

	Green Energy	Industrial Application	Medical Health	Automotive& Aviation	Communication	Total
Sale of goods	\$7,866,165	\$8,027,907	\$2,725,386	\$4,204,699	\$6,948,419	\$29,772,576
Construction revenues	162,981	-	-	-	-	162,981
Other operating revenues	168,893	172,366	58,516	90,279	149,189	639,243
Total	<u>\$8,198,039</u>	<u>\$8,200,273</u>	<u>\$2,783,902</u>	<u>\$4,294,978</u>	<u>\$7,097,608</u>	<u>\$30,574,800</u>
Timing of revenue recognition:						
At a point in time	\$8,035,058	\$8,200,273	\$2,783,902	\$4,294,978	\$7,097,608	\$30,411,819
Over time	162,981	-	-	-	-	162,981
Total	<u>\$8,198,039</u>	<u>\$8,200,273</u>	<u>\$2,783,902</u>	<u>\$4,294,978</u>	<u>\$7,097,608</u>	<u>\$30,574,800</u>

For the year ended 31 December 2021

	Green Energy	Industrial Application	Medical Health	Automotive& Aviation	Communication	Total
Sale of goods	\$5,909,886	\$6,756,823	\$2,401,456	\$2,906,210	\$6,944,237	\$24,918,612
Other operating revenues	145,169	165,973	58,989	71,387	170,576	612,094
Total	<u>\$6,055,055</u>	<u>\$6,922,796</u>	<u>\$2,460,445</u>	<u>\$2,977,597</u>	<u>\$7,114,813</u>	<u>\$25,530,706</u>
Timing of revenue recognition:						
At a point in time	\$6,055,055	\$6,922,796	\$2,460,445	\$2,977,597	\$7,114,813	\$25,530,706
Over time	-	-	-	-	-	-
Total	<u>\$6,055,055</u>	<u>\$6,922,796</u>	<u>\$2,460,445</u>	<u>\$2,977,597</u>	<u>\$7,114,813</u>	<u>\$25,530,706</u>

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(2) Contract balances

Contract liabilities – current

	As of		
	31 Dec. 2022	31 Dec. 2021	1 Jan. 2021
Sales of goods	\$4,725,055	\$2,825,473	\$1,677,711
Construction revenues	255,641	-	-
Total	<u>\$4,980,696</u>	<u>\$2,825,473</u>	<u>\$1,677,711</u>

For the years ended 31 December 2022 and 2021, contract liabilities increase as the consideration received from customers did not satisfy its performance obligations.

(3) Transaction price allocated to unsatisfied performance obligations

As of December 31, 2022, the Group's total transaction price apportioned to unsatisfied performance obligations is NT\$3,690,717 thousand. The Group will gradually recognize the revenue with the completion of these projects, which are expected to be completed in the next 4 years.

(4) Assets recognized from costs to fulfil a contract

None.

(18) Expected credit losses

	For the years ended 31 December	
	2022	2021
Operation expense- Expected credit losses		
Trade receivables	<u>\$76,385</u>	<u>\$1,790</u>

Please refer to Note 12 for more details on credit risk.

The Group considers the grouping of trade receivables (including note receivables and trade receivables) by counterparties' credit rating, by geographical region and by industry sector and its loss allowance is measured by using a provision matrix. The assessment of the Group's loss allowance as of 31 December 2022 and 2021 are as follows:

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

As at 31 December 2022

Group 1

	Not yet due	Overdue					Total
		<=30 days	31-60 days	61-90 days	91-120 days	>=121 days	
Gross carrying amount	\$249,997	\$55,452	\$3,468	\$37,841	\$192,567	\$84,967	\$624,292
Loss rate	6%	12%	12%	12%	15%	25%	
Lifetime expected credit losses	(13,939)	(6,625)	(410)	(4,519)	(28,278)	(21,179)	(74,950)
Carrying amount of trade receivables	<u>\$236,058</u>	<u>\$48,827</u>	<u>\$3,058</u>	<u>\$33,322</u>	<u>\$164,289</u>	<u>\$63,788</u>	<u>\$549,342</u>

Group 2

	Not yet due (Note)	Overdue					Total
		<=30 days	31-60 days	61-90 days	91-120 days	>=121 days	
Gross carrying amount	\$7,812,661	\$417,178	\$83,152	\$19,106	\$2,356	\$12,117	\$8,346,570
Loss rate	-%	-%	-%	-%	-%	5%-100%	
Lifetime expected credit losses	-	-	-	-	-	(1,166)	(1,166)
Carrying amount of trade receivables	<u>\$7,812,661</u>	<u>\$417,178</u>	<u>\$83,152</u>	<u>\$19,106</u>	<u>\$2,356</u>	<u>\$10,951</u>	<u>\$8,345,404</u>

As at 31 December 2021

	Not yet due (Note)	Overdue					Total
		<=30 days	31-60 days	61-90 days	91-120 days	>=121 days	
Gross carrying amount	\$6,345,759	\$262,610	\$65,833	\$5,212	\$1,202	\$14,739	\$6,695,355
Loss rate	-%	-%	-%	-%	-%	5%-100%	
Lifetime expected credit losses	-	-	-	-	-	(1,166)	(1,166)
Carrying amount of trade receivables	<u>\$6,345,759</u>	<u>\$262,610</u>	<u>\$65,833</u>	<u>\$5,212</u>	<u>\$1,202</u>	<u>\$13,573</u>	<u>\$6,694,189</u>

Note: The Group's note receivables are not overdue.

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The movement in the provision for impairment of note receivables and trade receivables during the 31 December 2022 and 2021 are as follows:

	For the years ended 31 December	
	2022	2021
Balance, beginning of year	\$1,166	\$1,166
Write off	(1,435)	(1,790)
Addition/(reversal) for the current period	76,385	1,790
Exchange difference	-	-
Balance, end of year	<u>\$76,116</u>	<u>\$1,116</u>

(19) Leases

The Group is a lessee

The Group leases various properties, including real estate such as land and buildings, machinery and equipment, transportation equipment and office equipment. The lease terms range from 1 to 16 years.

The Group's leases effect on the financial position, financial performance and cash flows are as follow:

A. Amounts recognized in the balance sheet

(a) Right-of-use asset

The carrying amount of right-of-use assets

	As of 31 December	
	2022	2021
Land	\$57,746	\$58,360
Buildings	323,566	357,036
Machinery and equipment	27,292	30,609
Transportation equipment	24,004	15,988
Total	<u>\$432,608</u>	<u>\$461,993</u>

During the years ended 31 December 2022 and 2021, the Group's

additions to right-of-use assets amounting to NT\$67,622 thousand and NT\$201,829 thousand.

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(b) Lease liabilities

	As of 31 December	
	2022	2021
Lease liabilities		
Current	\$99,449	\$93,555
Non-Current	268,921	307,261
Total	<u>\$368,370</u>	<u>\$400,816</u>

Please refer to Note 6(21)(d) for the interest on lease liabilities recognized during the years ended 31 December 2022 and 2021. Refer to Note 12 (5) liquidity risk management for the maturity analysis for lease liabilities as of 31 December 2022 and 2021.

B. Amounts recognized in the statements of comprehensive income

Depreciation charge for right-of-use assets

	For the years ended 31 December	
	2022	2021
Land	\$1,651	\$1,096
Buildings	81,020	79,661
Machinery and equipment	6,045	5,070
Transportation equipment	11,332	10,201
Total	<u>\$100,048</u>	<u>\$96,028</u>

C. Income and costs relating to leasing activities

	For the years ended 31 December	
	2022	2021
The expenses relating to short-term leases	<u>\$41,802</u>	<u>\$29,212</u>

D. Cash outflow related to lessee and lease activity

During the years ended 31 December 2022 and 2021, the Group's total cash outflows for leases amounting to NT\$147,643 thousand and NT\$161,762 thousand.

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(20) Summary statement of employee benefits, depreciation and amortization expenses by function for the years ended 31 December 2022 and 2021:

	For the years ended 31 December					
	2022			2021		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Salaries	\$2,040,579	\$1,906,111	\$3,946,690	\$1,981,114	\$1,642,666	\$3,623,780
Labor and health insurance	230,510	225,204	455,714	177,994	194,889	372,883
Pension	26,863	36,757	63,620	26,311	35,161	61,472
Other employee benefits expense	165,156	105,415	270,571	136,538	91,636	228,174
Depreciation	282,981	191,881	474,862	248,996	195,262	444,258
Amortization	16,468	34,725	51,193	12,553	27,361	\$39,914

According to the Articles of Incorporation, 1% to 15% of profit of the current year is distributable as employees' compensation and no higher than 3% of profit of the current year is distributable as remuneration to directors and supervisors. However, the company's accumulated losses shall have been covered. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

Based on profit of 31 December 2022, the Company estimated the amounts of the employees' compensation and remuneration to directors and supervisors for the year ended of 31 December 2022 to be 1.01% and 0.68% of profit, respectively. The employees' compensation and remuneration to directors and supervisors for the year ended of 31 December 2022 amount to NT\$35,000 thousand and NT\$23,500 thousand respectively, recognized as employee benefits expense.

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

A resolution was passed at the Board of Directors meeting held on 9 March 2022 to distribute NT\$35,000 thousand and NT\$23,500 thousand in cash as employees' compensation and remuneration to directors and supervisors of 2022, respectively. Differences between the estimated amount and the actual distribution of the employee compensation and remuneration to directors and supervisors for the year ended 31 December 2022 are recognized in profit or loss of the subsequent year in 2023.

The employees' compensation and remuneration to directors and supervisors for the year ended of 31 December 2021 amount to NT\$30,000 thousand and NT\$21,000 thousand, respectively. No material differences exist between the recognized amount and the actual distribution of the employee bonuses and remuneration to directors and supervisors for the year ended 31 December 2021.

(21) Non-operating income and expenses

(a) Interest income

	For the years ended 31 December	
	2022	2021
Bank deposit interest	\$25,082	\$12,707

(b) Other income

	For the years ended 31 December	
	2022	2021
Sample income	\$95,715	\$65,037
Dividend income	46,251	16,559
Others	40,351	135,354
Total	\$182,317	\$216,950

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(c) Other gains and losses

	For the years ended 31 December	
	2022	2021
Foreign exchange gains (losses), net	\$261,435	\$(112,029)
Gains on disposal of investments	15,068	22,361
Gains on disposal of property, plant and equipment	595	9,767
Gains of financial asset at fair value through profit or loss (Note1)	32,268	50,536
(Losses) gains of financial liabilities at fair value through profit or loss (Note2)	(83)	24,897
Other expense	(38,504)	(35,872)
Total	<u>\$270,779</u>	<u>\$(40,340)</u>

Note:

1. Balances were arising from financial assets mandatorily measured at fair value through profit or loss, including valuation adjustment, dividend income, interest income and exchange gains and losses etc.
2. Balances were arising from held for trading financial liabilities, including valuation adjustment, interest expense and exchange gains and losses etc.

(d) Finance costs

	For the years ended 31 December	
	2022	2021
Interest on loans from bank	\$67,074	\$53,709
Interest on bonds payable	8,435	16,625
Interest on lease liabilities	8,801	8,612
Total	<u>\$84,310</u>	<u>\$78,946</u>

(22) Components of other comprehensive income

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

For the year ended 31 December 2022:

	Arising during the period	Reclassification adjustments during the period	Other comprehensiv e income, before tax	Income tax relating to components of other comprehensiv e income	Other comprehensiv e income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	\$5,864	\$ -	\$5,864	\$(1,173)	\$4,691
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	(73,068)	-	(73,068)	-	(73,068)
Share of other comprehensive income (loss) of associates and joint ventures which will not be reclassified subsequently to profit or loss	(21,090)	-	(21,090)	-	(21,090)
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	259,682	-	259,682	(49,384)	210,298
Share of other comprehensive income (loss) of associates and joint ventures which may be reclassified subsequently to profit or loss	1,359	-	1,359	-	1,359
Total of other comprehensive income	<u>\$172,747</u>	<u>\$ -</u>	<u>\$172,747</u>	<u>\$(50,557)</u>	<u>\$122,190</u>

For the year ended 31 December 2021

	Arising during the period	Reclassification adjustments during the period	Other comprehensiv e income, before tax	Income tax relating to components of other comprehensiv e income	Other comprehensiv e income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	\$(178)	\$ -	\$(178)	\$36	\$(142)
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	28,401	-	28,401	-	28,401
Share of other comprehensive income (loss) of associates and joint ventures which will not be reclassified subsequently to profit or loss	54,053	-	54,053	-	54,053
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of a foreign operation	(77,543)	-	(77,543)	15,249	(62,294)
Share of other comprehensive income (loss) of associates and joint ventures which may be reclassified subsequently to profit or loss	(211)	-	(211)	-	(211)
Total of other comprehensive income	<u>\$4,522</u>	<u>\$ -</u>	<u>\$4,522</u>	<u>\$15,285</u>	<u>\$19,807</u>

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(23) Income tax

Income tax expense recognized in profit or loss

	For the years ended 31 December	
	2022	2021
Current income tax expense:		
Current income tax charge	\$666,829	\$522,290
Adjustments in respect of current income tax of prior periods	17,759	(8,982)
Deferred tax expense:		
Deferred tax expense relating to origination and reversal of temporary differences	134,692	96,235
Adjustments of prior year's deferred income tax	155	(68,672)
Total income tax expense	<u>\$819,435</u>	<u>\$540,871</u>

Income tax relating to components of other comprehensive income

	For the years ended 31 December	
	2022	2021
Deferred tax expense (income):		
Exchange differences on translation of foreign operations	\$49,384	\$(15,249)
Remeasurements of defined benefit plans	1,173	(36)
Income tax relating to components of other comprehensive income	<u>\$50,557</u>	<u>\$(15,285)</u>

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Income tax charged directly to equity

	For the years ended 31 December	
	2022	2021
Current income tax expense (income):		
Realized losses from equity instruments		
investment measured at fair value through		
other comprehensive income	\$ -	\$(111)

A reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	For the years ended 31 December	
	2022	2021
Accounting profit before tax from continuing operations	\$3,842,465	\$3,028,700
At the Company's statutory income tax rate	\$776,750	\$612,232
Tax effect of revenues exempt from taxation	(224,931)	(194,165)
Tax effect of expenses not deductible for tax purposes	11,132	10,368
Tax effect of deferred tax assets/liabilities	360,007	267,170
Corporate income surtax on undistributed retained earnings	20,651	19,851
Tax effect of different tax rates for entities in other tax regions	(44,333)	(24,177)
Adjustments in respect of deferred income tax of prior periods	155	(68,672)
Adjustments in respect of current income tax of prior periods	17,759	(8,982)
Others	(97,755)	(72,754)
Total income tax expense recognized in profit or loss	\$819,435	\$540,871

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Deferred tax assets (liabilities) relate to the following:

For the year ended 31 December 2022

	Balance as of 1 January	Recognized in profit or loss	Recognized in other comprehensive income	Exchange differences	Balance as of 31 December
Temporary differences					
Exchange differences on translation of foreign operations	\$95,247	\$ -	\$(49,384)	\$ -	\$45,863
Investments accounted for using the equity method	(211,126)	(149,620)	-	-	(360,746)
Unrealized intragroup profits and losses	8,326	22,894	-	-	31,220
Unrealized foreign exchange gains or losses	4,510	(10,844)	-	-	(6,334)
Loss from price reduction of inventories	8,559	4,474	-	44	13,077
Revaluations of financial liabilities at fair value through profit or loss	(19,698)	(6,686)	-	-	(26,384)
Remeasurements of defined benefit plans	7,500	-	(1,173)	-	6,327
Non-current liability – Defined benefit liability	7,816	(1,621)	-	-	6,195
Deferred income-government grants	2,093	(55)	-	37	2,075
Accumulated losses	1,508	(1,508)	-	-	-
Loss allowance	974	14,314	-	-	15,288
Allowance for sales discounts	241	(65)	-	-	176
Convertible bonds	(2,244)	245	-	-	(1,999)
Depreciation	(9,511)	(9,702)	-	(154)	(19,367)
Royalty valuation	-	3,327	-	-	3,327
Deferred tax (income) /expense		<u>\$(134,847)</u>	<u>\$(50,557)</u>	<u>\$(73)</u>	
Net deferred tax assets (liabilities)	<u>\$ (105,805)</u>				<u>\$ (291,282)</u>
Reflected in balance sheet as follows:					
Deferred tax assets	<u>\$136,774</u>				<u>\$123,548</u>
Deferred tax liabilities	<u>\$242,579</u>				<u>\$414,830</u>

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

For the year ended 31 December 2021

	Balance as of 1 January	Recognized in profit or loss	Recognized in other comprehensive income	Exchange differences	Balance as of 31 December
Temporary differences					
Exchange differences on translation of foreign operations	\$79,998	\$ -	\$15,249	\$ -	\$95,247
Investments accounted for using the equity method	(208,340)	(3,886)	-	1,100	(211,126)
Unrealized intragroup profits and losses	18,434	(10,108)	-	-	8,326
Unrealized foreign exchange gains or losses	909	3,601	-	-	4,510
Loss from price reduction of inventories	12,195	(3,626)	-	(10)	8,559
Revaluations of financial liabilities at fair value through profit or loss	(8,838)	(10,860)	-	-	(19,698)
Remeasurements of defined benefit plans	7,464	-	36	-	7,500
Non-current liability – Defined benefit liability	8,095	(279)	-	-	7,816
Deferred income-government grants	2,157	(54)	-	(10)	2,093
Accumulated losses	891	617	-	-	1,508
Loss allowance	974	-	-	-	974
Allowance for sales discounts	267	(26)	-	-	241
Convertible bonds	(1,172)	(1,072)	-	-	(2,244)
Depreciation	(7,675)	(1,870)	-	34	(9,511)
Deferred tax (income) /expense		<u>\$(27,563)</u>	<u>\$15,285</u>	<u>\$1,114</u>	
Net deferred tax assets (liabilities)	<u>\$(94,641)</u>				<u>\$(105,805)</u>
Reflected in balance sheet as follows:					
Deferred tax assets	<u>\$131,384</u>				<u>\$136,774</u>
Deferred tax liabilities	<u>\$226,025</u>				<u>\$242,579</u>

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Unrecognized deferred tax liabilities relating to the investment in subsidiaries

The Company shall recognize the relevant deferred income tax liabilities for the income tax payable that may arise when the undistributed surplus of a foreign subsidiary is remitted back, in accordance with the undistributed surplus expected to be allocated by the future subsidiary.

The assessment of income tax returns

As of 31 December 2022, assessment of the income tax returns of the Company and its subsidiaries is as follows:

	<u>The assessment of income tax returns</u>
The Company	Assessed and approved up to 2020
Subsidiary- Kwan-Ze Corporation Ltd.	Assessed and approved up to 2020
Subsidiary- T-CONN Precision Co., Ltd.	Assessed and approved up to 2020
Subsidiary- Radbon Avionics Inc.	Assessed and approved up to 2020
Subsidiary - SINTOP Energy Management Co., Ltd.	Assessed and approved up to 2020
Sub-subsidiary - ENMAGIC Renewable Energy Co., Ltd.	Assessed and approved up to 2020

(24) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

shares.

	For the years ended 31 December	
	2022	2021
(a) Basic earnings per share		
Profit attributable to ordinary equity holders of the Company	<u>\$2,880,553</u>	<u>\$2,331,502</u>
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	<u>235,774</u>	<u>233,157</u>
Basic earnings per share (NT\$)	<u>\$12.22</u>	<u>\$10.00</u>
(b) Diluted earnings per share		
Profit attributable to ordinary equity holders of the Company	\$2,880,553	\$2,331,502
Interest expense from convertible bonds	<u>6,748</u>	<u>13,300</u>
Profit attributable to ordinary equity holders of the Company after dilution	<u>\$2,887,301</u>	<u>\$2,344,802</u>
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	235,774	233,157
Effect of dilution:		
Employee compensation-stock (in thousands)	127	106
Convertible bonds (in thousands)	<u>7,145</u>	<u>6,046</u>
Weighted average number of ordinary shares outstanding after dilution (in thousands)	<u>243,046</u>	<u>239,309</u>
Diluted earnings per share (NT\$)	<u>\$11.88</u>	<u>\$9.80</u>

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and completion of the financial statements.

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(25) Change of Ownership of subsidiaries

Acquisition of new shares in a subsidiary not in proportionate to ownership interest

T-CONN Precision Co., Ltd.(T-CONN) issued new shares on 26 January 2021, however the Group did not purchase the new shares according to its shareholding percentage, consequently the ownership interest in T-CONN was reduced to 58.86%. The Group received additional cash from the issuance of new shares in the amount of NT\$38,499 thousand. The following table is a schedule of interest disposed of by T-CONN including changes in non-controlling interests:

	Amount
Additional cash received from the issuance of new shares	\$(38,499)
Increase to non-controlling interests	28,325
Difference recognized in capital surplus or retained earning within equity	<u><u>\$(10,174)</u></u>

7. Related party transactions

All transactions between the Group's consolidated entities have been eliminated in preparing consolidated financial statements, for other significant transactions information, please refer to Note 13. There were no significant transactions with related parties from non-consolidated entities.

Key management personnel compensation

	For the years ended 31 December	
	2022	2021
Short-term employee benefits	\$339,959	\$256,001
Post-employment benefits	63,621	61,472
Total	<u><u>\$403,580</u></u>	<u><u>\$317,473</u></u>

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

8. Assets pledged as security

None.

9. Commitments and contingencies

(a) The Company provided guarantees for subsidiaries' financing to banks for the year ended 31 December 2022. Please refer to Note 13.(1)(b).

(b) As of 31 December 2022 and 2021, the Group was issued letters of guarantee by banks in the amount of NT\$14,300 thousand and NT\$11,000 thousand for importing goods, respectively.

(c) Amounts available under unused letters of credit are as follows:

Currency	Carrying amount	
	2022.12.31	2021.12.31
USD	\$300	\$300

(d) The Group approached the bank to provide product quality assurance commitments. As of the years ended 31 December 2022 and 2021, the assurance amount was NT\$0 thousand and NT\$8,681 thousand.

10. Losses due to major disasters

None.

11. Significant subsequent events

On 9 March 2023, the Group passed the resolution of the board of directors to transfer the production line, property, plant and equipment and inventory of the Miaoli E-BIKE assembly plant to the subsidiary T-CONN Precision Corporation for the expansion of its Miaoli plant to effectively integrate the group's resources and give full play to the group's comprehensive management benefits. The transaction price is about NT\$115 million, and the transaction price is determined by referring to the appraisal report.

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

12. Financial instruments

(1) Categories of financial instruments

Financial assets

	As of 31 December	
	2022	2021
Financial assets at fair value through profit or loss:		
Mandatorily measured at Fair value through profit or loss	\$298,849	\$250,282
Financial assets at fair value through other comprehensive income	358,828	388,571
Financial assets measured at amortized cost (Note1)	14,342,630	10,989,424
Total	<u>\$15,000,307</u>	<u>\$11,628,277</u>

Financial liabilities

	As of 31 December	
	2022	2021
Financial liabilities at amortized cost:		
Short-term loans	\$3,457,685	\$3,357,725
Notes and accounts payable	6,849,535	6,140,647
Bonds payable (including current portion with maturity less than 1 year)	1,121,929	994,351
Long-term loans (including current portion with maturity less than 1 year)	21,582	312,000
Others payables	1,883,926	1,493,951
Lease liability	368,370	400,816
Subtotal	<u>13,703,027</u>	<u>12,699,490</u>
Financial liabilities at fair value through profit or loss:		
Held for trading	5,100	241
Total	<u>\$13,708,127</u>	<u>\$12,699,731</u>

Note:

1. Including cash and cash equivalents, notes receivable, trade receivables and other receivables.

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(2) Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Group identifies measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there are usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. The Group also uses forward contracts to hedge the foreign currency risk on certain items denominated in foreign currencies. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for USD and RMB.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt instrument investments at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates and interest rate swaps. At the reporting date, a change of 10 basis points of interest rate in a reporting period could cause the profit.

Pre-tax sensitivity analysis of changes in related risk factors for the years ended 31 December 2022 and 2021 are as follows:

For the year ended 31 December 2022

Main Risk	Fluctuation	Sensitivity of profit/loss	Sensitivity of equity
Foreign currency risk	NTD/USD rate +/- 1%	+/- \$29,328	+/- \$(2,304)
	NTD/RMB rate +/- 1%	+/- \$528	+/- \$952
	NTD/EUR rate +/- 1%	+/- \$3,244	-
Interest rate risk	Market rate +/- 10 basis points	-/+ \$3,438	-

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

For the year ended 31 December 2021

Main Risk	Fluctuation	Sensitivity of profit/loss	Sensitivity of equity
Foreign currency risk	NTD/USD rate +/- 1%	+/- \$29,702	+/- \$253
	NTD/RMB rate +/- 1%	+/- \$989	-/+ \$3,647
	NTD/EUR rate +/- 1%	+/- \$2,335	
Interest rate risk	Market rate +/- 10 basis points	-/+ \$3,670	-

Equity price risk

The fair value of the Group's listed and unlisted equity securities and conversion rights of the Euro-convertible bonds issued are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group's listed and unlisted equity securities are classified under financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income, while conversion rights of the Euro-convertible bonds issued are classified as financial liabilities at fair value through profit or loss as it does not satisfy the definition of an equity component. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, a change of 10% in the price measured at fair value through profit or loss could increase/decrease the Group's profit for the years ended 31 December 2022 and 2021 by NT\$18,252 thousand and NT\$19,038 thousand, respectively.

Please refer to Note 12(9) for sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 3.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for accounts receivables and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group's internal rating criteria etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

As of 31 December 2022 and 2021, amounts receivables from top ten customers represented 22% and 27% of the total accounts receivables of the Group, respectively. The credit concentration risk of other accounts receivables is insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating. Consequently, there is no significant credit risk for these counter parties.

(5) Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments, bank borrowings, convertible bonds and finance leases. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Non-derivative financial liabilities

	<u>Less than 1 year</u>	<u>2 to 3 years</u>	<u>4 to 5 years</u>	<u>> 5 years</u>	<u>Total</u>
As of 31 December 2022					
Loans	\$3,483,003	\$17,337	\$689	\$ -	\$3,501,029
Account payables	6,849,535	-	-	-	6,849,535
Convertible bonds	179,885	1,010,025	-	-	1,189,910
Lease liabilities	106,347	138,500	39,139	103,886	387,872
As of 31 December 2021					
Loans	\$3,678,041	\$7,795	\$3,812	\$ -	\$3,689,648
Account payables	6,140,647	-	-	-	6,140,647
Convertible bonds	-	1,024,569	-	-	1,024,569
Lease liabilities	102,573	158,058	52,676	112,850	426,157

Derivative financial liabilities

As of 31 December 2022

None

	<u>Less than 1 year</u>	<u>2 to 3 years</u>	<u>4 to 5 years</u>	<u>> 5 years</u>	<u>Total</u>
As of 31 December 2021					
Cross currency swaps					
Net settlement – outflow	<u><u>\$(241)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$(241)</u></u>

The table above contains the undiscounted net cash flows of derivative liabilities instruments.

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(6) Reconciliation of liabilities from financing activities

Reconciliation of liabilities for the year ended 31 December 2022:

	Short-term loans	Long-term loan (including maturity within a year)	Lease liabilities	Deposits received	Bonds payable (including maturity within a year)	Total liabilities from financing activities
As of 1 January 2022						
Cash flow	\$3,357,725	\$312,000	\$400,816	\$2	\$994,351	\$5,064,894
Non-cash change	99,960	(290,418)	(97,040)	231	1,045,040	757,773
Currency change	-	-	65,594	-	(917,462)	(851,868)
As of 31 December 2022	<u>\$3,457,685</u>	<u>\$21,582</u>	<u>\$369,370</u>	<u>\$233</u>	<u>\$1,121,929</u>	<u>\$4,970,799</u>

Reconciliation of liabilities for the year ended 31 December 2021:

	Short-term loans	Long-term loan (including maturity within a year)	Lease liabilities	Deposits received	Bonds payable (including maturity within a year)	Total liabilities from financing activities
As of 1 January 2021						
Cash flow	\$3,061,501	\$311,730	\$318,572	\$171	\$1,256,981	\$4,948,955
Non-cash change	296,224	270	(123,938)	(169)	-	172,387
Currency change	-	-	206,182	-	(262,630)	(56,448)
As of 31 December 2021	<u>\$3,357,725</u>	<u>\$312,000</u>	<u>\$400,816</u>	<u>\$2</u>	<u>\$994,351</u>	<u>\$5,064,894</u>

(7) Fair values of financial instruments

(a) The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- a. The carrying amount of cash and cash equivalents, accounts receivables, accounts payable and other current liabilities approximate their fair value due to their short maturities.
- b. For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.
- c. Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).
- d. Fair value of debt instruments without market quotations, bank loans, bonds payable and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the Taipei Exchange, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)
- d. The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model (for example, Black-Scholes

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

model) or other valuation method (for example, Monte Carlo Simulation).

(b) Fair value of financial instruments measured at amortized cost

The carrying amount of the Group's financial assets and liabilities measured at amortized cost approximate their fair value.

(c) Fair value measurement hierarchy for financial instruments

Please refer to Note 12(9) for fair value measurement hierarchy for financial instruments of the Group.

(8) Derivative financial instruments

The related information for derivative financial instruments not qualified for hedge accounting and not yet settled as of 31 December 2022 and 2021 are as follows:

Cross currency swaps and forward exchange contracts

The Group entered into cross currency swaps and forward exchange contracts to manage its exposure to financial risk, but these contracts are not designated as hedging instruments. The table below lists the information related to cross currency swaps and forward exchange contracts:

Items	Notional Amount (in thousands)			Contract Period
As of 31 December 2022				
Cross currency swaps		USD	15,000	11 February 2022 – 24 March 2023
Forward exchange contracts	Sell USD	USD	1,380	9 November 2022 – 17 March 2024
As of 31 December 2021				
Cross currency swaps		USD	4,000	26 November 2021–16 March 2022
Forward exchange contracts	Sell USD	USD	2,780	13 January 2021 – 25 March 2022

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Embedded derivatives

The embedded derivatives arising from issuing convertible bonds have been separated from the host contract and carried at fair value through profit or loss. Please refer to Note 6(13) for further information on this transaction.

The counterparties for the derivatives transactions are well known domestic or overseas banks, as they have sound credit ratings, the credit risk is insignificant.

With regard to the forward exchange contracts, currency option contracts and cross currency swaps, as they have been entered into to hedge the foreign currency risk of net assets or net liabilities, and there will be corresponding cash inflow or outflows upon maturity and the Group has sufficient operating funds, the cash flow risk is insignificant.

(9) Fair value measurement hierarchy

(a) Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(b) Fair value measurement hierarchy of the Group's assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis is as follows:

As of 31 December 2022				
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Stocks	\$182,524	\$ -	\$ -	\$182,524
Corporate bonds	72,330	-	-	72,330
Forward exchange contracts	-	239	-	239
Cross currency swaps	-	43,578	-	43,578
Embedded derivative-bonds	-	178	-	178
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	-	-	358,828	358,828
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
Embedded derivative-bonds	\$ -	\$5,100	\$ -	\$5,100
As at 31 December 2021				
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Stocks	\$190,378	\$ -	\$ -	\$190,378
Corporate bonds	57,168	-	-	57,168
Forward exchange contracts	-	403	-	403
Embedded derivative-bonds	-	2,333	-	2,333
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	-	-	388,571	388,571
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
Cross currency swaps	\$ -	\$241	\$ -	\$241

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Transfers between Level 1 and Level 2 during the period

During the years ended 31 December 2022 and 2021, there were no transfers between Level 1 and Level 2 fair value measurements.

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

	Assets
	At fair value through other comprehensive income
	Stocks
Beginning balances as of 1 January 2022	\$388,571
Total gains and losses recognized for the year ended 31 December 2022:	
Amount recognized in OCI (presented in “Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income)	(73,068)
The return of paid-in capital for capital reduction	(15,689)
Acquisition	58,918
Effect of currency	96
Ending balances as of 31 December 2022	<u>\$358,828</u>
Beginning balances as of 1 January 2021	\$275,737
Total gains and losses recognized for the year ended 31 December 2021:	
Amount recognized in OCI (presented in “Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income)	41,790
The return of paid-in capital for capital reduction	(2,449)
Acquirement	75,000
Disposal	(1,510)
Effect of currency	3
Ending balances as of 31 December 2021	<u>\$388,571</u>

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

As of 31 December 2022

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
At fair value through profit or loss					
Stocks and others	Market approach	Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value of the stocks	10% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Group's profit or loss by NT\$ 35,298 thousand
Stocks and others	Option pricing model	Fluctuation rate	34.08%	The higher the fluctuation rate, the higher the fair value of the stocks	10% increase (decrease) in the fluctuation rate would result in increase (decrease) in the Group's profit or loss by NT\$ 585 thousand

As of 31 December 2021

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
At fair value through profit or loss					
Stocks and others	Market approach	Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value of the stocks	10% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Group's profit or loss by NT\$ 36,417 thousand
Stocks and others	Option pricing model	Fluctuation rate	33.09%	The higher the fluctuation rate, the higher the fair value of the stocks	10% increase (decrease) in the fluctuation rate would result in increase (decrease) in the Group's profit or loss by NT\$ 2,440 thousand

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Group's Financial Department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies at each reporting date.

- (c) Fair value measurement hierarchy of the Group's assets and liabilities not measured at fair value but for which the fair value is disclosed.

As of 31 December 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investments accounted for using the equity method (please refer to Note 6(7))	\$1,435,660	\$ -	\$ -	\$1,435,660

As of 31 December 2021

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investments accounted for using the equity method (please refer to Note 6(7))	\$2,446,976	\$ -	\$ -	\$2,446,976

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(10) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

	As of 31 December 2022			As of 31 December 2021		
	Foreign currencies	Foreign exchange rate	NTD	Foreign currencies	Foreign exchange rate	NTD
<u>Financial assets</u>						
<u>Monetary items:</u>						
USD	\$165,038	30.71	\$5,067,986	\$161,777	27.69	\$4,479,595
RMB	922,619	4.42	4,075,694	724,607	4.34	3,145,230
EUR	18,731	32.71	612,674	9,165	31.34	287,222
<u>Financial liabilities</u>						
<u>Monetary items:</u>						
USD	77,034	30.71	2,365,565	53,598	27.69	1,484,118
RMB	889,124	4.42	3,927,727	785,827	4.34	3,410,964
EUR	8,814	32.71	288,309	1,716	31.34	53,762

The Group has a number of different functional currencies; therefore, we are unable to disclose the exchange loss and gain of monetary financial assets and financial liabilities under each foreign currency that has significant impact. The Group recognized NT\$261,435 thousand and NT\$ (112,029) thousand foreign exchange gains and (losses) for the years ended 31 December 2021 and 2022, respectively.

The above information is disclosed based on the carrying amount of foreign currency (after conversion to functional currency).

(11) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payments to shareholders, return capital to shareholders or issue new shares.

(12) Transfer of financial assets information

Part of the Group's notes receivable have been signed into with recourse contracts with financial institutions. Yet the Group transferred the cash flow rights of such receivables, the company still bear the credit risk that notes receivable cannot be collected, which does not meet the derecognition of financial assets. The transaction related information is as follows:

As of 31 December 2022

Counterparty	Amount to be transferred	Amount have been advanced (Note)
Bank of Ningbo Jiangyin Branch	\$18,992	\$18,992
Agricultural Bank of China Jiangyin Economic Development Zone Sub-branch	31,481	31,481
HSBC Bank (China) Shanghai Company Limited	37,525	37,525
BOCOM Anqing Tongcheng Branch	50,820	50,820
ICBC Anqing Tongcheng Branch	139,854	139,854
Branch Wuxi Jiangyin China Merchants Bank	271,432	271,432

As of 31 December 2021

Counterparty	Amount to be transferred	Amount have been advanced (Note)
ICBC Anqing Tongcheng Branch	\$164,280	\$164,280
Branch Wuxi Jiangyin China Merchants Bank	52,855	52,855
HSBC Bank (China) Shanghai Company Limited	22,575	22,575
Bank of Ningbo Jiangyin Branch	20,870	20,870

Note: Recorded in short-term loans

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

13. Other disclosure

(1) Information at significant transactions

- (a) Financing provided to others for the year ended 31 December 2022: Please refer to Attachment 1.
- (b) Endorsement/Guarantee provided to others for the year ended 31 December 2022: Please refer to Attachment 2.
- (c) Securities held as of 31 December 2022: Please refer to Attachment 3.
- (d) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the year ended 31 December 2022: None
- (e) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the year ended 31 December 2022: None.
- (f) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the year ended 31 December 2022: None.
- (g) Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of the capital stock for the year ended 31 December 2022: Please refer to Attachment 4.
- (h) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of the capital stock as of 31 December 2022: Please refer to Attachment 5.
- (i) Financial instruments and derivative transactions: Please refer to Note 12 (8).

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- (j) The business relationship, significant transactions and amounts between parent company and subsidiaries: Please refer to Attachment 6.

(2) Information on investees:

Names, locations, main businesses and products, original investment amount, investment as of 31 December 2022, net income (loss) of investee company and investment income (loss) recognized as of 31 December 2022: Please refer to Attachment 7.

(3) Information on investments in mainland China

- (a) Investment in Mainland China: Please refer to Attachment 8.
- (b) Directly or indirectly significant transactions through third regions with the investees in Mainland China: Please refer to Attachment 2,4,5 and 6.

(4) Information of major shareholders

Shares	Total Shares Owned	Ownership Percentage
Shareholders		
Investment Account of Small Denomination World Funds Co. Ltd. in custody of Standard Chartered Bank	13,589,000	5.69%

14. Segment information

- (1) For management purposes, the Group is organized into business units based on their products and services and has five reportable operating segments as follows:

- (a) Green Energy: The segment focuses on the development, manufacturing and sales of cable assembly and control modules for green energy industries such as solar photovoltaic, wind power and offshore wind power.

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- (b) Industrial Application: The segment focuses on the development, manufacturing and sales of industrial application products such as robot arm control cable assemblies, control cabinet cable assemblies and panel connection cables.
- (c) Medical Health: This segment is responsible for the development, manufacture and sale of medical equipment cables such as electrocardiographs, oximeters and X-ray wiring harnesses.
- (d) Automotive & Aviation: The segment focuses on the development, manufacturing and sales of electric vehicle charging guns and charging piles, automotive oxygen sensors and parking-related equipment cables.
- (e) Communication: The segment focuses on the development, manufacturing and sales of communication related cables such as smart phones, smart wearable devices and VR /AR HMD devices.

Operating segments have been aggregated to be reported as aforementioned operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured based on accounting policies consistent with those in the consolidated financial statements. However, income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segment are on an arm's length basis in a manner similar to transactions with third parties.

Information on profit or loss, assets and liabilities of the reportable segment for the year ended 31 December 2022 and 2021 were as of :

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

For the year ended 31 December 2022

	Green Energy	Industrial Application	Medical Health	Automotive & Aviation	Communication	Reconciliation and Eliminated (Note)	Total
Revenue							
External customer	\$8,198,039	\$8,200,273	\$2,783,902	\$4,294,978	\$7,097,608	\$ -	\$30,574,800
Inter-segment	2,127,842	2,128,422	722,576	1,114,783	1,842,220	(7,935,843)	-
Total revenue	<u>\$10,325,881</u>	<u>\$10,328,695</u>	<u>\$3,506,478</u>	<u>\$5,409,761</u>	<u>\$8,939,828</u>	<u>\$(7,935,843)</u>	<u>\$30,574,800</u>
Segment profit	<u>\$762,388</u>	<u>\$1,238,570</u>	<u>\$566,053</u>	<u>\$522,325</u>	<u>\$753,129</u>	<u>\$ -</u>	<u>\$3,842,465</u>

Note: Inter-segment revenues were eliminated when consolidated.

For the year ended 31 December 2021

	Green Energy	Industrial Application	Medical Health	Automotive & Aviation	Communication	Reconciliation and Eliminated (Note)	Total
Revenue							
External customer	\$6,055,055	\$6,922,796	\$2,460,445	\$2,977,597	\$7,114,813	\$ -	\$25,530,706
Inter-segment	1,532,703	1,752,352	622,807	753,713	1,800,957	(6,462,532)	-
Total revenue	<u>\$7,587,758</u>	<u>\$8,675,148</u>	<u>\$3,083,252</u>	<u>\$3,731,310</u>	<u>\$8,915,770</u>	<u>\$(6,462,532)</u>	<u>\$25,530,706</u>
Segment profit	<u>\$694,721</u>	<u>\$1,003,911</u>	<u>\$384,336</u>	<u>\$328,031</u>	<u>\$617,701</u>	<u>\$ -</u>	<u>\$3,028,700</u>

Note: Inter-segment revenues were eliminated when consolidated.

Information on assets and liabilities of the Group's operating segments as of 31 December 2022 and 2021:

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Segment assets:

	Green Energy	Industrial Application	Medical Health	Automotive& Aviation	Communication	Reconciliation and Eliminated (Note)	Total
31 December 2022	<u>\$12,386,765</u>	<u>\$12,390,142</u>	<u>\$4,206,317</u>	<u>\$6,489,465</u>	<u>\$10,724,078</u>	<u>\$(13,219,384)</u>	<u>\$32,977,383</u>
31 December 2021	<u>\$9,067,080</u>	<u>\$10,366,470</u>	<u>\$3,684,369</u>	<u>\$4,458,772</u>	<u>\$10,654,005</u>	<u>\$(11,081,976)</u>	<u>\$27,148,720</u>

Segment liabilities:

	Green Energy	Industrial Application	Medical Health	Automotive& Aviation	Communication	Reconciliation and Eliminated (Note)	Total
31 December 2022	<u>\$5,819,217</u>	<u>\$5,820,803</u>	<u>\$1,976,098</u>	<u>\$3,048,706</u>	<u>\$5,038,098</u>	<u>\$(2,198,603)</u>	<u>\$19,504,319</u>
31 December 2021	<u>\$4,236,596</u>	<u>\$4,843,737</u>	<u>\$1,721,523</u>	<u>\$2,083,363</u>	<u>\$4,978,087</u>	<u>\$(1,849,966)</u>	<u>\$16,013,340</u>

(2) Geographical information

i. Revenue from external customers:

	For the years ended 31 December	
	2022	2021
Mainland China (Hong Kong)	\$15,230,563	\$12,504,279
United States	7,795,493	5,338,758
Taiwan	2,491,537	1,872,357
Other countries	5,057,207	5,815,312
Total	<u>\$30,574,800</u>	<u>\$25,530,706</u>

The revenue information above is based on the location of the customers.

SINBON ELECTRONICS CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

ii. Non-current assets:

	As of 31 December	
	2022	2021
Mainland China	\$2,162,987	\$2,507,820
Taiwan	2,680,333	2,415,213
United States	119,972	81,735
Other	359,383	87,080
Total	<u>\$5,322,675</u>	<u>\$5,091,848</u>

(3) Information about major customers

	For the years ended 31 December	
	2022	2021
Client A	<u>\$3,665,491</u>	<u>\$1,081,914</u>

Attachment 1: Financing provided to others for the year ended 31 December 2022

No.	Lender (Note 1)	Counterparty	Financial statement account	Related Party	Maximum balance for the period	Ending balance	Actual amount provided	Interest rate	Nature of financing	Amount of sales to (purchases from) counter-party	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit of financing amount for individual counter-party (Note2)	Limit of total financing amount (Note3)
													Item	Value		
0	The Company	SB Hungary	Other receivables	Y	\$95,953	\$98,125	\$ -	0.00%	Note 4	\$ -	Need for operating	\$ -	-	\$ -	\$1,263,350	\$5,053,400
0	The Company	SB Ohio	Other receivables	Y	\$96,630	\$92,124	\$ -	0.00%	Note 4	\$ -	Need for operating	\$ -	-	\$ -	\$1,263,350	\$5,053,400
1	KSEM	JSEM	Other receivables	Y	\$5,415	\$5,301	\$ -	0.00%	Note 4	\$ -	Need for operating	\$ -	-	\$ -	\$5,937	\$5,937
2	BJSB	JSEM	Other receivables	Y	\$45,122	\$44,175	\$ -	0.00%	Note 4	\$ -	Need for operating	\$ -	-	\$ -	\$55,954	\$55,954
2	BJSB	XZEM	Other receivables	Y	\$45,122	\$44,175	\$ -	0.00%	Note 4	\$ -	Need for operating	\$ -	-	\$ -	\$55,954	\$55,954
3	SB TongAn	JSEM	Other receivables	Y	\$44,752	\$44,175	\$ -	0.00%	Note 4	\$ -	Need for operating	\$ -	-	\$ -	\$1,011,610	\$1,011,610
3	SB TongAn	JSEM	Other receivables	Y	\$22,376	\$22,088	\$ -	0.00%	Note 4	\$ -	Need for operating	\$ -	-	\$ -	\$1,011,610	\$1,011,610
3	SB TongAn	XZEM	Other receivables	Y	\$44,752	\$44,175	\$ -	0.00%	Note 4	\$ -	Need for operating	\$ -	-	\$ -	\$1,011,610	\$1,011,610
3	SB TongAn	JSEM	Other receivables	Y	\$64,904	\$66,263	\$ -	0.00%	Note 4	\$ -	Need for operating	\$ -	-	\$ -	\$1,011,610	\$1,011,610
3	SB TongAn	XZEM	Other receivables	Y	\$64,903	\$66,262	\$ -	0.00%	Note 4	\$ -	Need for operating	\$ -	-	\$ -	\$1,011,610	\$1,011,610

Note 1: The above transactions were all made between consolidated entities in the Group and have been reversed.

Note 2: Financing limit for individual counterparty is 10% of the net worth of the financial report reviewed by the certified public accountants as of March 31, 2017.
\$2,207,135 ÷ 10% = \$220,714

Note 2: Total financing limit for individual counterparty was set at 10% of the lender's net worth of the financial which were audited by independent accountants as of 31 December 2022.

The Company: \$12,633,499 × 10% = \$1,263,350

Total financing limit for individual counterparty was set at 40% of the lender's net worth of the financial which were audited by independent accountants as of 31 December 2022.

KSEM: \$14,843 × 40% = \$5,937

BJSB: \$139,884 × 40% = \$55,954

SB TongAn: \$2,529,024 × 40% = \$1,011,610

Note 3: Total financing limit was set at 40% of the lender's net worth of the financial report which were audited by independent accountants as of 31 December 2022.

The Company: \$12,633,499 × 40% = \$5,053,400

KSEM: \$14,843 × 40% = \$5,937

BJSB: \$139,884 × 40% = \$55,954

SB TongAn: \$2,529,024 × 40% = \$1,011,610

Note 4: For short-term financing.

Attachment 2: Endorsement/Guarantee provided to others as of 31 December 2022

No. (Note 1)	Endorsor/ Guarantor	Receiving party		Limit of guarantee/endorsement amount for receiving party (Note 3)	Maximum balance for the period	Ending balance	Actual amount provided	Amount of collateral guarantee/ endorsement	Percentage of accumulated guarantee amount to net assets value from the latest financial statement	Limit of total guarantee/ endorsement amount (Note 4)	Parent company's guarantee/ endorsement amount to subsidiaries (Note 5)	Subsidiaries' guarantee/ endorsement amount to parent company (Note 5)	Guarantee/ endorsement amount to company in Mainland China (Note 5)
		Company name	Relationship (Note 2)										
0	The Company	SHSB	2	\$5,053,400	\$95,388	\$76,770	\$ -	None	0.61%	\$12,633,499	Y	N	Y
0	The Company	JYSB	2	\$5,053,400	\$1,821,727	\$1,704,294	\$521,265	None	13.49%	\$12,633,499	Y	N	Y
0	The Company	TCSB	2	\$5,053,400	\$596,025	\$574,017	\$136,943	None	4.54%	\$12,633,499	Y	N	Y
0	The Company	SZSB	2	\$5,053,400	\$16,105	\$15,354	\$ -	None	0.12%	\$12,633,499	Y	N	Y
0	The Company	SB Hungary	2	\$5,053,400	\$328,019	\$319,007	\$250,221	None	2.53%	\$12,633,499	Y	N	N
0	The Company	SB Ohio	2	\$5,053,400	\$386,520	\$368,496	\$238,294	None	2.92%	\$12,633,499	Y	N	N
0	The Company	SB USA	2	\$5,053,400	\$16,105	\$15,354	\$9,212	None	0.12%	\$12,633,499	Y	N	N
0	The Company	Radbon	2	\$3,790,050	\$150,000	\$150,000	\$300	None	1.19%	\$12,633,499	Y	N	N
1	T-CONN	T-CONN Zhongshan	2	\$306,429	\$189,120	\$182,361	\$ -	None	23.80%	\$766,072	N	N	Y

Note 1: The Company and its subsidiaries are coded as follows:

1. The Company is coded "0".
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: According to the "Guidelines Governing the Preparation of Financial Reports by Securities Issuers" issued by the R.O.C. Securities and Futures Bureau, receiving parties should be disclosed as one of the following:

1. A company with which it does business.
2. A company in which the public company directly and indirectly holds more than 50% of the voting shares.
3. A company that directly and indirectly holds more than 50% of the voting shares in the public company.
4. A company in which the public company holds, directly or indirectly, 90% or more of the voting shares.
5. A company that fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
6. A company that all capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages.
7. Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: Limit of guarantee/endorsement amount for overseas subsidiary is 40% of the net worth of the financial report audited by the certified public accountants as of 31 December 2022.

\$12,633,499*40%=\$5,053,400

Limit of guarantee/endorsement amount for domestic subsidiaries is 30% of the net worth of the financial report of the company audited by the certified public accountants as of 31 December 2022.

\$12,633,499*30%=\$3,790,050

Limit of guarantee/endorsement amount for T-CONN Zhongshan is 40% of the net worth of the financial of T-CONN which were not audited by the certified public accountants as of 31 December 2022.

\$766,072*40%=\$306,429

Note 4: Limit of total guarantee/endorsement amount is 100% of the net worth of the financial report audited by the certified public accountants as of 31 December 2022.

Note 5: "Y" for the listed (OTC) parent company guarantees/endorses for subsidiary, subsidiary guarantees/endorses for the listed (OTC) parent company or guarantee/endorse for companies in Mainland China.

Attachment 3: Securities held as of 31 December 2022. (Excluding subsidiaries, associates and joint ventures)

Holding Company	Type and name of securities	Relationship (Note 1)	Financial statement account	As of 31 December 2022				Note
				Shares	Carrying amount	Percentage of ownership (%)	Fair value	
The Company	Chengding Venture Capital Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income- noncurrent	15,000,000 shares	\$106,503	11.10%	\$106,503	-
The Company	Top Taiwan XIV Venture Capital CO., Ltd.	-	Financial assets measured at fair value through other comprehensive income- noncurrent	5,000,000 shares	\$37,099	2.30%	\$37,099	-
The Company	Top Taiwan Venture Capital Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income- noncurrent	4,875,000 shares	58,575	7.50%	58,575	-
The Company	Dynahz Technologies	-	Financial assets measured at fair value through other comprehensive income- noncurrent	2,771,670 shares	51,137	16.67%	51,137	-
Kwan-Ze	Chengding Venture Capital Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income- noncurrent	5,000,000 shares	35,469	3.70%	35,469	-
The Company	Top Taiwan VII Venture Capital Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income- noncurrent	443,878 shares	4,648	3.06%	4,648	-
Kwan-Ze	Actmax Technologies Inc.	-	Financial assets measured at fair value through other comprehensive income- noncurrent	-	4,767	19.00%	4,767	-
The Company	VAN MOOF Global Holding BV	-	Financial assets measured at fair value through other comprehensive income- noncurrent	780,000 shares	3,181	0.50%	3,181	-
T-CONN	VAN MOOF Global Holding BV	-	Financial assets measured at fair value through other comprehensive income- noncurrent	780,000 shares	3,181	0.50%	3,181	-
SINBON USA L.L.C	Katalyst Interactive Inc	-	Financial assets measured at fair value through other comprehensive income- noncurrent	36,511shares	957	0.24%	957	-
SINBON USA L.L.C	HOTWIRE Development LLC	-	Financial assets measured at fair value through other comprehensive income- noncurrent	-	696	10.00%	696	-
The Company	Bandrich, Inc.	-	Financial assets measured at fair value through other comprehensive income- noncurrent	330,000 shares	145	1.62%	145	-
The Company	SINTOP Energy Management Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income- noncurrent	7,500,000 shares	52,470	15.00%	52,470	-
			Subtotal		<u>\$358,828</u>			
The Company	Nextronics Engineering Corp.	-	Financial asset measured at fair value through profit or loss—current	3,009,000 shares	\$180,841	9.29%	\$180,841	-
The Company	Nextronics Engineering Corp. Private placement unsecured conversion bonds	-	Financial asset measured at fair value through profit or loss—current	600,000 shares	56,976	-	56,976	-
The Company	Damon Motors Inc conversion bonds	-	Financial asset measured at fair value through profit or loss—current	-	15,354	-	15,354	-
The Company	Trutankless, Inc.	-	Financial asset measured at fair value through profit or loss—current	25,000 shares	-	0.26%	-	-
Kwan-Ze	Nextronics Engineering Corp.	-	Financial asset measured at fair value through profit or loss—current	28,000 shares	1,683	0.09%	1,683	-
			Total		<u>\$254,854</u>			

Note 1: Not required if the issuer of securities is not a related party.

Attachment 4: Related party transactions for purchases and sales exceeding the lower of NT\$100 million or 20 percent of the capital stock as of 31 December 2022.

Related-party	Counter-party	Relationship	Intercompany Transactions				Details of non-arm's length transaction		Notes and accounts receivable (payable)		Note
			Purchases (Sales)	Amount	Percentage of total consolidated purchase (Sales)	Terms	Unit price	Terms	Carrying amount	Percentage of total consolidated receivables (payable)	
The Company	JYSB	Subsidiary	Purchase	\$2,858,714	43.55%	Trading condition is the same as other supplier	N/A	N/A	\$(559,157)	-42.05%	
HKSB	JYSB	Associates	Purchase	\$3,469,850	54.44%	Trading condition is the same as other supplier	N/A	N/A	\$401,132	-33.77%	
SB TongAn	JSEM	Associates	Purchase	\$109,610	7.65%	Trading condition is the same as other supplier	N/A	N/A	\$(30,565)	-5.96%	
JYSB	SINBON USA	Associates	Purchase	\$346,509	3.77%	Trading condition is the same as other supplier	N/A	N/A	\$(38,800)	-1.46%	
JYSB	T-CONN Zhongshan	Associates	Purchase	\$128,891	1.40%	Trading condition is the same as other supplier	N/A	N/A	\$(61,514)	-2.31%	
JSEM	XZEM	Associates	Purchase	\$104,027	7.34%	Trading condition is the same as other supplier	N/A	N/A	\$(9,487)	-0.89%	
T-CONN	T-CONN Zhongshan	Associates	Purchase	\$444,120	35.00%	Trading condition is the same as other supplier	N/A	N/A	\$(112,324)	-42.00%	

Attachment 5: Receivables from related parties with accounts exceeding the lower of NT\$100 million or 20 percent of the capital stock as of 31 December 2022.

Related-party	Counter-party	Relationship	Amount	Average collection turnover	Overdue account receivable-related parties		Collection in subsequent period	Allowance for doubtful debts
					Amount	Processing method		
JYSB	The Company	The Company	\$559,157	11.63	\$ -	-	\$116,101	\$ -
JYSB	HKSB	Associates	\$401,132	24.27	\$ -	-	\$129,089	\$ -
The Company	T-CONN	Associates	\$402,720	1.79	\$ -	-	\$20,927	\$ -

Attachment 6: The business relationship, significant transactions and amounts between parent company and subsidiaries

No. (Note 1)	Related-party	Counterparty	Relationship with the Company (Note 2)	Transactions			
				Account	Amount	Terms	Percentage of consolidated operating revenues or consolidated total assets(Note3)
0	The Company	JYSB	1	Purchase	\$2,858,714	(Note 4)	9.35%
1	JYSB	The Company	2	Sales	\$2,858,714	(Note 4)	9.35%
3	HKSB	JYSB	3	Purchase	\$3,469,850	(Note 4)	11.35%
1	JYSB	HKSB	3	Sales	\$3,469,850	(Note 4)	11.35%
4	SB TongAn	JSEM	3	Purchase	\$109,610	(Note 4)	0.36%
5	JSEM	SB TongAn	3	Sales	\$109,610	(Note 4)	0.36%
1	JYSB	SINBON USA	3	Purchase	\$346,509	(Note 4)	1.13%
2	SINBON USA	JYSB	3	Sales	\$346,509	(Note 4)	1.13%
1	JYSB	T-CONN Zhongshan	3	Purchase	\$128,891	(Note 4)	0.42%
6	T-CONN Zhongshan	JYSB	3	Sales	\$128,891	(Note 4)	0.42%
5	JSEM	XZEM	3	Purchase	\$104,027	(Note 4)	0.34%
7	XZEM	JSEM	3	Sales	\$104,027	(Note 4)	0.34%
8	T-CONN	T-CONN Zhongshan	3	Purchase	\$444,120	(Note 4)	34.00%
6	T-CONN Zhongshan	T-CONN	3	Sales	\$444,120	(Note 4)	34.00%

Note 1 : The Company is coded "0".The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2 : Transactions are categorized as follows:

1. The holding company to subsidiary.
2. Subsidiary to holding company.
3. Subsidiary to subsidiary.

Note 3 : The percentage with respect to the consolidated asset/liability for transactions of balance sheet items are based on each item's balance at period-end.

For profit or loss items, interim cumulative balances are used as basis.

Note 4 : The sales price to the above related parties was determined through mutual agreement based on the market conditions.

Attachment 7: Names, locations, main businesses and products, original investment amount, investment as of 31 December 2022 net income (loss) of investee company and investment income (loss) recognized for the year ended 31 December 2022: (Excluding investment in Mainland China)

Investor	Investee company (Note1)	Address	Main businesses and products	Initial Investment		Investment as of 31 December 2022			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership (%)	Book value			(Note 1)
The Company	HKSB	Hong Kong	Manufacturing and selling a wide variety of connectors, wires and cables.	HKD95,606,000	HKD95,606,000	-	100.00%	\$1,408,743	\$960,019	\$960,019	Subsidiary
				\$401,262	\$401,262						
The Company	Kwan-Ze	New Taipei City, Taiwan	Holding company	\$235,600	\$235,600	25,200,000 shares	100.00%	\$699,071	\$121,494	\$121,494	Subsidiary
The Company	SB VI	British Virgin Islands	Holding company	USD45,021,000	USD45,021,000	-	100.00%	\$5,864,583	\$1,085,556	\$1,085,556	Subsidiary
				\$1,461,158	\$1,461,158						
The Company	SINTOP	New Taipei City, Taiwan	Renewable energy investment management consulting business	\$6,804	\$6,804	680,400 shares	53.57%	\$9,242	\$4,291	\$2,298	Subsidiary
The Company	Argosy Technologies Co., Ltd.	Hsinchu City, Taiwan	Produce and sells a variety of electronic components, computers and peripheral equipment	\$51,768	\$51,768	3,174,598 shares	3.56%	\$145,064	\$610,670	\$21,598	Investee under the equity method
The Company	SINBON USA LLC	4265 Gibson Dr., Tipp City , OH 45371, USA	Logistic center.	USD8,979,000	USD5,679,000	-	100.00%	\$100,002	\$(40,724)	\$(40,724)	Subsidiary
				\$274,591	\$176,403						
The Company	SINBON Europe GmbH	Pfarrkirchen, Germany	Logistic center.	EUR5,209,000	EUR5,209,000	-	100.00%	\$4,753	\$1,351	\$1,351	Subsidiary
				\$185,241	\$185,241						
The Company	Radbon Avionics Inc.	Miaoli County, Taiwan	Manufacturing and selling signal cables and cabin wiring.	\$33,000	\$33,000	5,280,000 shares	55.00%	\$165,268	\$105,930	\$58,261	Subsidiary
The Company	T-CONN Precision	New Taipei City, Taiwan	Manufacturing and selling a wide variety of connectors, wires and cables.	\$157,360	\$157,360	20,107,286 shares	57.45%	\$437,831	\$121,343	\$74,102	Subsidiary
The Company	SB Hungary	Hungary	Selling,Producing and Processing a wide variety of connectors and cables.	EUR13,264,000	EUR12,264,000	-	100.00%	\$106,822	\$(66,085)	\$(66,085)	Subsidiary
				\$455,501	\$424,026						
T-CONN Precision	S P L	Mauritius	Logistic center.	\$3,039	\$3,039	100,000 shares	100.00%	\$ -	USD(145,000)	\$ -	Subsidiary
									\$(4,527)		
SB TongAn	TWEM	1F., No. 15, Ln. 588, Guohua Rd., Miaoli City, Miaoli County 36055, Taiwan (R.O.C.)	Produce and sells a wide variety of connectors and cables.	RMB10,405,000	RMB10,405,000	-	100.00%	RMB9,865,000	RMB1,009,000	\$ -	Subsidiary
				\$45,000	\$45,000			\$43,581	\$4,466		
SINBON USA L.L.C	SB Ohio	815 South Brown School Road Vandalia, OH 45377, USA	Selling a wide variety of connectors and cables.	USD5,654,000	USD2,704,000	-	100.00%	USD2,809,000	USD(850,000)	\$ -	Subsidiary
								\$86,280	\$(25,341)		
SINBON USA L.L.C	Worldwide Wire Harnesses Co., Ltd.	Samoa	Logistic center.	USD75,000	USD75,000	-	50.00%	USD145,000	USD53,000	\$ -	Subsidiary
								\$4,477	\$1,584		

Attachment 7: Names, locations, main businesses and products, original investment amount, investment as of 31 December 2022 net income (loss) of investee company and investment income (loss) recognized for the year ended 31 December 2022: (Excluding investment in Mainland China)

Investor	Investee company (Note1)	Address	Main businesses and products	Initial Investment		Investment as of 31 December 2022			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership (%)	Book value			(Note 1)
Kwan-Ze	Argocy Research Inc.	Hsinchu City, Taiwan	Produce and sells a variety of electronic components, computers and peripheral equipment	\$197,969	\$197,969	14,771,152 shares	16.55%	\$633,251	\$610,670	\$ -	Investee under the equity method
Worldwide Wire Harnesses Co., Ltd.	STT	U.S.A Tennessee	Logistic center.	USD140,000	USD140,000	-	100.00%	USD41,000	USD53,000	\$ -	Subsidiary
				\$4,542	\$4,542			\$1,275	\$1,584		
Argocy Research Inc.	Argosy Technology Inc.(USA)	U.S.A	Sell Multimedia related products, ODM and OED	\$30,347	\$30,347	-	100.00%	\$ -	\$ -	\$ -	Investee under the equity method
Argocy Research Inc.	Argosy International B.V.	The Netherlands	Leasing operations and sell ODM and OED	\$22,314	\$22,314	-	100.00%	\$15,518	\$203	\$ -	Investee under the equity method
Argocy Research Inc.	Global Saber Electronics Co., Ltd.	Mauritius	Selling a wide variety of connectors and cables.	\$ -	\$ -	-	100.00%	\$68,895	\$(6,710)	\$ -	Investee under the equity method
Argocy Research Inc.	ROTEC LIMITED	British Virgin Islands	Holding company	\$543,588	\$543,588	-	88.04%	\$836,738	\$8,275	\$ -	Investee under the equity method
Global Saber Electronics Co., Ltd	ROTEC LIMITED	British Virgin Islands	Holding company	\$72,918	\$72,918	-	11.96%	\$113,669	\$8,275	\$ -	Investee under the equity method

Note 1: (1) "Investee company", "Address", "Main businesses and products", "Initial Investment" and "Investment as of 31 December 2022" shall be filled in appropriate fields according to the Company's reinvestment and the re-investment of the subsidiaries the Company directly or indirectly controls and indicate the relationship in the Notes.

(2) "Net income (loss) of investee company" shall be filled in net income (loss) of investee for the year ended 31 December 2022.

(3) "Investment income (loss) recognized" requires only the investment income (loss) from the direct investees of the the Company and the investment income (loss) from investees valued under the equity method, and ensure that when recognizing the subsidiary's investment income (loss), the subsidiaries' re-investment income (loss) is included.

Attachment 8: Investment in Mainland China

Investee company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of 1 January 2022	Investment Flows		Accumulated Outflow of Investment from Taiwan as of 31 December 2022	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized	Carrying Value as of 31 December 2022	Accumulated Inward Remittance of Earnings as of 31 December 2022
					Outflow	Inflow						
BJSB	Manufacturing and selling a wide variety of connectors, wires and cables.	RMB 12,830,000	Directly investment in Mainland China	USD 1,020,000 \$30,719	\$ -	\$ -	USD 1,020,000 \$30,719	RMB1,562,000 \$6,913	85.53%	RMB1,336,000 \$5,913 Note 1	RMB31,666,000 \$139,884	USD11,030,000 \$351,623
JYSB	Manufacturing and selling a wide variety of connectors, wires and cables.	USD 37,780,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 22,050,000 \$705,108	\$ -	\$ -	USD 22,050,000 \$705,108	USD33,024,000 \$984,336	100%	USD33,024,000 \$984,336 Note 1	USD150,712,000 \$4,628,068	USD39,976,000 \$1,200,889
SHSB	Selling a wide variety of connectors, wires and cables.	USD 3,280,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 1,700,000 \$55,358	\$ -	\$ -	USD 1,700,000 \$55,358	USD756,000 \$22,531	100%	USD756,000 \$22,531 Note 1	USD7,296,000 \$227,114	USD2,887,000 \$87,821
SZSB	Selling a wide variety of connectors, wires and cables.	USD 2,810,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 2,750,000 \$83,385	\$ -	\$ -	USD 2,750,000 \$83,385	USD861,000 \$25,677	100%	USD861,000 \$25,677 Note 1	USD8,954,000 \$274,948	RMB38,400,000 \$157,642
TCSB	Selling a wide variety of connectors, wires and cables.	USD17,000,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 8,000,000 \$248,003	\$ -	\$ -	USD 8,000,000 \$248,003	USD6,481,000 \$193,182	100%	USD6,481,000 \$193,182 Note 1	USD29,547,000 \$907,329	USD196,000 \$5,890
China Digital Library Corp.Ltd.	Technology development of computer software, transfer of technology, advisory service	RMB 88,600,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 750,000	\$ -	\$ -	USD 750,000	\$ -	4.85%	\$ -	\$ -	\$ -
Argosy (Beijing) Technologies Co., Ltd.	Selling a wide variety of connectors, wires and cables.	RMB 5,000,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 76,000	\$ -	\$ -	USD 76,000	\$ -	12.00%	\$ -	\$ -	\$ -
Wu Xi S&D	Manufacturing and selling new flat panel displays.	USD 4,000,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 1,900,000 \$61,823	\$ -	\$ -	USD 1,900,000 \$61,823	\$ -	-	\$ -	\$ -	\$ -
Ning Bo Smart and Diligent Co., Ltd.	Manufacturing and selling a new Flat Panel Display.	USD 2,000,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 1,140,000 \$37,025	\$ -	\$ -	USD 1,140,000 \$37,025	\$ -	-	\$ -	\$ -	\$ -

Attachment 8: Investment in Mainland China

Investee company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of 1 January 2022	Investment Flows		Accumulated Outflow of Investment from Taiwan as of 31 December 2022	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized	Carrying Value as of 31 December 2022	Accumulated Inward Remittance of Earnings as of 31 December 2022
					Outflow	Inflow						
JY Sinact	Manufacturing and selling a wide variety of electronic materials.	USD 9,500,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 5,266,000 \$164,599	\$ -	\$ -	USD 5,266,000 \$164,599	\$ -	-	\$ -	\$ -	\$ -
Shang Hai Comtek Electronics Trading Co., Ltd.	Selling a wide variety of electronic materials.	USD 160,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 104,000 \$3,302	\$ -	\$ -	USD 104,000 \$3,302	\$ -	-	\$ -	\$ -	\$ -
Dong Guan CMK	Manufacturing and selling a wide variety of connectors, wires and cables.	USD 1,000,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 645,000 \$20,768	\$ -	\$ -	USD 645,000 \$20,768	\$ -	-	\$ -	\$ -	\$ -
T-CONN Zhongshan	Manufacturing and selling a wide variety of connectors, wires and cables.	USD 9,300,000	Directly investment in Mainland China	USD 3,686,000 \$117,529	\$ -	\$ -	USD 3,686,000 \$117,529	\$75,291	57.45%	\$43,255 Note 2	\$352,251	\$ -
BJSB TongAn	Manufacturing and selling a wide variety of connectors, wires and cables.	RMB152,000,000	Directly investment in Mainland China	USD 3,000,000 \$89,134	\$ -	\$ -	USD 3,000,000 \$89,134	\$304,915	85.53%	\$263,550 Note 1	\$2,162,814	\$1,264,302

Accumulated Investment in Mainland China as of 31 December 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
USD 52,087,000	USD 53,420,000	N/A(Note3)

Note 1: Based on the financial statements certificated by the public accountant of the parent company in Taiwan.

Note 2: The financial statements were audited by other independent accountants.

Note 3: According to Order No. Jing-Shen-Zi-09704604680 issued by Ministry of Economic Affairs, R.O.C., the Company's investment in Mainland China is not limited to 60% of net worth or consolidated net worth specified by the Investment Commission.

V. Parent Company Only Financial Statements for the Years Ended December 31, 2022 and 2021 and Independent Auditors' Report (Not including The Contents of Statements Of Major Accounting Items) :

Independent Auditors' Report Translated from Chinese

To SINBON Electronics Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of SINBON Electronics Co., Ltd. (the "Company") as of 31 December 2022 and 2021, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2022 and 2021, and notes to the parent company only financial statements, including the summary of significant accounting policies (together "the parent company only financial statements").

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other Matter – Making Reference to the Audits of Component Auditors* section of our report), the parent company only financial statements referred to above present fairly, in all material respects, the financial position of the Company as of 31 December 2022 and 2021, and its financial performance and cash flows for the years ended 31 December 2022 and 2021, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

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

1. Valuation for inventories (Including inventories of the subsidiaries under the equity method)

The amount of inventories of the Company and its subsidiaries was significant to the financial statements. As the fluctuation in market demand and the fast-changing technology could cause losses of obsolete and slow-moving inventories, the assessment of the inventory write-downs require significant management judgement. We therefore determined this a key audit matter.

Our audit procedures included, but not limited to, understanding and testing the adequacy of accounting policy around obsolete and slow-moving inventories, evaluating stocktaking plan and selecting important storage locations to observe inventory counts to ensure inventory quantities and status; obtaining inventory aging schedule to test whether inbound and outbound records are accurate; re-calculating the unit cost of inventories; and evaluating and testing net realizable value adopted by management. We also assessed the adequacy of disclosures of financial assets. Please refer to Notes 5 and 6 to the parent company only financial statements.

2. Impairment of accounts receivable

As of 31 December 2022, gross accounts receivable and loss allowance by the Company amounted to NT\$1,806,158 thousand and NT\$1,166 thousand, respectively. Net accounts receivable accounted for 9% of total assets. Since the loss allowance of account receivables is measured by the expected credit loss for the duration of the account receivables, it is necessary to divide account receivables into groups in the process of measurement and analyze the application of related assumptions, including appropriate aging intervals and their respective loss rate. As the measurement of expected credit loss involves making judgment, analysis and estimates, and the result will affect the net account receivable, we therefore determined this a key audit matter.

Our audit procedures included, but not limited to, analyzing the appropriateness of the grouping of account receivables and confirming whether customers with significantly different credit loss types are grouped by similar risk characteristics. The Company is tested by provision matrix, including evaluating the appropriateness of the aging intervals and the accuracy of the basic data by reviewing the original certificates; testing the related statistics information of loss rate based on the rolling rate within one year, including the average loss rate and standard deviation; considering the reasonableness of the forward-looking information which takes into account loss rate, such as economic growth rate and unemployment rate; assessing whether such forward-looking information affected the loss rate. We also assessed the adequacy of disclosures of financial assets. Please refer to Notes 5 and 6 to the parent company only financial statements.

Other Matter– Making Reference to the Audits of Component Auditors

As explained in Note 6(6), we did not audit the financial statements of certain subsidiaries, associates and joint ventures accounted for under the equity method. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions expressed herein are based solely on the reports of other auditors. These subsidiaries, associates and joint ventures under equity method amounted to NT\$2,711,169 thousand and NT\$2,399,257 thousand, representing 13% and 14% of the total assets as of 31 December 2022 and 2021, respectively. The related shares of profits from the subsidiaries, associates and joint ventures under the equity method amounted to NT\$1,122,405 thousand and NT\$1,114,335 thousand, representing 33% and 41% of the income before tax for the years ended 31 December 2022 and 2021, respectively, and the related shares of other comprehensive (loss) income from the subsidiaries, associates and joint ventures under the equity method amounted to NT\$(22,062) thousand and NT\$59,102 thousand, representing (19)% and 309% of the comprehensive (loss) income for the years ended 31 December 2022 and 2021, respectively.

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 parent company only financial statements in accordance with the requirements of 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 parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the parent company only 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 the Company.
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 to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the accompanying notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only 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 2022 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditor's 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.

Lo, Wen Chen

Chen, Ming Hung

Ernst & Young, Taiwan

9 March 2023

Notice to Readers

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

Accordingly, the accompanying parent company only financial statements and report of independent auditors are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
SINBON ELECTRONICS CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
31 December 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of 31 December	
		2022	2021
Current assets			
Cash and cash equivalents	4,6(1)	\$2,075,527	\$1,451,590
Financial assets at fair value through profit or loss, current	4,6(2)	296,927	247,358
Notes receivable, net		19,887	23,550
Accounts receivable, net	4,6(3)	1,311,592	1,046,853
Accounts receivable-related parties, net	4,6(3),7	493,400	472,476
Other receivables	7	167,334	227,349
Inventories	4,6(4)	3,142,369	2,375,294
Other current assets		299,257	236,587
Total current assets		7,806,293	6,081,057
Non-current assets			
Financial assets at fair value through profit or loss, noncurrent	4,6(2)	-	2,333
Financial assets at fair value through other comprehensive income, noncurrent	4,6(5)	313,758	321,734
Investments accounted for under the equity method	4,6(6)	11,104,193	9,454,470
Property, plant and equipment	4,6(7)	786,077	704,798
Right-of-use assets	4,6(16),7	234,595	255,644
Deferred tax assets	4,6(20)	98,597	129,199
Other non-current assets	4,6(8)	106,096	198,328
Total non-current assets		12,643,316	11,066,506
Total assets		\$20,449,609	\$17,147,563

(continued)

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
SINBON ELECTRONICS CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
31 December 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	As of 31 December	
		2022	2021
Current liabilities			
Short-term loans	4,6(9)	\$1,516,620	\$1,952,450
Financial liabilities at fair value through profit or loss, current	4,6(10)	-	241
Contract liabilities, current	4,6(14)	2,165,366	1,009,680
Notes payable		462	568
Accounts payable		718,639	903,856
Accounts payable-related parties	7	610,531	401,136
Other payables	7	751,525	558,826
Current tax liabilities	4	204,008	108,120
Lease liabilities, current	4,6(16),7	49,212	45,532
Bonds payable, current portion	4,6(11)	176,281	-
Long-term loans, current portion		-	300,000
Other current liabilities		35,319	2,829
Total current liabilities		6,227,963	5,283,238
Non-current liabilities			
Financial liabilities at fair value through profit or loss, noncurrent	4,6(10)	5,100	-
Bonds payable	4,6(11)	945,648	994,351
Deferred tax liabilities	4,6(20)	396,361	233,557
Lease liabilities, noncurrent	4,6(16),7	186,995	211,048
Net defined benefit obligation, noncurrent	4,6(12)	53,501	67,561
Other non-current liabilities-others		542	62
Total non-current liabilities		1,588,147	1,506,579
Total liabilities		7,816,110	6,789,817
Equity			
Capital			
Common stock	6(13)	2,365,841	2,333,770
Certificate of entitlement to new shares from convertible bond		19,200	8,290
Subtotal		2,385,041	2,342,060
Additional Paid-in Capital	6(13)	3,067,205	2,190,472
Retained earnings			
Legal reserve		1,727,300	1,493,995
Special reserve		381,975	399,729
Unappropriated earnings		5,342,675	4,313,466
Subtotal		7,451,950	6,207,190
Other components of equity			
Exchange differences on translation of foreign operations		(359,257)	(561,279)
Unrealized gains or losses measured at fair value through other comprehensive income		88,560	179,303
Subtotal	4	(270,697)	(381,976)
Total equity		12,633,499	10,357,746
Total liabilities and equity		\$20,449,609	\$17,147,563

(The accompanying notes are an integral part of the parent company only financial statements)

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the years ended 31 December 2022 and 2021

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

	Notes	For the years ended 31 December	
		2022	2021
Operating revenues	4,6(14),7	\$7,691,998	\$6,928,235
Operating costs	6(4.18),7	(5,629,876)	(5,242,802)
Gross profit-net		2,062,122	1,685,433
Operating expenses	6(18),7		
Sales and marketing expenses		(695,083)	(466,789)
General and administrative expenses		(601,218)	(445,417)
Research and development expenses		(294,748)	(280,860)
Subtotal		(1,591,049)	(1,193,066)
Operating income		471,073	492,367
Non-operating income and expenses	6(18),7		
Interest revenue		6,366	853
Other income		284,863	190,263
Other gains and losses		190,854	22,540
Finance costs		(29,727)	(28,940)
Share of profit or loss of subsidiaries, associates and joint ventures	4,6(6)	2,481,420	2,063,726
Subtotal		2,933,776	2,248,442
Income from continuing operations before income tax		3,404,849	2,740,809
Income tax expense	4,6(20)	(524,296)	(409,307)
Net income		2,880,553	2,331,502
Other comprehensive income (loss)	6(19)		
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit plans		5,864	(178)
Unrealized gains on equity instruments measured at fair value through other comprehensive income		(42,287)	9,387
Share of other comprehensive income of subsidiaries, associates and joint ventures which will not be reclassified subsequently to profit or loss		(48,082)	69,609
Income tax related to items that will not be reclassified subsequently		(1,173)	36
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		247,131	(74,034)
Share of other comprehensive (loss) income of subsidiaries, associates and joint ventures which may be reclassified subsequently to profit or loss		4,255	(911)
Income tax related to items that may be reclassified subsequently		(49,384)	15,249
Total other comprehensive income, net of tax		116,324	19,158
Total comprehensive income		\$2,996,877	\$2,350,660
Earnings per share (NTD)			
Earnings per share-basic	4,6(21)	\$12.22	\$10.00
Earnings per share-diluted		\$11.88	\$9.80

(The accompanying notes are an integral part of the parent company only financial statements)

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
SINBON ELECTRONICS CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
For the years ended 31 December 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	Capital			Retained earnings			Other components of equity		
	Common stock	Certificate of entitlement to new shares from convertible bond	Additional Paid-in Capital	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gains (Losses) on Equity Instruments Measured at Fair Value Through Other Comprehensive Income	Total Equity
Balance as of 1 January 2021	\$2,327,775	\$ -	\$1,885,096	\$1,280,774	\$481,223	\$3,579,649	\$(501,613)	\$101,884	\$9,154,788
Appropriation and distribution of 2020 retained earnings									
Legal reserve				213,221		(213,221)			-
Cash dividends						(1,467,504)			(1,467,504)
Special reserve					(81,494)	81,494			-
Other changes in additional paid-in capital									
Disposal of investments accounted for under the equity method			(2,415)			472	30	(472)	(2,385)
From differences between equity purchase price and carrying amount arising from actual acquisition or disposal of subsidiaries			33,203						33,203
Changes in ownership interests in subsidiaries			10,174						10,174
Net income in 2021						2,331,502			2,331,502
Other comprehensive income, net of tax in 2021						(142)	(59,696)	78,996	19,158
Total comprehensive income	-	-	-	-	-	2,331,360	(59,696)	78,996	2,350,660
Proceeds from disposal of equity instruments at fair value through other comprehensive income of associates and joint ventures						(748)		748	-
Proceeds from disposal of equity instruments at fair value through other comprehensive income						1,964		(1,853)	111
Bonds converted to stock	5,995	8,290	264,414						278,699
Balance as of 31 December 2021	<u>\$2,333,770</u>	<u>\$8,290</u>	<u>\$2,190,472</u>	<u>\$1,493,995</u>	<u>\$399,729</u>	<u>\$4,313,466</u>	<u>\$(561,279)</u>	<u>\$179,303</u>	<u>\$10,357,746</u>
Balance as of 1 January 2022	\$2,333,770	\$8,290	\$2,190,472	\$1,493,995	\$399,729	\$4,313,466	\$(561,279)	\$179,303	\$10,357,746
Appropriation and distribution of 2021 retained earnings									
Legal reserve				233,305		(233,305)			-
Cash dividends						(1,640,858)			(1,640,858)
Special reserve					(17,754)	17,754			-
Other changes in additional paid-in capital									
Embedded conversion options derived from convertible			90,910						90,910
Change in equity of associates and joint ventures accounted for using equity method			1,577						1,577
Disposal of investments accounted for under the equity method			(1,927)			374	20	(374)	(1,907)
From differences between equity purchase price and carrying amount arising from actual acquisition or disposal of subsidiaries			5,202						5,202
Net income in 2022						2,880,553			2,880,553
Other comprehensive income (loss), net of tax in 2022						4,691	202,002	(90,369)	116,324
Total comprehensive income (loss)	-	-	-	-	-	2,885,244	202,002	(90,369)	2,996,877
Bonds converted to stock	32,071	10,910	780,971						823,952
Balance as of 31 December 2022	<u>\$2,365,841</u>	<u>\$19,200</u>	<u>\$3,067,205</u>	<u>\$1,727,300</u>	<u>\$381,975</u>	<u>\$5,342,675</u>	<u>\$(359,257)</u>	<u>\$88,560</u>	<u>\$12,633,499</u>

(The accompanying notes are an integral part of the parent company only financial statements)

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
SINBON ELECTRONICS CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
For the years ended 31 December 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	For the years ended 31 December	
	2022	2021
Cash flows from operating activities:		
Net income before tax	\$3,404,849	\$2,740,809
Adjustments to reconcile net income before tax to net cash provided by (used in) operating activities:		
Income and expense adjustments:		
Depreciation	135,103	106,264
Amortization	13,768	10,139
Interest expense	29,727	28,940
Interest income	(6,366)	(853)
Dividend income	(38,818)	(14,643)
Share of profit of subsidiaries, associates and joint ventures	(2,481,420)	(2,063,726)
Gain on disposal of property, plant and equipment	(3,006)	(14,326)
Gain on disposal of investments	-	(315)
Gain of financial assets/liabilities at fair value through loss or profit	(32,269)	(75,921)
Changes in operating assets and liabilities:		
Decrease (increase) in notes receivable	3,663	(14,897)
(Increase) decrease in accounts receivable	(285,663)	75,272
Decrease (increase) in other receivables	60,015	(40,508)
Increase in inventories, net	(767,075)	(609,117)
Increase in other current assets	(62,670)	(131,199)
(Decrease) increase in notes payable	(106)	177
Increase (decrease) in accounts payable	24,178	(115,543)
Increase in other payables	189,879	99,363
Increase in contract liability	1,155,686	428,185
Increase (decrease) in other current liabilities	32,490	(20,199)
Decrease in accrued pension liabilities	(8,196)	(5,582)
Cash generated from operations	1,363,769	382,320
Interest received	6,366	853
Dividends received	38,818	14,643
Interest paid	(20,222)	(12,603)
Income tax paid	(285,559)	(373,474)
Net cash provided by operating activities	1,103,172	11,739

(Continued)

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
SINBON ELECTRONICS CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS(Continued)
For the years ended 31 December 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	For the years ended 31 December	
	2022	2021
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(67,480)	(115,800)
Proceeds from disposal of property, plant and equipment	18,376	140,048
Acquisition of investments accounted for under the equity method	(129,663)	(50,994)
Proceeds from disposal of investments accounted for under the equity method	-	47,835
Acquisition of financial assets at fair value through other comprehensive income	(50,000)	(75,000)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	23,590
Decrease in financial assets at fair value through other comprehensive income	15,689	2,449
Acquisition of financial assets at fair value through profit or loss, current	(16,143)	-
Proceeds from disposal of financial assets at fair value through profit or loss, current	-	52,870
Increase in other noncurrent assets	(38,903)	(209,303)
Dividends received	1,169,327	1,454,433
Net cash provided by investing activities	901,203	1,270,128
Cash flows from financing activities:		
Cash payments for the principal portion of lease liability	(49,473)	(47,046)
(Decrease) increase in short-term loans	(435,830)	493,862
Proceeds from bonds issued	1,045,040	-
Decrease in long-term loans	(300,000)	-
Increase in deposits received	480	60
Cash dividends	(1,640,858)	(1,467,504)
Net cash used in financing activities	(1,380,641)	(1,020,628)
Effect of exchange rate changes on cash and cash equivalents	203	2,226
Net increase in cash and cash equivalents	623,937	263,465
Cash and cash equivalents at beginning of period	1,451,590	1,188,125
Cash and cash equivalents at end of period	\$2,075,527	\$1,451,590

(The accompanying notes are an integral part of the parent company only financial statements)

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS

For the Years Ended 31 December 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. History and organization

SINBON Electronics Co., Ltd. (the “Company”) was incorporated in Republic of China (R.O.C) in December 1989. The main activities of the Company include manufacturing and selling computer peripherals, connectors, wires and other parts. The shares of the Company commenced trading on Taiwan’s Over-the-Counter Market in May 2001 and were listed on the Taiwan Stock Exchange in August 2002.

2. Date and procedures of authorization of financial statements for issue

The parent company only financial statements of the Company for the years ended 31 December 2022 and 2021 were authorized for issue by the Board of Directors on 9 March 2023.

3. Newly issued or revised standards and interpretations

- (1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Company applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after 1 January 2022. The adoption of these new standards and amendments had no material impact on the Company.

- (2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board (“IASB”) which are endorsed by FSC, and not yet adopted by the Company as at the end of the reporting period are listed below.

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

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(a) Disclosure Initiative - Accounting Policies – Amendments to IAS 1

The amendments improve accounting policy disclosures that to provide more useful information to investors and other primary users of the financial statements.

(b) Definition of Accounting Estimates – Amendments to IAS 8

The amendments introduce the definition of accounting estimates and include other amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to help companies distinguish changes in accounting estimates from changes in accounting policies.

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

The amendments narrow the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after 1 January 2023. The new or amended standards and interpretations have no material impact on the Company.

- (3) Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, and not yet adopted by the Company as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 "Insurance Contracts"	1 January 2023
c	Classification of Liabilities as Current or Non-current – Amendments to IAS 1	1 January 2024
d	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	1 January 2024
e	Non-current Liabilities with Covenants – Amendments to IAS 1	1 January 2024

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- (a) IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors’ interests in the associate or joint venture.

- (b) IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after 1 January 2023 (from the original effective date of 1 January 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after 1 January 2023.

(c) Classification of Liabilities as Current or Non-current – Amendments to IAS 1

These are the amendments to paragraphs 69-76 of IAS 1 Presentation of Financial statements and the amended paragraphs related to the classification of liabilities as current or non-current.

(d) Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

The amendments add seller-lessees additional requirements for the sale and leaseback transactions in IFRS 16, thereby supporting the consistent application of the standard.

(e) Non-current Liabilities with Covenants – Amendments to IAS 1

The amendments improved the information companies provide about long-term debt with covenants. The amendments specify that covenants to be complied within twelve months after the reporting period do not affect the classification of debt as current or non-current at the end of the reporting period.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Company's financial statements were authorized for issue, the local effective dates are to be determined by FSC. The new or amended standards and interpretations have no material impact on the Company.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

4. Summary of significant accounting policies

(1) Statement of Compliance

The parent company only financial statements of the Company for the years ended 31 December 2022 and 2021 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”).

(2) Basis of Preparation

The Company prepared the parent company only financial statements in accordance with the Regulations. According to the Article 21 of the Regulation, which provided that the profit or loss and other comprehensive income for the period presented in the parent company only financial statements shall be the same as the profit or loss and other comprehensive income attributable to stockholders of the parent presented in the consolidated financial statements for the period, and the total equity presented in the parent company only financial statements shall be the same as the equity attributable to the parent company presented in the consolidated financial statements. Therefore, the Company accounted for its investments in subsidiaries using equity method and, accordingly, made necessary adjustments.

The parent company only financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The parent company only financial statements are expressed in thousands of New Taiwan Dollars (“NT\$”) unless otherwise stated.

(3) Foreign Currency Transactions

The Company’s parent company only financial statements are presented in its functional currency, New Taiwan Dollars (NT\$). Items included in the financial statements are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Company at the respective functional currency rates prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date. Non-monetary items measured at fair value in foreign currencies are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in foreign currencies are translated using the exchange rates as at the dates of the initial transactions.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

- (a) Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
- (b) Foreign currency items within the scope of IFRS 9 Financial Instruments are accounted for based on the accounting policy for financial instruments.
- (c) Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(4) Translation of Foreign Currency Financial Statements

The assets and liabilities of foreign operations are translated into NT\$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. The following partial disposals are accounted for as disposals:

- (a) when the partial disposal involves the loss of control of a subsidiary that includes a foreign operation; and
- (b) when the retained interest after the partial disposal of an interest in a joint arrangement or a partial disposal of an interest in an associate that includes

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

a foreign operation is a financial asset that includes a foreign operation.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or joint arrangement that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(5) Current and non-current distinction

An asset is classified as current when:

- (a) The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
- (b) The Company holds the asset primarily for the purpose of trading
- (c) The Company expects to realize the asset within twelve months after the reporting period
- (d) The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- (a) The Company expects to settle the liability in its normal operating cycle
- (b) The Company holds the liability primarily for the purpose of trading
- (c) The liability is due to be settled within twelve months after the reporting period
- (d) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

All other liabilities are classified as non-current.

(6) Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term, highly liquid time deposits (including ones that have maturity within 3 months) or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(7) Financial Instruments

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

Financial assets and financial liabilities within the scope of IFRS 9 Financial Instruments are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

(1) Financial instruments: Recognition and Measurement

The Company accounts for regular way purchase or sales of financial assets on the trade date.

The Company classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

- A. the Company's business model for managing the financial assets
- B. the contractual cash flow characteristics of the financial asset

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

- 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.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

- A. purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition
- B. financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- A. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets 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

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

- (a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
- (b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
- (c) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:
 - i. Purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
 - ii. Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

In addition, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Company made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represents a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

(2) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the statement of financial position.

The Company measures expected credit losses of a financial instrument in a way that reflects:

- (a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- (b) the time value of money; and

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- (c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measured as follows:

- (a) At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Company measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
- (b) At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
- (c) For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.
- (d) For lease receivables arising from transactions within the scope of IFRS 16, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Company needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

(3) Derecognition of financial assets

A financial asset is derecognized when:

- i. The rights to receive cash flows from the asset have expired
- ii. The Company has transferred the asset and substantially all the risks and rewards of the asset have been transferred
- iii. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

(4) Financial liabilities and equity

Classification between liabilities or equity

The Company classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Compound instruments

The Company evaluates the terms of the convertible bonds issued to determine whether it contains both a liability and an equity component. Furthermore, the Company assesses if the economic characteristics and risks of the put and call options contained in the convertible bonds are closely related to the economic characteristics and risk of the host contract before separating the equity element.

For the liability component excluding the derivatives, its fair value is determined based on the rate of interest applied at that time by the market to instruments of comparable credit status. The liability component is classified as a financial liability measured at amortized cost before the instrument is converted or settled.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

For the embedded derivative that is not closely related to the host contract (for example, if the exercise price of the embedded call or put option is not approximately equal on each exercise date to the amortized cost of the host debt instrument), it is classified as a liability component and subsequently measured at fair value through profit or loss unless it qualifies for an equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. Its carrying amount is not remeasured in the subsequent accounting periods. If the convertible bond issued does not have an equity component, it is accounted for as a hybrid instrument in accordance with the requirements under IFRS 9 *Financial Instruments*.

Transaction costs are apportioned between the liability and equity components of the convertible bond based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

On conversion of a convertible bond before maturity, the carrying amount of the liability component being the amortized cost at the date of conversion is transferred to equity.

Financial liabilities

Financial liabilities within the scope of IFRS 9 Financial Instruments are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss. A financial liability is classified as held for trading if:

- i. it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term
- ii. on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking
- iii. it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument)

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

- i. it eliminates or significantly reduces a measurement or recognition inconsistency; or
- ii. a group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Company is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(5) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(8) Derivative financial instruments

The Company uses derivative financial instruments to hedge its foreign currency risks and interest rate risks. A derivative is classified in the balance sheet as assets or liabilities at fair value through profit or loss except for derivatives that are designated effective hedging instruments which are classified as derivative financial assets or liabilities for hedging.

Derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognized in equity.

When the host contracts are either non-financial assets or liabilities, derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not designated at fair value through profit or loss.

(9) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability, or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(10) Inventories

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

Raw materials - Purchase cost under weighted average cost method

Finished goods and work in progress – Cost of direct materials and labor and a

proportion of manufacturing overheads

based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Rendering of services is accounted in accordance with IFRS 15 and not within the scope of inventories.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(11) Investments accounted for under the equity method

According to Article 21 of the Regulation, the Company's investment in subsidiaries was presented as "Investments accounted for using equity method" and made necessary adjustments. The profit or loss during the period and other comprehensive income presented in the parent company only financial statements shall be the same as the allocations of profit or loss during the period and of other comprehensive income attributable to shareholders of the parent presented in the financial statements prepared on a consolidated basis, and the shareholders' equity presented in the parent company only financial statements shall be the same as the equity attributable to shareholders of the parent presented in the financial statements prepared on a consolidated basis. The adjustment was considered the difference between investment in subsidiaries in consolidated financial statements according to IFRS 10 "Consolidated financial statements" and application of IFRS to different reporting entities, debit/credit "Investment accounted for using equity method", "Share of profit or loss of subsidiaries, associates and joint ventures" or "Share of other comprehensive profit or loss of subsidiaries, associates and joint ventures" etc.

The Company's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Company has significant influence. Joint venture means the Company has rights to the net assets of the joint agreement (with joint controller).

Under the equity method, the investment in the associate or an investment in a joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Company's share of net assets of the associate or joint venture. After the interest in the associate or joint venture is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Unrealized gains and losses resulting from transactions between the Company and the associate or joint venture are eliminated to the extent of the Company's related interest in the associate or joint venture.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

When changes in the net assets of an associate or a joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affect the Company's percentage of ownership interests in the associate or joint venture, the Company recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate or joint venture on a pro-rata basis.

When the associate or joint venture issues new stock, and the Company's interest in an associate or a joint venture is reduced or increased as the Company fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in additional paid-in capital and investment accounted for using the equity method. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Company disposes the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 *Investments in Associates and Joint Ventures*. If this is the case the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 *Impairment of Assets*. In determining the value in use of the investment, the Company estimates:

- (a) Its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- (b) The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate or an investment in a joint venture is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 *Impairment of Assets*.

Upon loss of significant influence over the associate or joint venture, the Company measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.

(12) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 Property, plant and equipment. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Items	Useful Lives
Buildings	5~50 years
Machinery and equipment	3~15 years
Transportation equipment	5~10 years
Office equipment	3~10 years
Other equipment	2~15 years
Leasehold improvements	Lower of leasehold years or useful lives

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate, and are treated as changes in accounting estimates.

(13) Leases

The Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, has both of the following:

- (a) the right to obtain substantially all of the economic benefits from use of the identified asset; and
- (b) the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Company for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Company estimates the stand-alone price, maximizing the use of observable information.

Company as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Company recognizes right-of-use asset and lease liability for all leases which the Company is the lessee of those lease contracts.

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- (a) fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- (b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- (c) amounts expected to be payable by the lessee under residual value guarantees;
- (d) the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- (e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Company measures the lease liability on an amortized cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

At the commencement date, the Company measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

- (a) the amount of the initial measurement of the lease liability;
- (b) any lease payments made at or before the commencement date, less any lease incentives received;
- (c) any initial direct costs incurred by the lessee; and
- (d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Company measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company applies IAS 36 "Impairment of Assets" to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Company accounted for as short-term leases or leases of low-value assets, the Company presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements comprehensive income.

For short-term leases or leases of low-value assets, the Company elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

For the rent concession arising as a direct consequence of the Covid-19 pandemic, the Company elected not to assess whether it is a lease modification but accounted it as a variable lease payment.

Company as a lessor

At inception of a contract, the Company classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Company recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Company allocates the consideration in the contract applying IFRS 15.

The Company recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(14) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

A summary of the policies applied to the Company's intangible assets is as follows:

	Computer software
Useful lives	1~15 years
Amortization method used	Amortized on a straight- line basis over the estimated useful life
Internally generated or acquired	Acquired

(15) Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 *Impairment of Assets* may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(16) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

increase in the provision due to the passage of time is recognized as a finance cost.

Provision for decommissioning, restoration and rehabilitation costs

The provision for decommissioning, restoration and rehabilitation costs arose on construction of a property, plant and equipment. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of that particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Provision for warranties

A provision is recognized for expected warranty claims on products sold, based on past experience, management's judgement and other known factors.

(17) Revenue recognition

The Company's revenue arising from contracts with customers are primarily related to sale of goods and rendering of services. The accounting policies are explained as follows:

Sale of goods

The Company manufactures and sells machinery. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. The main product of the Company are computer peripherals, connectors, wires and other parts and revenue is recognized based on the consideration stated in the contract.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued) (Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The credit period of the Company's sale of goods is from 60 to 120 days. For most of the contracts, when the Company transfers the goods to customers and have a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The Company usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract. For some of the contracts, the Company has transferred the goods to customers but does not has a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets. Besides, in accordance with IFRS 9, the Company measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses.

Rendering of services

The Company provides maintenance services for the sale of construction for solar photovoltaic power generation system. Such services are separately priced or negotiated, and provided based on contract periods.

Most of the contractual considerations of the Company are collected evenly throughout the contract periods. When the Company has performed the services to customers but does not has a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets. However, for some rendering of services contracts, part of the consideration was received from customers upon signing the contract, and the Company has the obligation to provide the services subsequently; accordingly, these amounts are recognized as contract liabilities.

The period between the transfers of contract liabilities to revenue is usually within one year, thus, no significant financing component has arisen.

Construction revenues

Contract revenue is recognized within the scope that is likely to generate revenue and can be measured reliably, including the original amount of the contract signed, plus any changes related to the contract, claims for compensation and incentive payments, etc. When the construction contract meet the following critiria, the entity recognizes revenue over time. The customer simultaneously receives and consumes all of the benefits provided by the entity as the entity performs; the entity's performance creates or enhances an asset that the customer controls as the asset is created; or the entity's performance does not create an asset with an alternative use to the

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

entity and the entity has an enforceable right to payment for performance completed to date. Contract assets are recognized when the service has been transferred to the customer but the right to unconditionally receive the consideration has not yet been granted. However, there are some contracts, because part of the consideration is collected from the customer when the contract is signed, and the company assumes the obligation to provide labor services in the future, so it is recognized as a contract liability.

Depending on the nature of the contract, the degree of completion is calculated as the proportion of contract costs incurred to date on completion of work to the estimated total contract costs. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized only to the extent of expected cost recovery and expected contract losses are recognized immediately in profit or loss.

(18) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(19) Post-employment benefits

All regular employees of the Company are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company. Therefore fund assets are not included in the Company's consolidated financial statements.

For the defined contribution plan, the Company will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

- (a) the date of the plan amendment or curtailment, and
- (b) the date that the Company recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

(20) Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- i. Where the deferred tax liability arises from the initial recognition of

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- ii. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- i. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- ii. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

5. Significant accounting judgments, estimates and assumptions

The preparation of the parent company only financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(1) Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flow model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(2) Pension benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Please refer to Note 6 for more details.

(3) Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

Deferred tax assets are recognized for all carry forward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(4)Accounts receivables—estimation of impairment loss

The Company estimates the impairment loss of accounts receivables at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note 6 for more details.

(5)Inventories

Estimates of net realisable value of inventories take into consideration that inventories may be damaged, become wholly or partially obsolete, or their selling prices have declined. The estimates are based on the most reliable evidence available at the time the estimates are made. Please refer to Note 6 for more details.

6. Contents of significant accounts

(1)Cash and cash equivalents

	As of 31 December	
	2022	2021
Cash on hand and petty cash	\$87	\$24
Demand deposits	2,075,440	1,451,566
Total	<u>\$2,075,527</u>	<u>\$1,451,590</u>

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(2) Financial assets at fair value through profit or loss

	As of 31 December	
	2022	2021
Financial assets mandatorily at fair value through profit or loss:		
Stocks	\$180,841	\$190,190
Corporate bonds	72,330	57,168
Cross currency swaps	43,578	-
Embedded derivatives- Corporate bonds	178	2,333
Total	<u>\$296,927</u>	<u>\$249,691</u>
Current	\$296,927	\$247,358
Non – current	-	2,333
Total	<u>\$296,927</u>	<u>\$249,691</u>

Financial assets at fair value through profit or loss were not pledged.

(3)Accounts receivables and accounts receivable - related parties

	As of 31 December	
	2022	2021
Accounts receivables	\$1,312,758	\$1,048,019
Less: loss allowance	(1,166)	(1,166)
subtotal	1,311,592	1,046,853
Accounts receivable – related parties	493,400	472,476
Total	<u>\$1,804,992</u>	<u>\$1,519,329</u>

Accounts receivables were not pledged.

Accounts receivables are generally on 60-120 day terms. The total carrying amount for the years ended 31 December 2022 and 2021 were NT\$1,806,158 thousand and NT\$1,520,495 thousand, respectively. Please refer to Note 6(15) for more details on loss allowance and Note 12 for details on credit risk management.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(4) Inventories

	As of 31 December	
	2022	2021
Raw materials	\$905,970	\$779,079
Work in progress	147,861	187,342
Finished goods	1,821,931	1,145,930
Merchandise	266,607	262,943
Total	<u>\$3,142,369</u>	<u>\$2,375,294</u>

The inventory cost recognized as operating costs for the years ended 31 December 2022 and 2021 were NT\$5,629,876 thousand and NT\$5,242,802 thousand, respectively. The price reduction (gain from price recovery) of inventories related to cost of goods sold were NT\$16,328 thousand and NT\$(18,376) thousand.

Gain from price recovery of inventories was due to the sale of obsolete products and the net realized value recovery for the year ended 31 December 2021.

Inventories were not pledged.

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

	As of 31 December	
	2022	2021
Equity instrument investments measured at fair value through other comprehensive income – Non-current		
Unlisted companies' stocks	<u>\$313,758</u>	<u>\$321,734</u>

On 15 June 2022, the Company invested NT\$50,000 thousand in Top Taiwan XIV Venture Capital Co., Ltd. which were reported under equity instrument investments measured at fair value through other comprehensive income during the period.

On 20 June 2022, the paid-in capital returned from capital reduction of Top Taiwan Venture Capital Co., Ltd. and Top Taiwan VII Venture Capital Co., Ltd. amounted to NT\$11,250 thousand and NT\$4,439 thousand, respectively.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

On 26 January 2021, the Company disposed of the unlisted stocks in Japan SINBON Electronics Co., Ltd., which were reported under equity instrument investments measured at fair value through other comprehensive income during the period. Upon derecognition, the fair value of the investments was NT\$1,510 thousand, and the cumulative disposal loss of NT\$556 thousand was transferred from other components of equity to retained earnings.

On 23 April 2021, the Company invested NT\$75,000 thousand in SINTOP Energy I Corp. which were reported under equity instrument investments measured at fair value through other comprehensive income during the period.

On the second quarter of 2021, the Company disposed NT\$7,530 thousand in Gongwin Biopharm Holdings Co., Ltd., which were reported under equity instrument investments measured at fair value through other comprehensive income during the period. Upon derecognition, the fair value of the investments was NT\$20,832 thousand, and the cumulative disposal gain of NT\$13,302 thousand was transferred from other components of equity to retained earnings

On 29 April 2020, Top Taiwan III Venture Capital Co., Ltd., was liquidated. On 27 September 2021, the paid-in capital returned from the liquidation in the amount of NT\$777 thousand was received and the unrealized disposal loss of NT\$4,914 thousand was transferred from other components of equity to retained earnings.

On 29 April 2020, Top Taiwan II Venture Capital Co., Ltd., was liquidated. On 22 October 2021, the paid-in capital returned from the liquidation in the amount of NT\$471 thousand was received and the unrealized disposal loss of NT\$5,979 thousand was transferred from other components of equity to retained earnings.

The paid-in capital returned from capital reduction of Top Taiwan VII Venture Capital Co., Ltd. amounted to NT\$2,449 thousand on 9 July 2021.

Financial assets at fair value through other comprehensive income were not pledged.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The Company's dividend income related to equity instrument investments measured at fair value through other comprehensive income for the years ended 31 December 2022 and 2021 are as follow:

	For the years ended 31 December	
	2022	2021
Related to investments held at the end of the reporting period	\$35,688	\$13,144
Related to investments derecognized during the period	-	-
Dividends recognized during the period	<u>\$35,688</u>	<u>\$13,144</u>

(6) Investments accounted for using the equity method

The following table lists the investments accounted for using the equity method of the Company:

Investees	As of 31 December			
	2022		2021	
	Amount	%	Amount	%
Investments in subsidiaries:				
SINBON International Enterprise Co., Ltd. (SB(BVI))	\$5,864,583	100.00%	\$4,736,920	100.00%
Beijing SINBON TongAn Energy Co.,Ltd. (SB TongAn)	2,162,814	85.53%	1,946,117	85.53%
Hong Kong SINBON Electronics Co., Ltd. (HKSB)	1,408,743	100.00%	1,155,609	100.00%
Kwan-Ze Corporation Ltd. (Kwan-Ze)	699,071	100.00%	736,103	100.00%
T-CONN Precision Co., Ltd. (T-CONN)	437,831	57.45%	436,436	57.45%
SINBON USA L.L.C. (SINBON USA)	100,002	100.00%	39,142	100.00%
SINBON Europe GmbH (SB Europe)	4,753	100.00%	3,203	100.00%
Radbon Avionics Inc. (Radbon)	165,268	55.00%	107,007	55.00%
SINBON Hungary Kft. (SB Hungary)	106,822	100.00%	142,129	100.00%
SINTOP Energy Management Co., Ltd. (SINTOP)	9,242	53.57%	8,199	53.57%
Subtotal	<u>10,959,129</u>		<u>9,310,865</u>	
Investments in associates:				
Argocy Research Inc.	145,064	3.56%	143,605	3.52%
Total	<u>\$11,104,193</u>		<u>\$9,454,470</u>	

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

On 25 April and 1 July 2022, in order to expand productivity and market development in USA, the Company invested additional NT\$8,803 thousand and NT\$89,385 thousand in SINBON USA L.L.C..

On 20 September 2022, in order to increase working capital of SINBON Hungary Kft., the Company invested additional NT\$31,475 thousand in SINBON Hungary Kft..

On the third quarter of 2022, Argocy Research Inc. has bought back 1,000 thousand treasury shares. Consequently, the Company's ownership interest in Argocy Research Inc. was increased from 3.52% to 3.56%.

On 26 January 2021, T-CONN raised capital; however, the Company did not acquire shares according to the shareholding percentage. Therefore, its ownership dropped from 61.18% to 58.86% and recognized capital surplus in the amount of NT\$10,174 thousand.

On 15 April 2021, the Company newly invested NT\$6,804 thousand to establish SINTOP Energy Management Co., Ltd..

On 31 May 2021, the Company disposed of 1.41% interest in T-CONN. The cash consideration amounted to NT\$41,949 thousand and the Company recognized capital surplus in the amount of NT\$33,203 thousand. Therefore, its ownership interest in T-CONN was decreased from 58.86% to 57.45%

On 26 July 2021, the Company invested additional NT\$29,730 thousand in SINBON Hungary Kft.

On 27 September 2021, the return of paid-in capital following liquidation was NT\$5,886 thousand and the Company has recognized gain on disposal of investment in the amount of NT\$315 thousand.

On 23 November 2021, the Company invested additional NT\$14,460 thousand in SINBON USA L.L.C..

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(1) For the years ended 31 December 2022 and 2021, the Company recognized

share of profit or loss of subsidiaries and associates and exchange differences on translation of foreign operations accounted for using equity method, and the details are as follows:

	For the years ended 31 December			
	2022		2021	
Investees	Investment income (loss)	Exchange differences on translation of Foreign operations	Investment income (loss)	Exchange differences on translation of Foreign operations
Investments in subsidiaries:				
SINBON International Enterprise Co., Ltd. (SB(BVI))	\$1,085,556	\$83,101	\$769,109	\$(23,145)
Beijing SINBON TongAn Renewable Energy Co., Ltd.(SB TongAn)	263,550	32,721	152,972	(9,900)
Hong Kong SINBON Electronics Co., Ltd. (HKSB)	960,019	125,437	867,722	(39,415)
Kwan-Ze Corporation Ltd. (Kwan-Ze)	121,494	1,188	131,869	(105)
SINBON USA L.L.C. (SINBON USA)	(40,724)	6,161	(21,595)	(1,204)
Radbon Avionics Inc. (Radbon)	58,261	-	51,160	-
T-CONN Precision Co., Ltd. (T-CONN)	74,102	2,896	134,480	(700)
SINBON Europe GmbH (SB Europe)	1,351	199	2,085	(261)
SINBON Hungary Kft. (SB Hungary)	(66,085)	(697)	(48,028)	(2,320)
SINTOP Energy Management Co., Ltd. (SINTOP)	2,298	-	1,395	-
Subtotal	2,459,822	251,006	2,041,169	(77,050)
Investments in associates:				
Argocy Research Inc.	21,598	191	22,557	(76)
Total	\$2,481,420	\$251,197	\$2,063,726	\$(77,126)

(2) Investments in subsidiaries

Investing subsidiaries was expressed as “Investments accounted for under the equity method” in the parent company only financial statements, and was made the adjustment which was necessary.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(3) Investments in associates

The Company's investments in Argocy Research Inc. are not individually material. The aggregate financial information of the Company's share of its associates is as follows:

	For the years ended 31 December	
	2022	2021
Profit from continuing operations	\$21,598	\$22,557
Other comprehensive income (post-tax)	(2,640)	9,812
Total comprehensive income	<u>\$18,958</u>	<u>\$32,369</u>

The associates had no contingent liabilities or capital commitments as of 31 December 2022 and 2021.

Fair value of the investment in the associate when there is a quoted market price for the investment:

Argocy Research Inc. is a listed entity on the Taipei Exchange (TPEX). The fair value of the investment in Argocy Research Inc. was NT\$253,968 thousand and NT\$428,571 thousand as of 31 December 2022 and 2021.

T-CONN Precision Co., Ltd. is a listed entity on the Taipei Exchange (TPEX). The fair value of the investment in T-CONN Precision Co., Ltd. was NT\$1,230,867 thousand and NT\$2,165,276 thousand as of 31 December 2022 and 2021.

Our audit, insofar as it related to the investments accounted for under the equity method amounting to NT\$2,711,169 thousand and NT\$2,399,257 thousand as of 31 December 2022 and 2021; the related shares of investment income from the associates and joint ventures amounted to NT\$1,122,405 thousand and NT\$1,114,335 thousand for the years ended 31 December 2022 and 2021, respectively; and the related shares of other comprehensive income from the associates and joint ventures amounted to NT\$(22,062) thousand and NT\$59,102 thousand for the years ended 31 December 2022 and 2021, respectively; are based solely on the reports of other independent accountants.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(7) Property, plant and equipment

	Land	Buildings	Machinery and equipment	Office equipment	Transportati on equipment	Other equipment	Leasehold improvements	Total
Cost:								
As of 1 January 2022	\$194,189	\$424,783	\$201,927	\$63,057	\$2,244	\$50,230	\$117,806	\$1,054,236
Additions	9,056	14,082	29,338	10,943	-	3,866	195	67,480
Disposals	-	(112)	(733)	(4,195)	-	(15,831)	(378)	(21,249)
Other changes	-	94,583	6,953	(3,250)	-	15,831	-	114,117
As of 31 December 2022	<u>\$203,245</u>	<u>\$533,336</u>	<u>\$237,485</u>	<u>\$66,555</u>	<u>\$2,244</u>	<u>\$54,096</u>	<u>\$117,623</u>	<u>\$1,214,584</u>
As of 1 January 2021	\$150,430	\$424,135	\$168,159	\$47,470	\$2,244	\$158,613	\$19,324	\$970,375
Additions	43,759	648	33,980	13,536	-	7,291	16,586	115,800
Disposals	-	-	(1,437)	(92)	-	(129,258)	(1,467)	(132,254)
Other changes	-	-	1,225	2,143	-	13,584	83,363	100,315
As of 31 December 2021	<u>\$194,189</u>	<u>\$424,783</u>	<u>\$201,927</u>	<u>\$63,057</u>	<u>\$2,244</u>	<u>\$50,230</u>	<u>\$117,806</u>	<u>\$1,054,236</u>
Depreciation and impairment:								
As of 1 January 2022	\$ -	\$157,069	\$127,846	\$36,481	\$1,695	\$15,979	\$10,368	\$349,438
Depreciation	-	21,983	33,395	11,348	219	6,741	11,262	84,948
Disposals	-	(112)	(733)	(4,195)	-	(461)	(378)	(5,879)
As of 31 December 2022	<u>\$ -</u>	<u>\$178,940</u>	<u>\$160,508</u>	<u>\$43,634</u>	<u>\$1,914</u>	<u>\$22,259</u>	<u>\$21,252</u>	<u>\$428,507</u>
As of 1 January 2021	\$ -	\$139,578	\$106,736	\$29,476	\$1,475	\$12,099	\$7,993	\$297,357
Depreciation	-	17,491	22,547	7,097	220	7,416	3,842	58,613
Disposals	-	-	(1,437)	(92)	-	(3,536)	(1,467)	(6,532)
As of 31 December 2021	<u>\$ -</u>	<u>\$157,069</u>	<u>\$127,846</u>	<u>\$36,481</u>	<u>\$1,695</u>	<u>\$15,979</u>	<u>\$10,368</u>	<u>\$349,438</u>
Net carrying amount as at:								
31 December 2022	<u>\$203,245</u>	<u>\$354,396</u>	<u>\$76,977</u>	<u>\$22,921</u>	<u>\$330</u>	<u>\$31,837</u>	<u>\$96,371</u>	<u>\$786,077</u>
31 December 2021	<u>\$194,189</u>	<u>\$267,714</u>	<u>\$74,081</u>	<u>\$26,576</u>	<u>\$549</u>	<u>\$34,251</u>	<u>\$107,438</u>	<u>\$704,798</u>

Property, plant and equipment was not pledged.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

There is no capitalization of interest due to purchase of property, plant and equipment

Components of building that have different useful lives are the main building structure and air conditioning, which are depreciated over 50 years and 25 years, respectively.

(8) Other non-current assets

	As of 31 December	
	2022	2021
Prepayment for equipment	\$72,616	\$167,649
Long-term prepaid rent	18,696	16,830
Refundable deposits	14,030	13,095
Other long-term investment	600	600
Other assets	154	154
Total	<u>\$106,096</u>	<u>\$198,328</u>

No other non-current assets were pledged.

(9) Short-term loans

	As of 31 December	
	2022	2021
Unsecured bank loans	<u>\$1,516,620</u>	<u>\$1,952,450</u>

	As of 31 December	
	2022	2021
Interest rates applied	<u>0.54%~1.65%</u>	<u>0.53%~0.58%</u>

The Company's unused short-term lines of credits amounted to NT\$4,380,020 thousand and NT\$3,174,300 thousand as of 31 December 2022 and 2021, respectively.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(10) Financial liabilities at fair value through profit or loss

	As of 31 December	
	2022	2021
Held for trading:		
Derivatives not designated as hedging		
Instruments		
Embedded derivative-bonds	\$5,100	\$ -
Cross currency swaps	-	241
Total	<u>\$5,100</u>	<u>\$241</u>
Current	\$ -	\$241
Non-current	5,100	-
Total	<u>\$5,100</u>	<u>\$241</u>

(11) Bonds payable

	As of 31 December	
	2022	2021
Liability component		
Principal amount	\$1,178,100	\$1,014,400
Discounts on bonds payable	(56,171)	(20,049)
Subtotal	1,121,929	994,351
Less: current portion	(176,281)	-
Net	<u>\$945,648</u>	<u>\$994,351</u>
Embedded derivative	<u>\$4,922</u>	<u>\$(2,333)</u>
Equity component	<u>\$110,602</u>	<u>\$112,157</u>

A. Issuance of convertible bonds:

On 12 December 2022, the Company issued the eighth zero coupon unsecured convertible bonds. The terms of the convertible bonds were evaluated to include a liability component, embedded derivatives (a call option and a put option) and an equity component (an option for conversion into issuer's ordinary shares). The terms of the bonds are as follows:

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Issue amount: NT\$1,000,000 thousand

Period: 12 December 2022 ~ 12 December 2025

Redemption clauses:

- a. The Company may redeem the bonds, in whole or in part, after 3 months of the issuance (13 March 2023) and prior to 40 days before the maturity date (2 November 2025), at the principal amount of the bonds with an interest calculated at the rate of 0% per annum (early redemption conversion price) if the closing price of the Company's ordinary shares on the Taiwan Stock Exchange (TWSE) for a period of 30 consecutive trading days, is at least 130% of the conversion price.
- b. The Company may redeem the bonds, in whole or in part, after 3 months of the issuance (13 March 2023) and prior to 40 days before the maturity date (2 November 2025), at the early redemption conversion price if at least 90% in principal amount of the bonds has already been exchanged, redeemed, purchased or cancelled.
- c. The Company may redeem the bonds in cash, within 5 trading days after the base date of withdrawing the bonds as stated on the "Withdrawal of Convertible Bonds Notice", at the par value if the bondholders do not reply to the share affair agency in writing before the base date.

Reversal clauses:

- a. The bondholders have the right to require the Company to redeem all or any portion of the bonds, 40 days prior to 2 year anniversary (12 December 2024) of the issuance, at the principal amount of the bonds with an interest calculated at the rate of 0.5% per annum.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Terms of Exchange:

- a. Underlying Securities: Common shares of the Company
- b. Exchange Period: The bonds are exchangeable at any time on or after 13 March 2023 and prior to 12 December 2025 into common shares of the Company.
- c. Exchange Price and Adjustment: The exchange price was originally NT\$286.5 per share. The exchange price will be subject to adjustments upon the occurrence of certain events set out in the indenture.

In accordance with IFRS 9, said financial instrument is classified as an embedded derivative so the exercise price of the embedded put option is allocated to the liability component and equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. The difference between the equity component and the book value was recognized in profit or loss. The difference between the liability component and the book value was recognized in "Share premium-warrants".

The financial assets of convertible bonds are measured at amortized cost, fair value through profit or loss amounted to NT\$5,100 thousand as at 31 December 2022.

B. Issuance of convertible bonds:

On 15 December 2020, the Company issued the seventh zero coupon unsecured convertible bonds. The terms of the convertible bonds were evaluated to include a liability component, embedded derivatives (a call option and a put option) and an equity component (an option for conversion into issuer's ordinary shares). The terms of the bonds are as follows:

Issue amount: NT\$1,300,000 thousand

Period: 15 December 2020 ~ 15 December 2023

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Redemption clauses:

- a. The Company may redeem the bonds, in whole or in part, after 3 months of the issuance (16 March 2021) and prior to 40 days before the maturity date (5 November 2023), at the principal amount of the bonds with an interest calculated at the rate of 0% per annum (early redemption conversion price) if the closing price of the Company's ordinary shares on the Taiwan Stock Exchange (TWSE) for a period of 30 consecutive trading days, is at least 130% of the conversion price.
- b. The Company may redeem the bonds, in whole or in part, after 3 months of the issuance (16 March 2021) and prior to 40 days before the maturity date (5 November 2023), at the early redemption conversion price if at least 90% in principal amount of the bonds has already been exchanged, redeemed, purchased or cancelled.
- c. The Company may redeem the bonds in cash, within 5 trading days after the base date of withdrawing the bonds as stated on the "Withdrawal of Convertible Bonds Notice", at the par value if the bondholders do not reply to the share affair agency in writing before the base date.

Reversal clauses:

- a. The bondholders have the right to require the Company to redeem all or any portion of the bonds, 40 days prior to 2 year anniversary (15 December 2022) of the issuance, at the principal amount of the bonds with an interest calculated at the rate of 0.5% per annum.

Terms of Exchange:

- a. Underlying Securities: Common shares of the Company
- b. Exchange Period: The bonds are exchangeable at any time on or after 16 March 2021 and prior to 15 December 2023 into common shares of the Company.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- c. Exchange Price and Adjustment: The exchange price was originally NT\$203 per share. The exchange price will be subject to adjustments upon the occurrence of certain events set out in the indenture. The exchange price as of 31 December 2022 and 31 December 2021 was NT\$192.7 and NT\$197.7, respectively.

In accordance with IFRS 9, said financial instrument is classified as an embedded derivative so the exercise price of the embedded put option is allocated to the liability component and equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. The difference between the equity component and the book value was recognized in profit or loss. The difference between the liability component and the book value was recognized in "Share premium-warrants".

The financial assets of convertible bonds are measured at amortized cost, fair value through profit or loss amounted to NT\$178 thousand and NT\$2,333 thousand as of 31 December 2022 and 31 December 2021, respectively.

The convertible bonds that have already been converted were NT\$1,121,900 thousand and NT\$285,600 thousand as at 31 December 2022 and 31 December 2021 respectively.

(12) Post-employment benefits

Defined contribution plan

The Company adopt a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Company have made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Pension expenses under the defined contribution plan for the years ended 31 December 2022 and 2021 were NT\$37,935 thousand and NT\$33,683 thousand, respectively.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Defined benefits plan

The Company adopt a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company contribute an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Company assess the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Company will make up the difference in one appropriation before the end of March the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under discretionary accounts, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Company expects to contribute NT\$9,600 thousand to its defined benefit plan during the 12 months beginning after 31 December 2022.

The weighted average duration of the defined benefits obligation was 10.5 years as of 31 December 2022.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Pension costs recognized in profit or loss are as follows:

	For the years ended 31 December	
	2022	2021
Current service costs	\$687	\$797
Net interest on the net defined benefit liabilities	408	601
Total	<u>\$1,095</u>	<u>\$1,398</u>

Reconciliations of liabilities of the defined benefit obligation and plan assets at fair value are as follows:

	As of		
	31 Dec. 2022	31 Dec. 2021	1 Jan. 2021
Defined benefit obligation	\$134,168	\$140,221	\$138,096
Plan assets at fair value	(80,576)	(72,660)	(65,131)
Net defined benefit liabilities	53,592	67,561	72,965
Less: current portion	(91)	-	-
Net defined benefit liabilities, noncurrent	<u>\$53,501</u>	<u>\$67,561</u>	<u>\$72,965</u>

Reconciliation of liabilities (assets) of the defined benefit plan are as follows:

	As of		
	Defined benefit obligation	Plan assets at fair value	Net defined benefit liabilities
As of 1 January 2021	\$138,096	\$(65,131)	\$72,965
Current period service costs	797	-	797
Interest expense (income)	1,174	(573)	601
Subtotal	140,067	(65,704)	74,363
Remeasurements of the defined benefit liabilities /assets:			
Actuarial gains and losses arising from changes in financial assumptions	2,372	-	2,372
Experience adjustments	(1,584)	-	(1,584)
Remeasurements of the defined benefit assets	-	(610)	(610)
Subtotal	<u>788</u>	<u>(610)</u>	<u>178</u>

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	As of		
	Defined benefit obligation	Plan assets at fair value	Net defined benefit liabilities
Payments of benefit obligation	(634)	634	-
Contributions by employer	-	(6,980)	(6,980)
As of 31 December 2021	140,221	(72,660)	67,561
Current period service costs	687	-	687
Interest expense (income)	911	(503)	408
Subtotal	141,819	(73,163)	68,656
Remeasurements of the defined benefit liabilities /assets:			
Actuarial gains and losses arising from changes in financial assumptions	(6,073)	-	(6,073)
Experience adjustments	5,416	-	5,416
Remeasurements of the defined benefit assets	-	(5,207)	(5,207)
Subtotal	(657)	(5,207)	(5,864)
Payments of benefit obligation	(6,994)	6,994	-
Contributions by employer	-	(9,200)	(9,200)
As of 31 December 2022	<u>\$134,168</u>	<u>\$(80,576)</u>	<u>\$53,592</u>

The principal assumptions used in determining the Company's defined benefit plan are shown below:

	As of 31 December	
	2022	2021
Discount rate	0.85%	0.65%
Expected rate of salary increases	3.00%	3.00%

Sensitivity analysis for significant assumption are shown below:

	For the years ended 31 December			
	2022		2021	
	Defined benefit obligation increase	Defined benefit obligation decrease	Defined benefit obligation increase	Defined benefit obligation decrease
Discount rate increase by 0.50%	\$ -	\$4,717	\$ -	\$5,810
Discount rate decrease by 0.50%	5,028	-	6,228	-
Future salary increase by 1.00%	10,101	-	12,468	-
Future salary decrease by 1.00%	-	9,084	-	11,098

The sensitivity analyses above are based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

the sensitivity analyses compared to the previous period.

(13) Equity

(a) Common stock

The Company's authorized capital was NT\$4,500,000 thousand as of 31 December 2022 and 2021. The issued capital was NT\$2,365,841 thousand and NT\$2,333,770 thousand in a total of 236,584 thousand shares and 233,377 thousand shares, respectively. Each share has one voting right and a right to receive dividends.

The investors requested to convert the Company's convertible bonds into common stocks in the amount of NT\$42,981 thousand in a total of 4,298 thousand shares from 1 January 2022 to 31 December 2022, and 2,378 thousand shares had completed the registration process as of 31 December 2022. As the registration process has not been completed, the accumulated book value of certificate of entitlement to new shares from convertible bond amounted to NT\$19,200 thousand in a total of 1,920 thousand shares as of 31 December 2022.

As of 1 January 2022, the accumulated book value of certificates of bond - to - stock conversion that had completed the registration process amounted to NT\$8,290 thousand in a total of 829 thousand shares in the first quarter of 2022.

(b) Capital surplus

	As of 31 December	
	2022	2021
Additional paid-in capital	\$2,416,991	\$1,543,555
Treasury share transactions	5,749	5,749
Share of changes in net assets of associates and joint ventures accounted for using the equity method	132,519	132,869
From differences between equity purchase price and carrying amount arising from actual acquisition or disposal of subsidiaries	27,385	22,183
Increase through changes in ownership interests in subsidiaries	373,254	373,254
Premium from merger	705	705
Stok options	110,602	112,157
Total	<u>\$3,067,205</u>	<u>\$2,190,472</u>

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

(c) Retained earnings and dividend policies

According to the Company's original Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

- a. Payment of all taxes and dues;
- b. Offset prior years' operation losses;
- c. Set aside 10% as legal reserve;
- d. Set aside or reverse special reserve in accordance with law and regulations; and
- e. The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.

As the Company is undergoing a growth stage, the policy of dividend distribution should reflect its long-term financial planning. The Board of Directors shall make the distribution proposal annually and present it at the Shareholder's meeting every year. The distribution of shareholders dividend shall be allocated cash dividends to be distributed may not be less than 10% of total dividends to be distributed.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total authorized capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

When the Company distributing distributable earnings, it shall set aside to special reserve, an amount equal to “other net deductions from shareholders” equity for the current fiscal year, provided that if the company has already set aside special reserve according to the requirements for the adoption of IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders’ equity. For any subsequent reversal of other net deductions from shareholders’ equity, the amount reversed may be distributed from the special reserve.

The FSC on 31 March 2021 issued Order No. Financial-Supervisory-Securities-Corporate-1090150022, which sets out the following provisions for compliance:

On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders’ equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the Company can reverse the special reserve by the proportion of the special reserve first appropriated and distribute it.

The Company did not reverse any special reserve as a result of use, disposal or reclassification of related assets during the years ended 31 December 2022 and 2021.

Details of the 2022 and 2021 earnings distribution and dividends per share as approved and resolved by the Board of Directors’ meeting and shareholders’ meeting on 9 March 2023 and 30 May 2022, respectively, are as follows:

	Appropriation of earnings		Dividend per share (NT\$)	
	2022	2021	2022	2021
Common stock -cash dividend	\$2,030,999	\$1,640,858	\$8.5	\$7.0
Legal reserve	288,562	233,305		
Special reserve	(111,279)	(17,754)		

Please refer to Note 6(17) for further details on employees’ compensation and remuneration to directors and supervisors.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(14) Operating revenue

	For the years ended 31 December	
	2022	2021
Revenue from contracts with customers		
Sale of goods	\$7,394,824	\$6,686,227
Construction revenues	162,981	-
Other operating revenue	134,193	242,008
Total	<u>\$7,691,998</u>	<u>\$6,928,235</u>

Analysis of revenue from contracts with customers for the years ended
31 December 2022 and 2021 are as follows:

(1) Disaggregation of revenue

For the year ended 31 December 2022

	Green Energy	Industrial Application	Medical Health	Automotive& Aviation	Communication	Total
Sale of goods	\$410,206	\$4,444,071	\$115,084	\$539,407	\$1,886,056	\$7,394,824
Construction revenues	162,981	-	-	-	-	162,981
Other operating revenues	3,066	110,514	9,200	5,329	6,084	134,193
Total	<u>\$576,253</u>	<u>\$4,554,585</u>	<u>\$124,284</u>	<u>\$544,736</u>	<u>\$1,892,140</u>	<u>\$7,691,998</u>

Timing of

revenue

recognition :

At a point in time	\$413,272	\$4,554,585	\$124,284	\$544,736	\$1,892,140	\$7,529,017
Over time	162,981	-	-	-	-	162,981
Total	<u>\$576,253</u>	<u>\$4,554,585</u>	<u>\$124,284</u>	<u>\$544,736</u>	<u>\$1,892,140</u>	<u>\$7,691,998</u>

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

For the year ended 31 December 2021

	Green Energy	Industrial Application	Medical Health	Automotive& Aviation	Communication	Total
Sale of goods	\$289,718	\$3,850,142	\$111,981	\$407,917	\$2,026,469	\$6,686,227
Other operating revenues	24,909	173,225	10,621	19,222	14,031	242,008
Total	<u>\$314,627</u>	<u>\$4,023,367</u>	<u>\$122,602</u>	<u>\$427,139</u>	<u>\$2,040,500</u>	<u>\$6,928,235</u>
Timing of revenue recognition :						
At a point in time	\$314,627	\$4,023,367	\$122,602	\$427,139	\$2,040,500	\$6,928,235
Over time	-	-	-	-	-	-
Total	<u>\$314,627</u>	<u>\$4,023,367</u>	<u>\$122,602</u>	<u>\$427,139</u>	<u>\$2,040,500</u>	<u>\$6,928,235</u>

(2) Contract balances

Contract liabilities - current

	As Of		
	31 Dec. 2022	31 Dec. 2021	1 Jan. 2021
Sales of goods	\$1,909,725	\$1,009,680	\$581,495
Construction revenues	255,641	-	-
Total	<u>\$2,165,366</u>	<u>\$1,009,680</u>	<u>\$581,495</u>

For the years ended 31 December 2022 and 2021, contract liabilities increased as additional performance obligations are not satisfied.

(3) Transaction price allocated to unsatisfied performance obligations

As of December 31, 2022, the Company's total transaction price apportioned to unsatisfied performance obligations is NT\$3,690,717 thousand. The Company will gradually recognize the revenue with the completion of these projects, which are expected to be completed in the next 4 years.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(4) Assets recognized from costs to fulfil a contract

None.

(15) Expected credit losses

The Company had no expected credit losses for the years ended 31 December 2022 and 31 December 2021.

Please refer to Note 12 for more details on credit risk.

The Company measures the loss allowance of its trade receivables (including note receivables and trade receivables) at an amount equal to lifetime expected credit losses. The assessment of the Company's loss allowance as of 31 December 2022 and 2021 are as follows:

31 December 2022

	Not yet due (Note)	Overdue					Total
		<=30 days	31-60 days	61-90 days	91-120 days	>=121 days	
Gross carrying amount	\$1,486,264	\$325,903	\$6,876	\$4,018	\$1,818	\$1,166	\$1,826,045
Loss ratio	-%	-%	-%	-%	-%	30-100%	
Lifetime expected credit losses	-	-	-	-	-	(1,166)	(1,166)
Carrying amount	<u>\$1,486,264</u>	<u>\$325,903</u>	<u>\$6,876</u>	<u>\$4,018</u>	<u>\$1,818</u>	<u>\$ -</u>	<u>\$1,824,879</u>

31 December 2021

	Not yet due (Note)	Overdue					Total
		<=30 days	31-60 days	61-90 days	91-120 days	>=121 days	
Gross carrying amount	\$1,540,712	\$2,167	\$ -	\$ -	\$ -	\$1,166	\$1,544,045
Loss ratio	-%	-%	-%	-%	-%	30-100%	
Lifetime expected credit losses	-	-	-	-	-	(1,166)	(1,166)
Carrying amount	<u>\$1,540,712</u>	<u>\$2,167</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,542,879</u>

Note: The Company's note receivables are not overdue.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The movement in the provision for impairment of note receivables and trade receivables during the years ended 31 December 2022 and 2021 are as follows:

	Note receivables	Trade receivables
As of 1 January 2022	\$ -	\$1,166
Write off	-	-
Addition/(reversal) for the current period	-	-
As of 31 December 2022	<u>\$ -</u>	<u>\$1,166</u>
As of 1 January 2021	\$ -	\$1,166
Write off	-	-
Addition/(reversal) for the current period	-	-
As of 31 December 2021	<u>\$ -</u>	<u>\$1,166</u>

(16) Leases

The Company is a lessee

The Company leases various properties, including real estate such as buildings, machinery and equipment and transportation equipment. The lease terms range from 1 to 16 years.

The Company's leases effect on the financial position, financial performance and cash flows are as follow:

A. Amounts recognized in the balance sheet

(a) Right-of-use asset

The carrying amount of right-of-use assets

	As of 31 December	
	2022	2021
Buildings	\$217,157	\$241,699
Machinery and equipment	1,037	-
Transportation equipment	16,401	13,945
Total	<u>\$234,595</u>	<u>\$255,644</u>

During the years ended 31 December 2022 and 2021, The Company's additions to right-of-use assets amounting to NT\$29,159 thousand and NT\$96,268 thousand, respectively.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(b) Lease liabilities

	As of 31 December	
	2022	2021
Lease liabilities		
Current	\$49,212	\$45,532
Non-Current	186,995	211,048
Total	<u>\$236,207</u>	<u>\$256,580</u>

Please refer to Note 6(18)(d) for the interest on lease liabilities recognized during the years ended 31 December 2022 and 2021 and refer to Note 12 (5) liquidity risk management for the maturity analysis for lease liabilities as of 31 December 2022 and 2021.

B. Amounts recognized in the statements of comprehensive income

Depreciation charge for right-of-use assets

	For the years ended 31 December	
	2022	2021
Buildings	\$41,696	\$40,126
Machinery and equipment	129	-
Transportation equipment	8,330	7,525
Total	<u>\$50,155</u>	<u>\$47,651</u>

C. Income and costs relating to leasing activities

	For the years ended 31 December	
	2022	2021
The expenses relating to short-term leases	<u>\$17,107</u>	<u>\$13,840</u>

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

During the years ended 31 December 2022 and 2021, there is no rent concession arising from a direct consequence of the Covid-19 pandemic.

D. Cash outflow related to lessee and lease activity

During the years ended 31 December 2022 and 2021, The Company's total cash outflows for leases amounting to NT\$68,318 thousand and NT\$62,510 thousand.

(17) Summary statement of employee benefits, depreciation and amortization expenses by function for the years ended 31 December 2022 and 2021:

Function Nature	For the years ended 31 December					
	2022			2021		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Salaries	\$308,930	\$684,415	\$993,345	\$254,542	\$576,094	\$830,636
Labor and health insurance	37,214	47,970	85,184	29,121	48,941	78,062
Pension	14,268	24,762	39,030	11,578	23,503	35,081
Remuneration to directors and supervisors	-	23,500	23,500	-	21,000	21,000
Other employee benefits expense	26,949	28,898	55,847	22,618	27,732	50,350
Depreciation	71,262	63,841	135,103	54,383	51,881	106,264
Amortization	-	13,768	13,768	25	10,114	10,139

As of 31 December 2022 and 2021, the number of employees of the Company were 1,357 and 1,231; the number of directors who were not concurrently employees both were 8.

For the years ended 31 December 2022 and 2021, the average of employees benefits expense of the Company were NT\$870 thousand and NT\$813 thousand, respectively.

For the years ended 31 December 2022 and 2021, the average of employees salaries of the Company were NT\$736 thousand and NT\$679 thousand, respectively.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The Company's average salary expense adjustment for the year ended 31 December 2022 increased by 8%.

The Company has set up an audit committee to replace the supervisor in accordance with the regulations, so the supervisor's remuneration has not been recognized.

The Company's policy for compensation of directors, managers and employees is as follows:

The remuneration standard of the Company's managers shall be determined by the company's human resources unit in accordance with the relevant provisions of personnel performance evaluation, personal performance and contribution to the company's overall operations, and reference to the market level of the industry. After being reviewed by the Salary and Compensation Committee and approved by the Board of Directors, it will be implemented.

The Company's salary and remuneration policy is planned based on individual abilities and performance differentiation, and considering cost-effectiveness and risk control remuneration resources; and in order to attract, retain and motivate talents, relatively reasonable salary standards are formulated. The overall salary and remuneration package mainly include basic salary, bonuses, employee dividends, and benefits. Remuneration standard, basic salary is based on the market competition situation of the position held by the employee and the company's policy; bonus and employee dividend are paid in conjunction with the achievement of the employee's personal and departmental goals or the company's operating performance; the welfare part is in compliance with the law and regulations. The premise is to be revised at any time according to environmental needs, and the actual needs of employees are the main consideration, and welfare measures that employees can share are designed.

According to the Articles of Incorporation, 1% to 15% of profit of the current year is distributable as employees' compensation and no higher than 3% of profit of the current year is distributable as remuneration to directors and supervisors. However, the company's accumulated losses shall have been covered. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

Based on profit of 31 December 2022, the Company estimated the amounts of the employees' compensation and remuneration to directors and supervisors for the year ended of 31 December 2022 to be 1.01% and 0.68% of profit, respectively. The employees' compensation and remuneration to directors and supervisors for the year ended of 31 December 2022 amount to NT\$35,000 thousand and NT\$23,500 thousand respectively, recognized as employee benefits expense.

A resolution was passed at the Board of Directors meeting held on 9 March 2023 to distribute NT\$35,000 thousand and NT\$23,500 thousand in cash as employees' compensation and remuneration to directors and supervisors of 2022, respectively. Differences between the estimated amount and the actual distribution of the employee compensation and remuneration to directors and supervisors for the year ended 31 December 2022 are recognized in profit or loss of the subsequent year in 2023.

The employees' compensation and remuneration to directors and supervisors for the year ended of 31 December 2021 amount to NT\$30,000 thousand and NT\$21,000 thousand, respectively. No material differences exist between the recognized amount and the actual distribution of the employee bonuses and remuneration to directors and supervisors for the year ended 31 December 2021.

(18) Non-operating income and expenses

(a) Interest income

	For the years ended 31 December	
	2022	2021
Bank deposit interest	\$6,366	\$853

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(b) Other income

	For the years ended 31 December	
	2022	2021
Sample income	\$82,516	\$52,132
Dividend income	38,818	14,643
Rent income	7,277	4,908
Others	156,252	118,580
Total	<u>\$284,863</u>	<u>\$190,263</u>

(c) Other gains and losses

	For the years ended 31 December	
	2022	2021
Foreign exchange gains and losses net	\$155,579	\$(68,022)
Gains on disposal of investments	-	315
Gains on disposal of property, plant and equipment	3,006	14,326
Gains of financial asset at fair value through profit or loss (Note1)	32,352	51,024
(Losses) gains of financial liabilities at fair value through profit or loss (Note2)	(83)	24,897
Total	<u>\$190,854</u>	<u>\$22,540</u>

Note:

1. Balances were arising from financial assets mandatorily measured at fair value through profit or loss, including valuation adjustment, dividend income, interest income and exchange gains and losses etc.
2. Balances were arising from held for trading financial liabilities, including valuation adjustment, interest expense and exchange gains and losses etc.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(d) Finance costs

	For the years ended 31 December	
	2022	2021
Interest on loans from bank	\$19,554	\$10,691
Interest on bonds payable	8,435	16,625
Interest on lease liabilities	1,738	1,624
Total	<u>\$29,727</u>	<u>\$28,940</u>

(19) Components of other comprehensive income

For the year ended 31 December 2022

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	\$5,864	\$ -	\$5,864	\$(1,173)	\$4,691
Unrealized gains on equity instruments measured at fair value through other comprehensive income	(42,287)	-	(42,287)	-	(42,287)
Share of other comprehensive income of subsidiaries, associates and joint ventures which will not be reclassified subsequently to profit or loss	(48,082)	-	(48,082)	-	(48,082)
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of foreign operations	247,131	-	247,131	(49,384)	197,747
Share of other comprehensive loss of subsidiaries, associates and joint ventures which may be reclassified subsequently to profit or loss	4,255	-	4,255	-	4,255
Total of other comprehensive income	<u>\$166,881</u>	<u>\$ -</u>	<u>\$166,881</u>	<u>\$(50,557)</u>	<u>\$116,324</u>

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

For the year ended 31 December 2021

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	\$(178)	\$ -	\$(178)	\$36	\$(142)
Unrealized gains on equity instruments measured at fair value through other comprehensive income	9,387	-	9,387	-	9,387
Share of other comprehensive income of subsidiaries, associates and joint ventures which will not be reclassified subsequently to profit or loss	69,609	-	69,609	-	69,609
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of foreign operations	(74,034)	-	(74,034)	15,249	(58,785)
Share of other comprehensive loss of subsidiaries, associates and joint ventures which may be reclassified subsequently to profit or loss	(911)	-	(911)	-	(911)
Total of other comprehensive income	<u>\$3,873</u>	<u>\$ -</u>	<u>\$3,873</u>	<u>\$15,285</u>	<u>\$19,158</u>

(20)Income tax

The major components of income tax expense are as follows:

Income tax expense recognized in profit or loss

	For the years ended 31 December	
	2022	2021
Current income tax expense :		
Current income tax charge	\$369,894	\$326,330
Adjustments in respect of current income tax of prior periods	11,553	995
Deferred tax expense:		
Deferred tax expense relating to origination and reversal of temporary differences	142,849	95,367
Adjustments in respect of current income tax of prior periods	-	(13,385)
Total income tax expense	<u>\$524,296</u>	<u>\$409,307</u>

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Income tax relating to components of other comprehensive income

	For the years ended 31 December	
	2022	2021
Deferred tax expense(income) :		
Exchange differences on translation of foreign operations	\$49,384	\$(15,249)
Remeasurements of defined benefit plans	1,173	(36)
Income tax relating to components of other comprehensive income	<u>\$50,557</u>	<u>\$(15,285)</u>

Income tax charged directly to equity

	For the years ended 31 December	
	2022	2021
Current income tax expense (income):		
Realized losses from equity instruments investment measured at fair value through other comprehensive income	<u>\$ -</u>	<u>\$(111)</u>

A reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	For the years ended 31 December	
	2022	2021
Accounting profit before tax from continuing operations	<u>\$3,404,849</u>	<u>\$2,740,809</u>
At the Company's statutory income tax rate	\$680,970	\$548,162
Tax effect of revenues exempt from taxation	(41,566)	(59,237)
Tax effect of expenses not deductible for tax purposes	1,687	2,564
Tax effect of deferred tax assets/liabilities	(144,721)	(87,023)
Corporate income surtax on undistributed retained earnings	17,127	17,231
Adjustments in respect of deferred income tax of prior periods	-	(13,385)
Adjustments in respect of current income tax of prior periods	11,553	995
Others	(754)	-
Total income tax expense recognized in profit or loss	<u>\$524,296</u>	<u>\$409,307</u>

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Deferred tax assets (liabilities) relate to the following:

For the year ended 31 December 2022

	Balance as of 1 January	Recognized in profit or loss	Recognized in other comprehensive income	Balance as of 31 December
Temporary differences				
Exchange differences on translation of foreign operations	\$95,247	\$ -	\$(49,384)	\$45,863
Unrealized foreign exchange gains or losses	4,585	(10,858)	-	(6,273)
Loss from price reduction of inventories	4,752	3,266	-	8,018
Revaluations of financial liabilities at fair value through profit or loss	(19,686)	(6,699)	-	(26,385)
Investments accounted for using the equity method	(211,627)	(150,077)	-	(361,704)
Unrealized intragroup profits and losses	8,325	22,895	-	31,220
Remeasurements of defined benefit plans	7,500	-	(1,173)	6,327
Non-current liability – Defined benefit liability	7,816	(1,621)	-	6,195
Loss allowance	974	-	-	974
Convertible bonds	(2,244)	245	-	(1,999)
Deferred tax (income) expense		<u>\$(142,849)</u>	<u>\$(50,557)</u>	
Net deferred tax assets (liabilities)	<u>\$(104,358)</u>			<u>\$(297,764)</u>
Reflected in balance sheet as follows:				
Deferred tax assets	<u>\$129,199</u>			<u>\$98,597</u>
Deferred tax liabilities	<u>\$233,557</u>			<u>\$396,361</u>

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

For the year ended 31 December 2021

	Balance as of 1 January	Recognized in profit or loss	Recognized in other comprehensive income	Balance as of 31 December
Temporary differences				
Exchange differences on translation of foreign operations	\$79,998	\$ -	\$15,249	\$95,247
Unrealized foreign exchange gains or losses	923	3,662	-	4,585
Loss from price (recovery) reduction of inventories	8,427	(3,675)	-	4,752
Revaluations of financial liabilities at fair value through profit or loss	(8,838)	(10,848)	-	(19,686)
Investments accounted for using the equity method	(151,966)	(59,661)	-	(211,627)
Unrealized intragroup profits and losses	18,434	(10,109)	-	8,325
Remeasurements of defined benefit plans	7,464	-	36	7,500
Non-current liability – Defined benefit liability	8,095	(279)	-	7,816
Loss allowance	974	-	-	974
Convertible bonds	(1,172)	(1,072)	-	(2,244)
Deferred tax (income) expense		<u>\$ (81,982)</u>	<u>\$15,285</u>	
Net deferred tax assets (liabilities)	<u>\$ (37,661)</u>			<u>\$ (104,358)</u>
Reflected in balance sheet as follows:				
Deferred tax assets	<u>\$124,315</u>			<u>\$129,199</u>
Deferred tax liabilities	<u>\$161,976</u>			<u>\$233,557</u>

Unrecognized deferred tax liabilities relating to the investment in subsidiaries

The Company shall recognize the relevant deferred income tax liabilities for the income tax payable that may arise when the undistributed surplus of a foreign subsidiary is remitted back, in accordance with the undistributed surplus expected to be allocated by the future subsidiary.

The assessment of income tax returns

As of 31 December 2022, the Company's income tax returns through 2020 have been assessed and approved by the tax authority.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(21) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the years ended 31 December	
	2022	2021
(a) Basic earnings per share		
Profit attributable to ordinary equity holders of the Company	\$2,880,553	\$2,331,502
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	235,774	233,157
Basic earnings per share (NT\$)	\$12.22	\$10.00
(b) Diluted earnings per share		
Profit attributable to ordinary equity holders of the Company	\$2,880,553	\$2,331,502
Interest expense from convertible bonds	6,748	13,300
Profit attributable to ordinary equity holders of the Company after dilution	\$2,887,301	\$2,344,802
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	235,774	233,157
Effect of dilution:		
Employee compensation-stock (in thousands)	127	106
Convertible bonds (in thousands)	7,145	6,046
Weighted average number of ordinary shares outstanding after dilution (in thousands)	243,046	239,309
Diluted earnings per share (NT\$)	\$11.88	\$9.80

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and completion of the financial statements.

7. Related party transactions

Information of the related parties that had transactions with the Company during the financial reporting period is as follows:

Name and nature of relationship of the related parties

<u>Name of the related parties</u>	<u>Nature of relationship</u>
SINBON Circuits & Cables LLC	Subsidiary
Hong Kong SINBON Electronics Co., Ltd.	Subsidiary
Tong Cheng SINBON Electronics Co., Ltd.	Subsidiary
Jiangyin SINBON Electronics Co., Ltd.	Subsidiary
Beijing SINBON TongAn Renewable Energy Co., Ltd.	Subsidiary
SINBON USA LLC	Subsidiary
Radbon Avionics Inc.	Subsidiary
T-CONN Precision Co., Ltd.	Subsidiary
SINBON Hungary Kft.	Subsidiary
Jiangsu ENMAGIC Energy Co., Ltd.	Subsidiary
ENMAGIC Renewable Energy Co., Ltd.	Subsidiary
SINBON Europe GmbH	Subsidiary
Kwan-Ze Corporation Ltd.	Subsidiary
SINBON Technologies Tennessee L.L.C.	Subsidiary
SINTOP Energy Management Co., Ltd.	Subsidiary

Significant transactions with related parties

(a) Sales

	For the years ended 31 December	
	2022	2021
Subsidiaries	\$346,654	\$864,123

The sales price to the above related parties was determined through mutual agreement based on the market rates. The outstanding balance as of 31 December 2022 and 2021 was unsecured, non-interest bearing and must be settled in cash. The receivables from the related parties were not

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

guaranteed.

(b) Purchases

	For the years ended 31 December	
	2022	2021
Subsidiaries	<u>\$3,132,911</u>	<u>\$2,162,933</u>

The purchase price from the above related parties was determined through mutual agreement based on the market rates. The payment terms from the related party suppliers were comparable with third party suppliers.

(c) Accounts receivable-related parties

	As of 31 December	
	2022	2021
Subsidiaries	<u>\$493,400</u>	<u>\$472,476</u>

(d) Other receivables

	As of 31 December	
	2022	2021
Subsidiaries	<u>\$104,662</u>	<u>\$117,218</u>

(e) Accounts payable-related parties

	As of 31 December	
	2022	2021
Subsidiaries	<u>\$610,531</u>	<u>\$401,136</u>

(f) Other payables

	As of 31 December	
	2022	2021
Subsidiaries	<u>\$13,655</u>	<u>\$13,714</u>

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(g) Expenses

	For the years ended 31 December	
	2022	2021
Subsidiaries	<u>\$35,419</u>	<u>\$33,267</u>

(h) Other income

	For the years ended 31 December	
	2022	2021
Subsidiaries	<u>\$21,253</u>	<u>\$11,650</u>

(i) Leases

a. Right-of-use asset

	As of 31 December	
	2022	2021
Subsidiaries	<u>\$1,741</u>	<u>\$1,410</u>

b. Lease liabilities

	As of 31 December	
	2022	2021
Subsidiaries	<u>\$1,748</u>	<u>\$1,414</u>

c. Depreciation

	For the years ended 31 December	
	2022	2021
Subsidiaries	<u>\$834</u>	<u>\$704</u>

d. Interest expense

	For the years ended 31 December	
	2022	2021
Subsidiaries	<u>\$12</u>	<u>\$13</u>

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

e. Rent revenue

	For the years ended 31 December	
	2022	2021
Subsidiaries	<u>\$7,273</u>	<u>\$4,908</u>

The company leases offices to related parties. The rental price is negotiated with reference to market conditions and paid monthly.

(j) Key management personnel compensation

	For the years ended 31 December	
	2022	2021
Short-term employee benefits	\$168,853	\$132,429
Post-employment benefits	39,030	35,081
Total	<u>\$207,883</u>	<u>\$167,510</u>

8. Assets pledged as security

None.

9. Significant contingencies and unrecognized contract commitments

(a) The Company provided guarantees for subsidiaries' financing to banks for the year ended 31 December 2022. Please refer to Note 13.1(b).

(b) As of 31 December 2022 and 2021, the Company was issued letters of guarantee by banks in the amount of NT\$10,000 thousand and NT\$8,000 thousand for importing goods, respectively.

(c) Amounts available under unused letters of credit are as follows:

Currency	Carrying amount	
	2022.12.31	2021.12.31
USD	\$300	\$300

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The amounts that are available under unused letters of credit above are unguaranteed.

10. Significant disaster loss

None.

11. Significant subsequent events

On 9 March 2023, the Company passed the resolution of the board of directors to transfer the production line, property, plant and equipment and inventory of the Miaoli E-BIKE assembly plant to the subsidiary T-CONN Precision Corporation for the expansion of its Miaoli plant to effectively integrate the group's resources and give full play to the group's comprehensive management benefits. The transaction price is about NT\$115 million, and the transaction price is determined by referring to the appraisal report.

12. Others

(1) Categories of financial instruments

Financial assets

	As of 31 December	
	2022	2021
Financial assets at fair value through profit or loss:		
Mandatorily measured at fair value through profit or loss	\$296,927	\$249,691
Financial assets at fair value through other comprehensive income	313,758	321,734
Financial assets measured at amortized cost (Note)	4,067,653	3,221,794
Total	<u>\$4,678,338</u>	<u>\$3,793,219</u>

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Financial liabilities

	As of 31 December	
	2022	2021
Financial liabilities at amortized cost:		
Short-term loans	\$1,516,620	\$1,952,450
Notes and accounts payable	1,329,632	1,305,560
Bonds payable (including current portion with maturity less than 1 year)	1,121,929	994,351
Long-term loans (including current portion with maturity less than 1 year)	-	300,000
Others payables	751,525	558,826
Lease liabilities	236,207	256,580
Subtotal	4,955,913	5,367,767
Financial liabilities at fair value through profit or loss:		
Held for trading	5,100	241
Total	\$4,961,013	\$5,368,008

Note: Including cash and cash equivalents, notes receivable, trade receivables and other receivables.

(2) Financial risk management objectives and policies

The Company's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Company identifies measures and manages the aforementioned risks based on the Company's policy and risk appetite.

The Company has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Company complies with its financial risk management policies at all times.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there are usually interdependencies between risk variables. However the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense are denominated in a different currency from the Company's functional currency) and the Company's net investments in foreign subsidiaries.

The Company has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. The Company also uses forward contracts to hedge the foreign currency risk on certain items denominated in foreign currencies. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Company.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Company's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Company's foreign currency risk is mainly related to the volatility in the exchange rates for USD.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's loans and receivables at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates and interest rate swaps. At the reporting date, a change of 10 basis points of interest rate in a reporting period could cause the profit.

Pre-tax sensitivity analysis of changes in related risk factors for the years ended 31 December 2022 and 2021 are as follows:

For the year ended 31 December 2022

Main Risk	Fluctuation	Sensitivity of profit/loss	Sensitivity of equity
Foreign currency risk	NTD/USD rate +/- 1%	+/- \$12,306	-
Foreign currency risk	NTD/JPY rate +/- 1%	+/- \$1,008	-
Interest rate risk	Market rate +/- 10 basis points	-/+ \$1,476	-

For the year ended 31 December 2021

Main Risk	Fluctuation	Sensitivity of profit/loss	Sensitivity of equity
Foreign currency risk	NTD/USD rate +/- 1%	+/- \$14,032	-
Foreign currency risk	NTD/JPY rate +/- 1%	+/- \$672	-
Interest rate risk	Market rate +/- 10 basis points	-/+ \$2,252	-

Equity price risk

The fair value of the Company's listed and unlisted equity securities and conversion rights of the Euro-convertible bonds issued are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company's listed and unlisted equity securities are classified under financial assets measured at fair value through profit or loss and financial assets measured at fair value, while conversion rights of the Euro-convertible bonds issued are classified as financial liabilities at fair value through profit or loss as it does not satisfy the definition of an equity component. The Company manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

At the reporting date, a change of 10% in the price measured at fair value through profit or loss could increase/decrease The Company's profit for the years ended 31 December 2022 and 2021 by NT\$18,084 thousand and NT\$19,019 thousand, respectively.

Please refer to Note 12(9) for sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 3.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Company is exposed to credit risk from operating activities (primarily for accounts receivables and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Company's internal rating criteria etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

As of 31 December 2022 and 2021, amounts receivables from top ten customers represented 32% and 45% of the total accounts receivables of the Company. The credit concentration risk of other accounts receivables is insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Company's treasury in accordance with the Company's policy. The Company only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating. Consequently, there is no significant credit risk for these counter parties.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(5) Liquidity risk management

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments, bank borrowings, convertible bonds and finance leases. The table below summarizes the maturity profile of the Company's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial instruments

	<u>Less than 1 year</u>	<u>2 to 3 years</u>	<u>4 to 5 years</u>	<u>> 5 years</u>	<u>Total</u>
As of 31 December 2022					
Loans	\$1,522,369	\$ -	\$ -	\$ -	\$1,522,369
Notes and accounts payable	1,329,632	-	-	-	1,329,632
Convertible bonds	179,885	1,010,025	-	-	1,189,910
Lease liabilities	49,375	59,428	29,437	100,075	238,315
As of 31 December 2021					
Loans	\$2,256,841	\$ -	\$ -	\$ -	\$2,256,841
Notes and accounts payable	1,305,560	-	-	-	1,305,560
Convertible bonds	-	1,024,569	-	-	1,024,569
Lease liabilities	47,093	75,944	28,850	112,850	264,737

Derivative financial instruments

As of 31 December 2022

None

	<u>Less than 1 year</u>	<u>2 to 3 years</u>	<u>4 to 5 years</u>	<u>> 5 years</u>	<u>Total</u>
As of 31 December 2021					
Cross currency swaps					
Net settlement	– \$(241)	\$ -	\$ -	\$ -	\$(241)
outflow					

The table above contains the undiscounted net cash flows of derivative financial instruments.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(6) Reconciliation of liabilities from financing activities

Reconciliation of liabilities for the year ended 31 December 2022:

	Short-term loans	Lease liabilities	Long-term loan(including maturity within a year)	Bonds payable (including maturity within a year)	Deposits received	Total liabilities from financing activities
As of 1 January 2022	\$1,952,450	\$256,580	\$300,000	\$994,351	\$62	\$3,503,443
Cash flow	(435,830)	(49,473)	(300,000)	1,045,040	480	260,217
Non-cash change	-	29,100	-	(917,462)	-	(888,362)
As of 31 December 2022	<u>\$1,516,620</u>	<u>\$236,207</u>	<u>\$ -</u>	<u>\$1,121,929</u>	<u>\$542</u>	<u>\$2,875,298</u>

Reconciliation of liabilities for the year ended 31 December 2021:

	Short-term loans	Lease liabilities	Long-term loan(including maturity within a year)	Bonds payable (including maturity within a year)	Deposits received	Total liabilities from financing activities
As of 1 January 2021	\$1,458,588	\$207,605	\$300,000	\$1,256,981	\$2	\$3,223,176
Cash flow	493,862	(47,046)	-	-	60	446,876
Non-cash change	-	96,021	-	(262,630)	-	(166,609)
As of 31 December 2021	<u>\$1,952,450</u>	<u>\$256,580</u>	<u>\$300,000</u>	<u>\$994,351</u>	<u>\$62</u>	<u>\$3,503,443</u>

(7) Fair values of financial instruments

(a) The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Company to measure or disclose the fair values of financial assets and financial liabilities:

a. The carrying amount of cash and cash equivalents, accounts

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

receivables, accounts payable and other current liabilities approximate their fair value due to their short maturities.

- b. For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.
- c. Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).
- d. Fair value of debt instruments without market quotations, bank loans, bonds payable and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the Taipei Exchange, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)
- e. The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(b) Fair value of financial instruments measured at amortized cost

The carrying amount of the Company's financial assets and liabilities measured at amortized cost approximate their fair value.

(c) Fair value measurement hierarchy for financial instruments

Please refer to Note 12.(9) for fair value measurement hierarchy for financial instruments of the Company.

(8) Derivative financial instruments

The Company's derivative financial instruments include forward currency contracts, cross currency swap and embedded derivatives. The related information for derivative financial instruments not qualified for hedge accounting and not yet settled as of 31 December 2022 and 2021 are as follows:

Cross currency swaps contracts

The Company entered into cross currency swaps contracts to manage its exposure to financial risk, but these contracts are not designated as hedging instruments. The table below lists the information related to cross currency swaps contracts:

Items	Amount (in thousands)		Contract Period
As of 31 December 2022			
Cross currency swaps	USD	15,000	26 February 2022 – 24 March 2023
As of 31 December 2021			
Cross currency swaps	USD	4,000	26 November 2021 – 16 March 2022

Embedded derivatives

The embedded derivatives arising from issuing convertible bonds have been separated from the host contract and were carried at fair value through profit or loss. Please refer to Note 6(11) for further information on this transaction.

The counterparties for the aforementioned derivatives transactions are well known domestic or overseas banks, as they have sound credit ratings, the credit risk is insignificant.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The cross currency swaps and foreign exchange option contracts have been entered into to hedge the foreign currency risk of net assets or net liabilities, and there will be corresponding cash inflow or outflows upon maturity and the Company has sufficient operating funds, the cash flow risk is insignificant.

(9) Fair value measurement hierarchy

(a) Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

(b) Fair value measurement hierarchy of the Company's assets and liabilities

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The Company does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Company's assets and liabilities measured at fair value on a recurring basis is as follows:

As of 31 December 2022

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Stocks	\$180,841	\$ -	\$ -	\$180,841
Bonds	72,330	-	-	72,330
Cross currency swaps	-	43,578	-	43,578
Embedded derivatives- Corporate bonds	-	178	-	178
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	-	-	313,758	313,758
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
Embedded derivatives- Corporate bonds	\$ -	\$5,100	\$ -	\$5,100

As at 31 December 2021

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Stocks	\$190,190	\$ -	\$ -	\$190,190
Bonds	57,168	-	-	57,168
Embedded derivatives- Corporate bonds	-	2,333	-	2,333
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	-	-	321,734	321,734
Financial liabilities:				
Financial liabilities at fair value through profit or loss				
Cross currency swaps	\$ -	\$241	\$ -	\$241

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Transfers between Level 1 and Level 2 during the period

During the years ended 31 December 2022 and 2021, there were no transfers between Level 1 and Level 2 fair value measurements.

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

	Assets
	At fair value through other comprehensive income
	Stocks
Beginning balances as of 1 January 2022	\$321,734
Total gains and losses recognized for the year ended 31 December 2022:	
Amount recognized in OCI (presented in "Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income)	(42,287)
The return of paid-in capital for capital reduction	(15,689)
Acquisition	50,000
Ending balances as of 31 December 2022	<u>\$313,758</u>
Beginning balances as of 1 January 2021	\$227,917
Total gains and losses recognized for the year ended 31 December 2021:	
Amount recognized in OCI (presented in "Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income)	22,776
The return of paid-in capital for capital reduction	(2,449)
Disposal	(1,510)
Acquisition	75,000
Ending balances as of 31 December 2021	<u>\$321,734</u>

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

As of 31 December 2022

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
At fair value through profit or loss					
Stocks and others	Market approach	Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value of the stocks	10% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Company's profit or loss by NT\$31,058 thousand
Stocks and others	Option pricing model	Fluctuation rate	34.08%	The higher the fluctuation rate, the higher the fair value of the stocks	10% increase (decrease) in the fluctuation rate would result in increase (decrease) in the Company's profit or loss by NT\$ 318 thousand

As of 31 December 2021

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
At fair value through profit or loss					
Stocks and others	Market approach	Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value of the stocks	10% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Company's profit or loss by NT\$30,953 thousand
Stocks and others	Option pricing model	Fluctuation rate	33.09%	The higher the fluctuation rate, the higher the fair value of the stocks	10% increase (decrease) in the fluctuation rate would result in increase (decrease) in the Company's profit or loss by NT\$ 1,220 thousand

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Company's Financial Department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies at each reporting date.

- (c) Fair value measurement hierarchy of the Company's assets and liabilities not measured at fair value but for which the fair value is disclosed

As at 31 December 2022

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investments accounted for using the equity method(please refer to Note 6(6))	\$1,484,835	\$ -	\$ -	\$1,484,835

As at 31 December 2021

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investments accounted for using the equity method(please refer to Note 6(6))	\$2,593,847	\$ -	\$ -	\$2,593,847

(10) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

	As of 31 December 2022			As of 31 December 2021		
	Foreign currencies	Foreign exchange rate	NTD	Foreign currencies	Foreign exchange rate	NTD
Financial assets						
Monetary items:						
USD	\$85,480	30.71	\$2,624,918	\$81,512	27.69	\$2,257,070
JPY	435,054	0.23	101,117	279,696	0.24	67,295

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	As of 31 December 2022			As of 31 December 2021		
	Foreign currencies	Foreign exchange rate	NTD	Foreign currencies	Foreign exchange rate	NTD
Financial liabilities						
Monetary items:						
USD	\$45,407	30.71	\$1,394,344	\$30,836	27.69	\$853,855
JPY	1,390	0.23	323	304	0.24	73

The Company has a number of different functional currencies; therefore, we are unable to disclose the exchange loss and gain of monetary financial assets and financial liabilities under each foreign currency that has significant impact. The Company recognized NT\$155,579 thousand and NT\$(68,022) thousand foreign exchange gains and (losses) for the years ended 31 December 2022 and 2021, respectively.

The above information is disclosed based on the carrying amount of foreign currency (after conversion to functional currency).

(11) Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payments to shareholders, return capital to shareholders or issue new shares.

13. Other disclosure

(1) Information at significant transactions and information on investees:

- (a) Financing provided to others for the year ended 31 December 2022:
Please refer to Attachment 1.
- (b) Endorsement/Guarantee provided to others for the year ended 31 December 2022: Please refer to Attachment 2.
- (c) Securities held as of 31 December 2022: Please refer to Attachment 3.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

- (d) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20 percent of the paid-in capital for the year ended 31 December 2022: None.
- (e) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the paid-in capital for the year ended 31 December 2022: None.
- (f) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20 percent of the capital stock for the year ended 31 December 2022: None.
- (g) Related party transactions for purchases and sales exceeding the lower of NT\$100 million or 20 percent of the capital stock for the year ended 31 December 2022: Please refer to Attachment 4.
- (h) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of capital stock as of year ended 31 December 2022: Please refer to Attachment 5.
- (i) Names, locations, main businesses and products, original investment amount, investment as of 31 December 2022, net income (loss) of investee company and investment income (loss) recognized as of 31 December 2022: Please refer to Attachment 7.
- (j) Financial instruments and derivative transactions: Please refer to Note 12. (8).
- (k) The business relationship, significant transactions and amounts between parent company and subsidiaries: Please refer to Attachment 6.

(2) Information on investments in mainland China

- (a) Investment in Mainland China: Please refer to Attachment 8.
- (b) Significant transactions through third regions with the investees in Mainland China: Please refer to Attachment 2,4,5 and 6.

SINBON ELECTRONICS CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS (Continued)
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(3) Information of major shareholders

Shares Shareholders	Total Shares Owned	Ownership Percentage
Investment Account of Small Denomination World Funds Co. Ltd. in custody of Standard Chartered Bank	13,589,000	5.69%

Note:

- (a) The main shareholder information in the table is calculated by the Taiwan Depository & Clearing Corporation on the last business day at the end of each quarter. The information included the total number of ordinary shares and special shares held by the shareholders who have completed the delivery without physical registration (including treasury shares) that reached 5%. The share capital stated in the Company's financial report and the number of shares actually delivered by the Company without physical registration may differ because the calculation bases were different.
- (b) If the above information included the shareholder's shares transferred to the trust, it will be disclosed by the trustee who opened the trust account individually. As for shareholders who declared insider equity holding for more than 10% in accordance with the Securities Exchange Act, such shareholdings shall include their shareholdings plus their shares that have been delivered to the trust and shares of the trust that they have control of. Please refer to the information on insider equity declaration in the "Market Observation Post System" on the website of the TWSE.

14. Segment information

The Company fully disclosed segment information in consolidated financial statements.

Attachment 1: Financing provided to others for the year ended 31 December 2022

No.	Lender (Note 1)	Counterparty	Financial statement account	Related Party	Maximum balance for the period	Ending balance	Actual amount provided	Interest rate	Nature of financing	Amount of sales to (purchases from) counter-party	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit of financing amount for individual counter-party (Note2)	Limit of total financing amount (Note3)
													Item	Value		
0	The Company	SB Hungary	Other receivables	Y	\$95,953	\$98,125	\$ -	0.00%	Note 4	\$ -	Need for operating	\$ -	-	\$ -	\$1,263,350	\$5,053,400
0	The Company	SB Ohio	Other receivables	Y	\$96,630	\$92,124	\$ -	0.00%	Note 4	\$ -	Need for operating	\$ -	-	\$ -	\$1,263,350	\$5,053,400
1	KSEM	JSEM	Other receivables	Y	\$5,415	\$5,301	\$ -	0.00%	Note 4	\$ -	Need for operating	\$ -	-	\$ -	\$5,937	\$5,937
2	BJSB	JSEM	Other receivables	Y	\$45,122	\$44,175	\$ -	0.00%	Note 4	\$ -	Need for operating	\$ -	-	\$ -	\$55,954	\$55,954
2	BJSB	XZEM	Other receivables	Y	\$45,122	\$44,175	\$ -	0.00%	Note 4	\$ -	Need for operating	\$ -	-	\$ -	\$55,954	\$55,954
3	SB TongAn	JSEM	Other receivables	Y	\$44,752	\$44,175	\$ -	0.00%	Note 4	\$ -	Need for operating	\$ -	-	\$ -	\$1,011,610	\$1,011,610
3	SB TongAn	JSEM	Other receivables	Y	\$22,376	\$22,088	\$ -	0.00%	Note 4	\$ -	Need for operating	\$ -	-	\$ -	\$1,011,610	\$1,011,610
3	SB TongAn	XZEM	Other receivables	Y	\$44,752	\$44,175	\$ -	0.00%	Note 4	\$ -	Need for operating	\$ -	-	\$ -	\$1,011,610	\$1,011,610
3	SB TongAn	JSEM	Other receivables	Y	\$64,904	\$66,263	\$ -	0.00%	Note 4	\$ -	Need for operating	\$ -	-	\$ -	\$1,011,610	\$1,011,610
3	SB TongAn	XZEM	Other receivables	Y	\$64,903	\$66,262	\$ -	0.00%	Note 4	\$ -	Need for operating	\$ -	-	\$ -	\$1,011,610	\$1,011,610

Note 1: The above transactions were all made between consolidated entities in the Group and have been reversed.

Note 2: Financing limit for individual counterparty is 10% of the net worth of the financial report reviewed by the certified public accountants as of March 31, 2017.
\$2,207,135 ÷ 10% = \$220,714

Note 2: Total financing limit for individual counterparty was set at 10% of the lender's net worth of the financial which were audited by independent accountants as of 31 December 2022.

The Company: \$12,633,499 × 10% = \$1,263,350

Total financing limit for individual counterparty was set at 40% of the lender's net worth of the financial which were audited by independent accountants as of 31 December 2022.

KSEM: \$14,843 × 40% = \$5,937

BJSB: \$139,884 × 40% = \$55,954

SB TongAn: \$2,529,024 × 40% = \$1,011,610

Note 3: Total financing limit was set at 40% of the lender's net worth of the financial report which were audited by independent accountants as of 31 December 2022.

The Company: \$12,633,499 × 40% = \$5,053,400

KSEM: \$14,843 × 40% = \$5,937

BJSB: \$139,884 × 40% = \$55,954

SB TongAn: \$2,529,024 × 40% = \$1,011,610

Note 4: For short-term financing.

Attachment 2: Endorsement/Guarantee provided to others as of 31 December 2022

No. (Note 1)	Endorsor/ Guarantor	Receiving party		Limit of guarantee/endorsement amount for receiving party (Note 3)	Maximum balance for the period	Ending balance	Actual amount provided	Amount of collateral guarantee/ endorsement	Percentage of accumulated guarantee amount to net assets value from the latest financial statement	Limit of total guarantee/ endorsement amount (Note 4)	Parent company's guarantee/ endorsement amount to subsidiaries (Note 5)	Subsidiaries' guarantee/ endorsement amount to parent company (Note 5)	Guarantee/ endorsement amount to company in Mainland China (Note 5)
		Company name	Relationship (Note 2)										
0	The Company	SHSB	2	\$5,053,400	\$95,388	\$76,770	\$ -	None	0.61%	\$12,633,499	Y	N	Y
0	The Company	JYSB	2	\$5,053,400	\$1,821,727	\$1,704,294	\$521,265	None	13.49%	\$12,633,499	Y	N	Y
0	The Company	TCSB	2	\$5,053,400	\$596,025	\$574,017	\$136,943	None	4.54%	\$12,633,499	Y	N	Y
0	The Company	SZSB	2	\$5,053,400	\$16,105	\$15,354	\$ -	None	0.12%	\$12,633,499	Y	N	Y
0	The Company	SB Hungary	2	\$5,053,400	\$328,019	\$319,007	\$250,221	None	2.53%	\$12,633,499	Y	N	N
0	The Company	SB Ohio	2	\$5,053,400	\$386,520	\$368,496	\$238,294	None	2.92%	\$12,633,499	Y	N	N
0	The Company	SB USA	2	\$5,053,400	\$16,105	\$15,354	\$9,212	None	0.12%	\$12,633,499	Y	N	N
0	The Company	Radbon	2	\$3,790,050	\$150,000	\$150,000	\$300	None	1.19%	\$12,633,499	Y	N	N
1	T-CONN	T-CONN Zhongshan	2	\$306,429	\$189,120	\$182,361	\$ -	None	23.80%	\$766,072	N	N	Y

Note 1: The Company and its subsidiaries are coded as follows:

1. The Company is coded "0".
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: According to the "Guidelines Governing the Preparation of Financial Reports by Securities Issuers" issued by the R.O.C. Securities and Futures Bureau, receiving parties should be disclosed as one of the following:

1. A company with which it does business.
2. A company in which the public company directly and indirectly holds more than 50% of the voting shares.
3. A company that directly and indirectly holds more than 50% of the voting shares in the public company.
4. A company in which the public company holds, directly or indirectly, 90% or more of the voting shares.
5. A company that fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
6. A company that all capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages.
7. Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: Limit of guarantee/endorsement amount for overseas subsidiary is 40% of the net worth of the financial report audited by the certified public accountants as of 31 December 2022.

\$12,633,499*40%=\$5,053,400

Limit of guarantee/endorsement amount for domestic subsidiaries is 30% of the net worth of the financial report of the company audited by the certified public accountants as of 31 December 2022.

\$12,633,499*30%=\$3,790,050

Limit of guarantee/endorsement amount for T-CONN Zhongshan is 40% of the net worth of the financial of T-CONN which were not audited by the certified public accountants as of 31 December 2022.

\$766,072*40%=\$306,429

Note 4: Limit of total guarantee/ endorsement amount is 100% of the net worth of the financial report audited by the certified public accountants as of 31 December 2022.

Note 5: "Y" for the listed (OTC) parent company guarantees/endorses for subsidiary, subsidiary guarantees/endorses for the listed (OTC) parent company or guarantee/endorse for companies in Mainland China.

Attachment 3: Securities held as of 31 December 2022. (Excluding subsidiaries, associates and joint ventures)

Holding Company	Type and name of securities	Relationship (Note 1)	Financial statement account	As of 31 December 2022				Note
				Shares	Carrying amount	Percentage of ownership (%)	Fair value	
The Company	Chengding Venture Capital Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income- noncurrent	15,000,000 shares	\$106,503	11.10%	\$106,503	-
The Company	Top Taiwan XIV Venture Capital CO., Ltd.		Financial assets measured at fair value through other comprehensive income- noncurrent	5,000,000 shares	\$37,099	2.30%	\$37,099	-
The Company	Top Taiwan Venture Capital Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income- noncurrent	4,875,000 shares	58,575	7.50%	58,575	-
The Company	Dynahz Technologies	-	Financial assets measured at fair value through other comprehensive income- noncurrent	2,771,670 shares	51,137	16.67%	51,137	-
Kwan-Ze	Chengding Venture Capital Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income- noncurrent	5,000,000 shares	35,469	3.70%	35,469	-
The Company	Top Taiwan VII Venture Capital Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income- noncurrent	443,878 shares	4,648	3.06%	4,648	-
Kwan-Ze	Actmax Technologies Inc.	-	Financial assets measured at fair value through other comprehensive income- noncurrent	-	4,767	19.00%	4,767	-
The Company	VAN MOOF Global Holding BV	-	Financial assets measured at fair value through other comprehensive income- noncurrent	780,000 shares	3,181	0.50%	3,181	-
T-CONN	VAN MOOF Global Holding BV	-	Financial assets measured at fair value through other comprehensive income- noncurrent	780,000 shares	3,181	0.50%	3,181	-
SINBON USA L.L.C	Katalyst Interactive Inc		Financial assets measured at fair value through other comprehensive income- noncurrent	36,511shares	957	0.24%	957	-
SINBON USA L.L.C	HOTWIRE Development LLC	-	Financial assets measured at fair value through other comprehensive income- noncurrent	-	696	10.00%	696	-
The Company	Bandrich, Inc.	-	Financial assets measured at fair value through other comprehensive income- noncurrent	330,000 shares	145	1.62%	145	-
The Company	SINTOP Energy Management Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income- noncurrent	7,500,000 shares	52,470	15.00%	52,470	
			Subtotal		<u>\$358,828</u>			
The Company	Nextronics Engineering Corp.	-	Financial asset measured at fair value through profit or loss—current	3,009,000 shares	\$180,841	9.29%	\$180,841	-
The Company	Nextronics Engineering Corp. Private placement unsecured conversion bonds	-	Financial asset measured at fair value through profit or loss—current	600,000 shares	56,976	-	56,976	-
The Company	Damon Motors Inc conversion bonds	-	Financial asset measured at fair value through profit or loss—current	-	15,354	-	15,354	-
The Company	Trutankless, Inc.	-	Financial asset measured at fair value through profit or loss—current	25,000 shares	-	0.26%	-	-
Kwan-Ze	Nextronics Engineering Corp.	-	Financial asset measured at fair value through profit or loss—current	28,000 shares	1,683	0.09%	1,683	-
			Total		<u>\$254,854</u>			

Note 1: Not required if the issuer of securities is not a related party.

Attachment 4: Related party transactions for purchases and sales exceeding the lower of NT\$100 million or 20 percent of the capital stock as of 31 December 2022.

Related-party	Counter-party	Relationship	Intercompany Transactions				Details of non-arm's length transaction		Notes and accounts receivable (payable)		Note
			Purchases (Sales)	Amount	Percentage of total consolidated purchase (Sales)	Terms	Unit price	Terms	Carrying amount	Percentage of total consolidated receivables (payable)	
The Company	JYSB	Subsidiary	Purchase	\$2,858,714	43.55%	Trading condition is the same as other supplier	N/A	N/A	\$(559,157)	-42.05%	
HKSB	JYSB	Associates	Purchase	\$3,469,850	54.44%	Trading condition is the same as other supplier	N/A	N/A	\$401,132	-33.77%	
SB TongAn	JSEM	Associates	Purchase	\$109,610	7.65%	Trading condition is the same as other supplier	N/A	N/A	\$(30,565)	-5.96%	
JYSB	SINBON USA	Associates	Purchase	\$346,509	3.77%	Trading condition is the same as other supplier	N/A	N/A	\$(38,800)	-1.46%	
JYSB	T-CONN Zhongshan	Associates	Purchase	\$128,891	1.40%	Trading condition is the same as other supplier	N/A	N/A	\$(61,514)	-2.31%	
JSEM	XZEM	Associates	Purchase	\$104,027	7.34%	Trading condition is the same as other supplier	N/A	N/A	\$(9,487)	-0.89%	
T-CONN	T-CONN Zhongshan	Associates	Purchase	\$444,120	35.00%	Trading condition is the same as other supplier	N/A	N/A	\$(112,324)	-42.00%	

Attachment 5: Receivables from related parties with accounts exceeding the lower of NT\$100 million or 20 percent of the capital stock as of 31 December 2022.

Related-party	Counter-party	Relationship	Amount	Average collection turnover	Overdue account receivable-related parties		Collection in subsequent period	Allowance for doubtful debts
					Amount	Processing method		
JYSB	The Company	The Company	\$559,157	11.63	\$ -	-	\$116,101	\$ -
JYSB	HKSB	Associates	\$401,132	24.27	\$ -	-	\$129,089	\$ -
The Company	T-CONN	Associates	\$402,720	1.79	\$ -	-	\$20,927	\$ -

Attachment 6: The business relationship, significant transactions and amounts between parent company and subsidiaries

No. (Note 1)	Related-party	Counterparty	Relationship with the Company (Note 2)	Transactions			
				Account	Amount	Terms	Percentage of consolidated operating revenues or consolidated total assets(Note3)
0	The Company	JYSB	1	Purchase	\$2,858,714	(Note 4)	9.35%
1	JYSB	The Company	2	Sales	\$2,858,714	(Note 4)	9.35%
3	HKSB	JYSB	3	Purchase	\$3,469,850	(Note 4)	11.35%
1	JYSB	HKSB	3	Sales	\$3,469,850	(Note 4)	11.35%
4	SB TongAn	JSEM	3	Purchase	\$109,610	(Note 4)	0.36%
5	JSEM	SB TongAn	3	Sales	\$109,610	(Note 4)	0.36%
1	JYSB	SINBON USA	3	Purchase	\$346,509	(Note 4)	1.13%
2	SINBON USA	JYSB	3	Sales	\$346,509	(Note 4)	1.13%
1	JYSB	T-CONN Zhongshan	3	Purchase	\$128,891	(Note 4)	0.42%
6	T-CONN Zhongshan	JYSB	3	Sales	\$128,891	(Note 4)	0.42%
5	JSEM	XZEM	3	Purchase	\$104,027	(Note 4)	0.34%
7	XZEM	JSEM	3	Sales	\$104,027	(Note 4)	0.34%
8	T-CONN	T-CONN Zhongshan	3	Purchase	\$444,120	(Note 4)	34.00%
6	T-CONN Zhongshan	T-CONN	3	Sales	\$444,120	(Note 4)	34.00%

Note 1 : The Company is coded "0".The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2 : Transactions are categorized as follows:

1. The holding company to subsidiary.
2. Subsidiary to holding company.
3. Subsidiary to subsidiary.

Note 3 : The percentage with respect to the consolidated asset/liability for transactions of balance sheet items are based on each item's balance at period-end.

For profit or loss items, interim cumulative balances are used as basis.

Note 4 : The sales price to the above related parties was determined through mutual agreement based on the market conditions.

Attachment 7: Names, locations, main businesses and products, original investment amount, investment as of 31 December 2022 net income (loss) of investee company and investment income (loss) recognized for the year ended 31 December 2022: (Excluding investment in Mainland China)

Investor	Investee company (Note1)	Address	Main businesses and products	Initial Investment		Investment as of 31 December 2022			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership (%)	Book value			(Note 1)
The Company	HKSB	Hong Kong	Manufacturing and selling a wide variety of connectors, wires and cables.	HKD95,606,000	HKD95,606,000	-	100.00%	\$1,408,743	\$960,019	\$960,019	Subsidiary
				\$401,262	\$401,262						
The Company	Kwan-Ze	New Taipei City, Taiwan	Holding company	\$235,600	\$235,600	25,200,000 shares	100.00%	\$699,071	\$121,494	\$121,494	Subsidiary
The Company	SB VI	British Virgin Islands	Holding company	USD45,021,000	USD45,021,000	-	100.00%	\$5,864,583	\$1,085,556	\$1,085,556	Subsidiary
				\$1,461,158	\$1,461,158						
The Company	SINTOP	New Taipei City, Taiwan	Renewable energy investment management consulting business	\$6,804	\$6,804	680,400 shares	53.57%	\$9,242	\$4,291	\$2,298	Subsidiary
The Company	Argosy Technologies Co., Ltd.	Hsinchu City, Taiwan	Produce and sells a variety of electronic components, computers and peripheral equipment	\$51,768	\$51,768	3,174,598 shares	3.56%	\$145,064	\$610,670	\$21,598	Investee under the equity method
The Company	SINBON USA LLC	4265 Gibson Dr., Tipp City , OH 45371, USA	Logistic center.	USD8,979,000	USD5,679,000	-	100.00%	\$100,002	\$(40,724)	\$(40,724)	Subsidiary
				\$274,591	\$176,403						
The Company	SINBON Europe GmbH	Pfarrkirchen, Germany	Logistic center.	EUR5,209,000	EUR5,209,000	-	100.00%	\$4,753	\$1,351	\$1,351	Subsidiary
				\$185,241	\$185,241						
The Company	Radbon Avionics Inc.	Miaoli County, Taiwan	Manufacturing and selling signal cables and cabin wiring.	\$33,000	\$33,000	5,280,000 shares	55.00%	\$165,268	\$105,930	\$58,261	Subsidiary
The Company	T-CONN Precision	New Taipei City, Taiwan	Manufacturing and selling a wide variety of connectors, wires and cables.	\$157,360	\$157,360	20,107,286 shares	57.45%	\$437,831	\$121,343	\$74,102	Subsidiary
The Company	SB Hungary	Hungary	Selling,Producing and Processing a wide variety of connectors and cables.	EUR13,264,000	EUR12,264,000	-	100.00%	\$106,822	\$(66,085)	\$(66,085)	Subsidiary
				\$455,501	\$424,026						
T-CONN Precision	S P L	Mauritius	Logistic center.	\$3,039	\$3,039	100,000 shares	100.00%	\$ -	USD(145,000)	\$ -	Subsidiary
									\$(4,527)		
SB TongAn	TWEM	1F., No. 15, Ln. 588, Guohua Rd., Miaoli City, Miaoli County 36055, Taiwan (R.O.C.)	Produce and sells a wide variety of connectors and cables.	RMB10,405,000	RMB10,405,000	-	100.00%	RMB9,865,000	RMB1,009,000	\$ -	Subsidiary
				\$45,000	\$45,000			\$43,581	\$4,466		
SINBON USA L.L.C	SB Ohio	815 South Brown School Road Vandalia, OH 45377, USA	Selling a wide variety of connectors and cables.	USD5,654,000	USD2,704,000	-	100.00%	USD2,809,000	USD(850,000)	\$ -	Subsidiary
								\$86,280	\$(25,341)		
SINBON USA L.L.C	Worldwide Wire Harnesses Co., Ltd.	Samoa	Logistic center.	USD75,000	USD75,000	-	50.00%	USD145,000	USD53,000	\$ -	Subsidiary
								\$4,477	\$1,584		

Attachment 7: Names, locations, main businesses and products, original investment amount, investment as of 31 December 2022 net income (loss) of investee company and investment income (loss) recognized for the year ended 31 December 2022: (Excluding investment in Mainland China)

Investor	Investee company (Note1)	Address	Main businesses and products	Initial Investment		Investment as of 31 December 2022			Net income (loss) of investee company	Investment income (loss) recognized	Note
				Ending balance	Beginning balance	Number of shares	Percentage of ownership (%)	Book value			(Note 1)
Kwan-Ze	Argocy Research Inc.	Hsinchu City, Taiwan	Produce and sells a variety of electronic components, computers and peripheral equipment	\$197,969	\$197,969	14,771,152 shares	16.55%	\$633,251	\$610,670	\$ -	Investee under the equity method
Worldwide Wire Harnesses Co., Ltd.	STT	U.S.A Tennessee	Logistic center.	USD140,000	USD140,000	-	100.00%	USD41,000	USD53,000	\$ -	Subsidiary
				\$4,542	\$4,542			\$1,275	\$1,584		
Argocy Research Inc.	Argosy Technology Inc.(USA)	U.S.A	Sell Multimedia related products, ODM and OED	\$30,347	\$30,347	-	100.00%	\$ -	\$ -	\$ -	Investee under the equity method
Argocy Research Inc.	Argosy International B.V.	The Netherlands	Leasing operations and sell ODM and OED	\$22,314	\$22,314	-	100.00%	\$15,518	\$203	\$ -	Investee under the equity method
Argocy Research Inc.	Global Saber Electronics Co., Ltd.	Mauritius	Selling a wide variety of connectors and cables.	\$ -	\$ -	-	100.00%	\$68,895	\$(6,710)	\$ -	Investee under the equity method
Argocy Research Inc.	ROTEC LIMITED	British Virgin Islands	Holding company	\$543,588	\$543,588	-	88.04%	\$836,738	\$8,275	\$ -	Investee under the equity method
Global Saber Electronics Co., Ltd	ROTEC LIMITED	British Virgin Islands	Holding company	\$72,918	\$72,918	-	11.96%	\$113,669	\$8,275	\$ -	Investee under the equity method

- Note
- 1: (1) "Investee company", "Address", "Main businesses and products", "Initial Investment" and "Investment as of 31 December 2022" shall be filled in appropriate fields according to the Company's reinvestment and the re-investment of the subsidiaries the Company directly or indirectly controls and indicate the relationship in the Notes.
- (2) "Net income (loss) of investee company" shall be filled in net income (loss) of investee for the year ended 31 December 2022.
- (3) "Investment income (loss) recognized" requires only the investment income (loss) from the direct investees of the the Company and the investment income (loss) from investees valued under the equity method, and ensure that when recognizing the subsidiary's investment income (loss), the subsidiaries' re-investment income (loss) is included.

Attachment 8: Investment in Mainland China

Investee company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of 1 January 2022	Investment Flows		Accumulated Outflow of Investment from Taiwan as of 31 December 2022	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized	Carrying Value as of 31 December 2022	Accumulated Inward Remittance of Earnings as of 31 December 2022
					Outflow	Inflow						
BJSB	Manufacturing and selling a wide variety of connectors, wires and cables.	RMB 12,830,000	Directly investment in Mainland China.	USD 1,020,000 \$30,719	\$ -	\$ -	USD 1,020,000 \$30,719	RMB1,562,000 \$6,913	85.53%	RMB1,336,000 \$5,913 Note 1	RMB31,666,000 \$139,884	USD11,030,000 \$351,623
JYSB	Manufacturing and selling a wide variety of connectors, wires and cables.	USD 37,780,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 22,050,000 \$705,108	\$ -	\$ -	USD 22,050,000 \$705,108	USD33,024,000 \$984,336	100%	USD33,024,000 \$984,336 Note 1	USD150,712,000 \$4,628,068	USD39,976,000 \$1,200,889
SHSB	Selling a wide variety of connectors, wires and cables.	USD 3,280,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 1,700,000 \$55,358	\$ -	\$ -	USD 1,700,000 \$55,358	USD756,000 \$22,531	100%	USD756,000 \$22,531 Note 1	USD7,296,000 \$227,114	USD2,887,000 \$87,821
SZSB	Selling a wide variety of connectors, wires and cables.	USD 2,810,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 2,750,000 \$83,385	\$ -	\$ -	USD 2,750,000 \$83,385	USD861,000 \$25,677	100%	USD861,000 \$25,677 Note 1	USD8,954,000 \$274,948	RMB38,400,000 \$157,642
TCSB	Selling a wide variety of connectors, wires and cables.	USD17,000,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 8,000,000 \$248,003	\$ -	\$ -	USD 8,000,000 \$248,003	USD6,481,000 \$193,182	100%	USD6,481,000 \$193,182 Note 1	USD29,547,000 \$907,329	USD196,000 \$5,890
China Digital Library Corp.Ltd.	Technology development of computer software, transfer of technology, advisory service	RMB 88,600,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 750,000	\$ -	\$ -	USD 750,000	\$ -	4.85%	\$ -	\$ -	\$ -
Argosy (Beijing) Technologies Co., Ltd.	Selling a wide variety of connectors, wires and cables.	RMB 5,000,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 76,000	\$ -	\$ -	USD 76,000	\$ -	12.00%	\$ -	\$ -	\$ -
Wu Xi S&D	Manufacturing and selling new flat panel displays.	USD 4,000,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 1,900,000 \$61,823	\$ -	\$ -	USD 1,900,000 \$61,823	\$ -	-	\$ -	\$ -	\$ -
Ning Bo Smart and Diligent Co., Ltd.	Manufacturing and selling a new Flat Panel Display.	USD 2,000,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 1,140,000 \$37,025	\$ -	\$ -	USD 1,140,000 \$37,025	\$ -	-	\$ -	\$ -	\$ -

Attachment 8: Investment in Mainland China

Investee company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of 1 January 2022	Investment Flows		Accumulated Outflow of Investment from Taiwan as of 31 December 2022	Net income (loss) of investee company	Percentage of Ownership	Investment income (loss) recognized	Carrying Value as of 31 December 2022	Accumulated Inward Remittance of Earnings as of 31 December 2022
					Outflow	Inflow						
JY Sinact	Manufacturing and selling a wide variety of electronic materials.	USD 9,500,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 5,266,000 \$164,599	\$ -	\$ -	USD 5,266,000 \$164,599	\$ -	-	\$ -	\$ -	\$ -
Shang Hai Comtek Electronics Trading Co., Ltd.	Selling a wide variety of electronic materials.	USD 160,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 104,000 \$3,302	\$ -	\$ -	USD 104,000 \$3,302	\$ -	-	\$ -	\$ -	\$ -
Dong Guan CMK	Manufacturing and selling a wide variety of connectors, wires and cables.	USD 1,000,000	Indirectly investment in Mainland China through companies registered in a third region.	USD 645,000 \$20,768	\$ -	\$ -	USD 645,000 \$20,768	\$ -	-	\$ -	\$ -	\$ -
T-CONN Zhongshan	Manufacturing and selling a wide variety of connectors, wires and cables.	USD 9,300,000	Directly investment in Mainland China.	USD 3,686,000 \$117,529	\$ -	\$ -	USD 3,686,000 \$117,529	\$75,291	57.45%	\$43,255 Note 2	\$352,251	\$ -
BJSB TongAn	Manufacturing and selling a wide variety of connectors, wires and cables.	RMB152,000,000	Directly investment in Mainland China.	USD 3,000,000 \$89,134	\$ -	\$ -	USD 3,000,000 \$89,134	\$304,915	85.53%	\$263,550 Note 1	\$2,162,814	\$1,264,302

Accumulated Investment in Mainland China as of 31 December 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
USD 52,087,000	USD 53,420,000	N/A(Note3)

Note 1: Based on the financial statements certificated by the public accountant of the parent company in Taiwan.

Note 2: The financial statements were audited by other independent accountants.

Note 3: According to Order No. Jing-Shen-Zi-09704604680 issued by Ministry of Economic Affairs, R.O.C., the Company's investment in Mainland China is not limited to 60% of net worth or consolidated net worth specified by the Investment Commission.

VI. Any insolvency to the Company and its subsidiaries in the previous period to the date this report was printed, and the influence on the financial position of the Company: None.

Chapter VII. Review and analysis of financial position and performance, and risks

- I. Financial position: the principal cause and the influence of significant change in assets, liability and shareholder equity in the last 2 years, and the plan in response to the changes in the future:

Unit: NT\$1,000

Item \ Year	2021	2022	Variation	
			Amount	%
Current assets	22,056,872	27,654,708	5,597,836	25.38
Fixed assets	2,828,071	3,042,740	214,669	7.59
Other assets	441,705	545,214	103,509	23.43
Total assets	27,148,720	32,977,383	5,828,663	21.47
Current liabilities	14,376,646	17,785,324	3,408,678	23.71
Long-term liabilities	1,005,334	967,672	(37,662)	(3.75)
Total liabilities	16,013,340	19,504,319	3,490,979	21.8
Capital stock	2,342,060	2,385,041	42,981	1.84
Additional paid-in capital	2,190,472	3,067,205	876,733	40.02
Retained earnings	6,207,190	7,451,950	1,244,760	20.05
Total shareholders equity	11,135,380	13,473,064	2,337,684	20.99
Note : I. The increase of current assets was caused by the increase of account receivable and inventory. II. The increase of other assets was caused by the increase of prepayment for equipment purchase. III. The increase of current liabilities was caused by the increase of unearned sales revenue.				

- II. Financial performance: The principal cause to the revenue, operating income, and earnings before taxation in the last 2 years, the quantity of projected sale and the reference, and the plan in response to the changes in the future:

Unit: NT\$1,000

	2021		2022		Amount change	Ratio of change %
	Subtotal	Total	Subtotal	Total		
Total revenue		25,611,396		30,714,230	5,102,834	19.92
Less: sales return and discount	(80,690)	(80,690)	(139,430)	(139,430)	(58,740)	72.80
Sales revenue		25,530,706		30,574,800	5,044,094	19.76
Other sales revenue		-		-		
Net sales		25,530,706		30,574,800	5,044,094	19.76
Operating costs		(19,121,511)		(22,843,276)	(3,721,765)	19.46
Gross profit		6,409,195		7,731,524	1,322,329	20.63
Less: unrealized gross profit at the end of the period						
Add: realized gross profit at the beginning of the period						

	2021		2022		Amount change	Ratio of change %
	Subtotal	Total	Subtotal	Total		
Net gross margin		6,409,195		7,731,524	1,322,329	20.63
Operating expense		(3,621,336)		(4,405,075)	(783,739)	21.64
Operating income		2,787,859		3,326,449	538,590	19.32
Non-operating incomes and expenses		240,841		516,016	275,175	114.26
EBT of continued operations		3,028,700		3,842,465	813,765	26.87
Income tax expense		(540,871)		(819,435)	(278,564)	51.50
Net income of continued operations		<u>2,487,829</u>		<u>3,023,030</u>	<u>535,201</u>	<u>21.51</u>
Note to analysis of the ratios of the changes: The increase of non-operating income and expenses was caused by the increase of exchange gain under the exchange rate in USD.						

III. Cash flows:

(I) Liquidity analysis of the last 2 years:

Item \ Year	2021	2022	Ratio of change
Cash flow ratio	9.35%	13.98%	4.63%
Cash flow adequacy ratio	30.72%	35.76%	5.04%
Cash reinvestment ratio	-0.82%	4.95%	5.77%
I. Note: The change in cash flow adequacy ratio was caused by the increase of net cash flow from operation.			

(II) Liquidity analysis in the year ahead:

Unit: NT\$1,000

Cash balance at the beginning of the period (1)	Projected net cash flow from operation in the period (2)	Projected cash outflow in the period (3)	Projected amount of cash surplus (deficit) (1)+(2)-(3)	Remedy for projected cash deficit	
				Investment plan	Wealth management plan
5,108,757	3,369,387	2,578,109	5,900,035	-	-

IV. The influence of significant capital spending in the previous year on the financial position of the Company:

(I) The utilization of significant capital spending and the source of capital: None.

(II) Expected result: None.

V. The direct investment policy of the previous period, the principal cause of profit or loss, corrective action plan, and the investment plan in the year ahead:

Unit: NT\$1,000

Item \ Description	Capital investment to December 31 2022	Policy	Principal cause of profit or loss	Corrective action plan	Other investment plans in the future
Hong Kong SINBON Electronics Co., Ltd.	401,262	Cargo and capital center of Mainland China, and international trade	The operation of this company yields result.	—	—
SINBON International Enterprise Co., Ltd.	1,461,158	Consideration of the framework of direct investment of the group and international trade.	The operation of the subsidiary of this company yields result.	—	—
Kwan Ze Corporation Ltd.	235,600	Specialized in investment in Taiwan	The operation of the subsidiary of this company yields result.	—	—
Beijing SINBON TongAn Renewable Energy Co., Ltd.	89,134	Development and service to the customers in north China	The operation of this company yields result.	-	—
SINBON USA LLC.	274,591	Development of new accounts in the USA	This company is at the stage of development in operation	Continue to development new accounts in the USA	—
Radbon Avionics Inc.	33,000	Development of aviation products	The operation of this company yields result.	-	—
SINBON Europe GmbH	185,241	Development of new accounts in Europe	This company is at the stage of development in operation	Continue to develop business in Europe	—
T-CONN Precision Corporation	157,360	Production and trading of connectors	The operation of this company yields result.	-	—
SINBON Hungary Kft	455,501	Development of new accounts in Europe	This company is at the stage of development in operation	Continue to develop business in Europe	—
SINTOP Energy Management Co., Ltd.	6,804	Regenerated resources investment and management consulting service.	The operation of this company yields result.	-	—

VI. Risks:

- (I) The influence of interest rate and exchange rate fluctuation, and inflation on the income of the Company in the previous period, and the policy in response to the influence in the future:

1. The influence of the changes in interest rate in the previous period on the income of Company and the policy in response to the changes in the future:

The Company will continue to observe any change in the market and avoid any

possible risks at the right moment so as to reduce the risk possibly caused by interest rate change.

2. The influence of the changes in exchange rate on the income of the Company in the previous period and the policy in response to the changes in the future:

The Company recognized net exchange gain amounting to NT\$261,435 thousand in 2022, and has proceeded to hedge off the exchange risk to avoid negative effect on the income due to exchange rate fluctuation.

3. The influence of inflation on the income of the Company in the previous period and the policy in response to inflation in the future:

No unfavorable effect.

- (II) The policy of engagement in high risk and high leveraged investment, loaning of funds to third parties, endorsement and guarantee, and derivative trade, the principal cause of profit or loss, and the policy in response in the future:

1. The Company did not engage in high risk and high leveraged investment in 2022.

2. The Company undertook endorsement and guarantee in 2022 mainly for the surety of the subsidiaries in borrowing from banks and proceeded in accordance with the "Regulations Governing Endorsement and Guarantee". The upper limit of endorsement and guarantee by the Company is NT\$12,633,499 thousand. As of the 2022.12.31, the balance of endorsement and guarantee undertaken by the Company amounted to NT\$3,405,653 thousand.

- (III) The R&D Plan in the future and the projected investment in R&D:

The R&D spending of the Company and group in 2022 amounted to NT\$950,978 thousand, which was an increase of 12% from the same period of the previous year. This involved the proactive development of electronic parts and components for IoT, warehouse automation equipment, smart cars, green industries, robotic application, and smart home, and the continued improvement of factory equipment efficiency. It is expected that the group will invest at least NT\$300 million or 3% of its revenue in R&D every year in the future.

- (IV) The influence of the changes in important policies and the regulatory environment at home and overseas on the financial position and operation of the Company, and the policy in response to the changes: None.

- (V) The influence of technological changes (including the risk of information security) and industrial changes on the financial position and operation of the Company, and the policy in response to the changes:

The Company responds to the rapid changes in technology and industry with a professional R&D team that can develop products to the needs of the customers for strengthening our competitive power.

- (VI) The influence of the change in corporate image on crisis management, and the policy in response to the change:

The Company listed its stock at TWSE on August 26 2002 for trading. This could help to improve the corporate image. In the wake of the internationalization of its scale of operation, the increasing sophistication of impact and challenges of the changes in the global economic environment, the Company identifies the risks that may affect the sustainability from the routine operation, and map out related management strategy and action plans to reduce the possible risk of interruption in operation. SINBON Electronics is a stakeholder to the customers, shareholders, employees, and the community, and will continue its effort in creating value for economic, environmental and social sustainability. In the course of pursuing its goal, SINBON Electronics seeks to identify, control the risks deserving the attention of enterprises in corporate management with a viable risk management organizational structure and through stepwise pursuit, and minimize possible risk through risk transfer, dissipation and aversion, and turn the risk into opportunity in operation.

- (VII) The expected result, possible risks from mergers & acquisitions, and the policy in response to the situation: Not applicable.

- (VIII) The expected result and possible risk from capacity expansion, and the policy in response to the situation:

The capacity expansion of Miaoli Plant of the Company is expected to bring in higher revenue in Taiwan, mitigate the influence of the burden of tariff deriving from China-US trade, and create more local jobs. The possible risks will be the amount of revenue and profit falling below the expected level in which case idle capacity and declined capacity utilization will be resulted. Accordingly, the cost of product will rise. Under such circumstance, the group may switch orders or develop other business as relief.

- (IX) The risks deriving for concentration of purchase or sale, and the policy in response to the situation: Not applicable.

- (X) The influence and risk of massive transfer or swap of equity shares by Directors, Supervisors, or the Shareholders holding more than 10% of company shares, and the policy in response to the situation: None.

- (XI) The influence and risk of the change in the ownership of the Company, and the policy in response to the change: Not applicable.

(XII) In litigation or non-contentious cases, specify major cases of litigation, voluntary jurisdiction or administrative appeal involving the Company, the Directors, Supervisors, General Manager, the actual person in charge, shareholders holding more than 10% of the company shares, with ruling or in proceeding, and the result of which may cause significant influence on shareholders equity or stock price. Disclose the facts of the contentions, the targeted amount, the date of the commencement of the proceedings, major litigants, and the status of the proceedings to the date this report was printed: Not applicable.

(XIII) Other risks and policies in response to the risks:

Information security risk assessment and analysis and the policy in response to the risk:

For additional information, refer to page 129, on information security management.

Additional information: None.

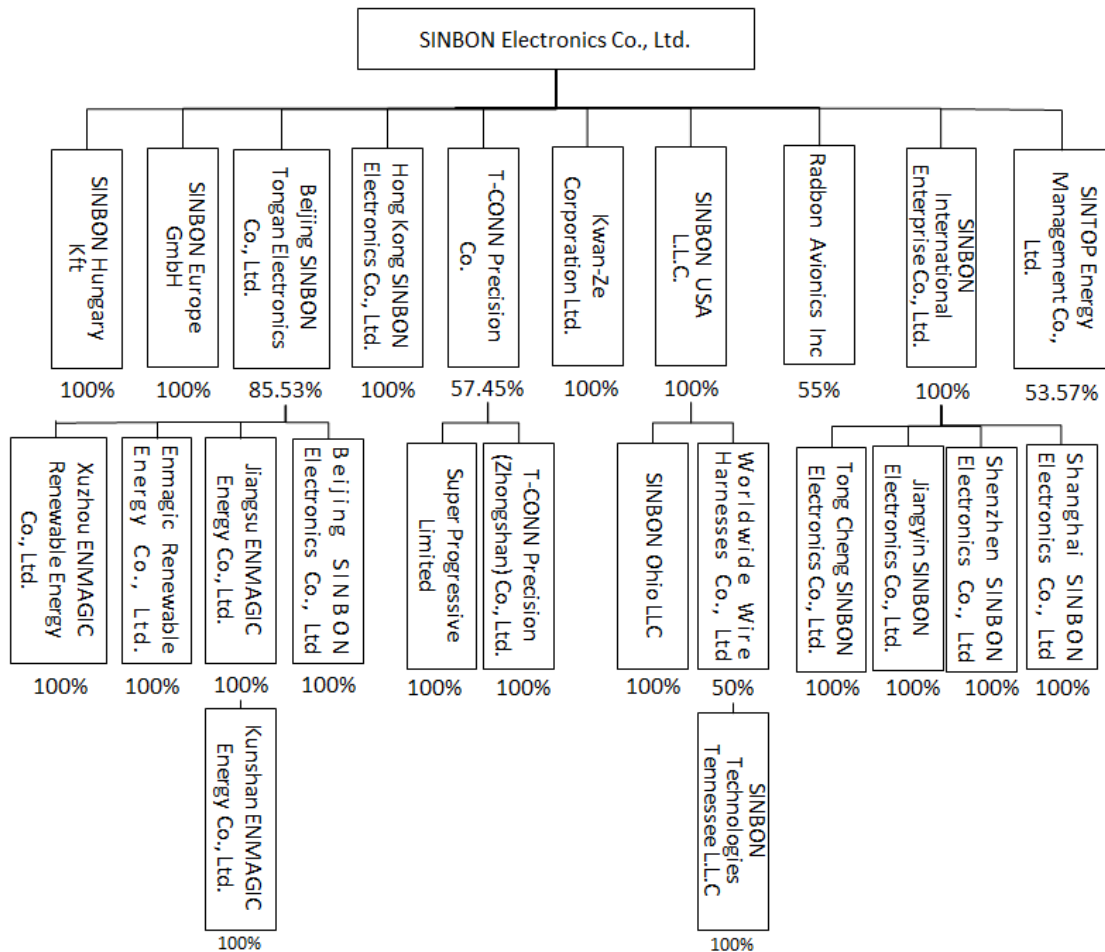
Chapter VIII. Additional information:

I. Profiles of the affiliates:

(I) Consolidated Business Report on Affiliates

1. Organizational chart of affiliates:

December 31 2022



Profiles of the affiliates

Name of Enterprise	Date of establishment	Paid-in capital	Address	Principal business or products
Beijing SINBON Electronics Co., Ltd.	1993.12.20	USD1.904 million	No. 26, Lain Dong U Gu, No. 15, Jingshengnansi Street, Maquqiao, Tongzhou District, Beijing	Production and sale of various types of connectors
Hong Kong SINBON Electronics Co., Ltd.	1995.6.20	HK\$95.61 million	Room 1805, No. 50, Lemmi Centre, Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong	Production and sale of various types of connectors and electronic parts and components
Shanghai SINBON Electronics Co., Ltd.	1996.3.21	USD3.28 million	3rd Floor, Tower 60, No. 461, Hongcao Road, Shanghai	Production and sale of various types of connectors and electronic parts and components
SINBON International Enterprise Co., Ltd.	2000.10.24	USD53.28 million	P.O. Box 3340, ROAD TOWN, TORTOLA, BRITISH VIRGIN ISLAND	General investment
Jiangyin SINBON Electronics Co., Ltd.	2000.12.20	USD37.78 million	No. 288, Chengjiangzhong Road, Jiangyin City, Suzhou Province.	Production and sale of connection cords, electronic components, electrical and electronic components, and computer peripherals, and the research, development, production and sale of GPS module.
Shenzhen SINBON Electronics Co., Ltd.	2001.5.9	USD2.8 million	518040 1605-1608, Xisongde Garden Office Building, Xiameiliner Street, Futian District, Shenzhen	Production and sale of various types of connectors and electronic parts and components
Kwan-Ze Corporation Ltd.	2003.01.22	NT\$252 million	4F.-1, No. 79, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City	Trading of electronic materials and general investment
Tong Cheng SINBON Electronics Co., Ltd.	2007.07.13	USD17 million	No. 168, Xinlong Road, Tongcheng Economic Development Zone	Production and sale of various types of electronic connectors and connection cords

Name of Enterprise	Date of establishment	Paid-in capital	Address	Principal business or products
Beijing SINBON TongAn Renewable Energy Co., Ltd.	2012.02.16	CNY152 million	No. 26, Lain Dong U Gu, No. 15, Jingshengnansi Street, Maquqiao, Tongzhou District, Beijing	Production and sale of various types of electronic connectors and connection cords
Worldwide Wire Harnesses Co., Ltd.	2007.04.24	USD0.15 million	Samoa	Overseas sale center
SINBON Technologies Tennessee Co., LLC.	2007.08.16	USD0.15 million	211 Industrial Park Drive Cumberland City, TN 37050	Overseas sale center
SINBON USA LLC.	2014.05.29	USD8.978 million	4265 Gibson Dr., Tipp City , Ohio 45371	Overseas sale center
SINBON Ohio LLC.	1993.12.30	USD5.187 million	815 South Brown School Road Vandalia, OH 45377, USA	Sale of various types of electronic connectors and connection cords
Radbon Avionics Inc.	2015.12.28	NT\$140 million	No. 582, Kuohua Rd., Miaoli City, Miaoli County	Production and sale of various types of connectors
T-CONN Precision Co., Ltd.	2002.1.18	NT\$367.5 million	4F.-3, No. 79, Sec. 3, Xintai 5th Rd., Xizhi Dist., New Taipei City	Sale of connectors and other electronic parts and components
T-CONN Precision (Zhongshan) Co., Ltd.	2001.12.21	CNY69.2 million	No. 46, Zhongshan Huoju Frontier Technology Development Zone, Zhongshan City, Guangdong Province, China	Sale and production of connectors and other electronic parts and components
Super Progressive Limited	2003.01.30	USD0.1 million	2nd Floor, Felix House, 24 Dr. Joseph Riviere Street, Port Louis, Republic of Mauritius	Offshore trade center
SINBON Europe GmbH	2015.9	EUR 5.21 million	Passauer Str. 99 84347 Pfarrkirchen	General investment
SINBON Hungary Kft	1996.12.16	HUF 22 million	Tatabánya, Tarjáni út 1, 2800	Trading and processing of electronic connectors, and wire harness
Jiangsu ENMAGIC Energy Co., Ltd.	2017.07.21	CNY30 million	No. 6, Dongshengxi Road, Chengdong Sub-District, Jiangyin Frontier Technology and Industrial Development Zone, Jiangyin, Wuxi City	Trading of electronic connectors and wire harness

Name of Enterprise	Date of establishment	Paid-in capital	Address	Principal business or products
Kunshan ENMAGIC Energy Co., Ltd.	2018.09.30	CNY3 million	No. 150, Bowei Road, Zhangpu Town, Kunshan City	Dispersed PV power generation: PV power station project design, construction, operation, and maintenance; consulting service of PV power station related know-how
Enmagic Renewable Energy Co., Ltd.	2020.02.26	NT\$45 million	1F., No. 15, Ln. 588, Guohua Rd., Miaoli City, Miaoli County	Production and sale of various types of electronic connectors and connection cord
Xuzhou ENMAGIC Energy Co., Ltd.	2021.03.23	CNY10 million	South side of Beixinxin Road, North of Yangshan Road at East side of Gaoxin Road, Xuzhou Economic and Technology Development Zone.	Development of new energy technology
SINTOP Energy Management Co., Ltd.	2021.04.28	NT\$12.7 million	4F.-1, No. 79, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City	Regenerated resources investment and management consulting service

2. Information on presumed control and in dominant-subordination relation: none.

3. Directors, Supervisors and General Manager of affiliate

Name of Enterprise	Occupation title	Name or representative	Shares in holding	
			Quantity of shares	Proportion of shareholding
Beijing SINBON Electronics Co., Ltd.	Chairman Directors Supervisors	Shao-Hsin, Wang Chun-Chiang, Wang; Wei-Ming, Liang Chi-Chou, Chang	-	85.53%
Hong Kong SINBON Electronics Co., Ltd.	Directors	Shao-Hsin, Wang; Wei-Ming, Liang; Wen-Sen, Huang; Chi-Chou, Chang	-	100.00%
Shanghai SINBON Electronics Co., Ltd.	Chairman Directors Supervisors	Shao-Hsin, Wang Wei-Ming, Liang; Hsiu-Sui, Lin Chi-Chou, Chang	-	100.00%

Name of Enterprise	Occupation title	Name or representative	Shares in holding	
			Quantity of shares	Proportion of shareholding
SINBON International Enterprise Co., Ltd.	Chairman	Shao-Hsin, Wang	-	100.00%
Jiangyin SINBON Electronics Co., Ltd.	Chairman Directors Supervisors	Shao-Hsin, Wang Wei-Ming, Liang; Chi-Chou, Chang; Yen-Hua, Wang; Hsing-Chun, Wu Wen-Sen, Huang	-	100.00%
Shenzhen SINBON Electronics Co., Ltd.	Chairman Directors Supervisors	Shao-Hsin, Wang Wei-Ming, Liang; Hsiu-Sui, Lin Chi-Chou, Chang	-	100.00%
Kwan-Ze Corporation Ltd.	Chairman Directors Supervisors	Shao-Hsin, Wang Hsin-Chih, Yeh; Chi-Chou, Chang Chun-Chiang, Wang (The above persons are representatives of SINBON Electronics Co., Ltd.)	25,200,000 shares	100.00%
Tong Cheng SINBON Electronics Co., Ltd.	Chairman Directors Supervisors	Wei-Ming, Liang Chi-Chou, Chang; Kuo-Tsai, Sung Wen-Sen, Huang	-	100.00%
Beijing SINBON TongAn Renewable Energy Co., Ltd.	Chairman Directors Supervisors	Shao-Hsin, Wang Chun-Chiang, Wang; Wei-Ming, Liang; Hsiao-Hung, Chiang; Mei, Tung Chi-Chou, Chang; Pao-Lin, Ma; Yung, Tsui	130,000,000 shares	85.53%
Worldwide Wire Harnesses Co., Ltd.	Directors Directors Directors	Wei-Ming, Liang Tzu-Wei, Lin LESLIE ROY WELCH	-	50.00%
SINBON Technologies Tennessee Co., LLC.	Directors Directors Directors	Wei-Ming, Liang Tzu-Wei, Lin LESLIE ROY WELCH	-	50.00%
SINBON USA LLC	Chairman	John Chrupcala	-	100.00%
SINBON Ohio LLC	Chairman	John Chrupcala (representatives of SINBON Electronics Co., Ltd.)	-	100.00%

Name of Enterprise	Occupation title	Name or representative	Shares in holding	
			Quantity of shares	Proportion of shareholding
Radbon Avionics Inc.	Chairman Directors Supervisors	Chi-Chung, Chen Kuo-Hung, Wang; Te-Cheng, Chiu, (the above persons are representatives of SINBON Electronics Co., Ltd.) Hsiu-Chen, Hsu; Chien-Heng, Liu (Representatives of NCSIST) Shu-Hui, Chen; Min-Cheng, Lin	7,700,000 shares	55.00%
T-CONN Precision Co., Ltd.	Chairman Directors Directors Independent Director	Hsin-Chih, Yeh Shao-Hsin, Wang (The above 2 persons are the representatives of SINBON Electronics Co., Ltd.) Kao-Ling, Chiu (representative of Wistron) Te-Cheng, Chiu Feng-Chih, Huang; Hung-Wen, Lin; Yung-Sheng, Chang	21,112,650 shares	57.45%
T-CONN Precision (Zhongshan) Co., Ltd.	Chairman Directors Directors Supervisors	Hsin-Chih, Yeh Shao-Hsin, Wang Shih-Chieh, Chen Chi-Chou, Chang	-	57.45%
Super Progressive Limited	Chairman	Hsin-Chih, Yeh	-	57.45%
SINBON Europe GmbH	Chairman	Wen-Sen, Huang	-	100%
SINBON Hungary Kft	Chairman	Barrie Ryan	-	100%
Jiangsu ENMAGIC Energy Co., Ltd.	Chairman Directors Supervisors	Wei-Ming, Liang Chi-Chou, Chang; Chun-Chiang, Wang Yeh, Liu	-	85.53%
Kunshan ENMAGIC Energy Co., Ltd.	Directors Supervisors	Chun-Chiang, Wang Chi-Chou, Chang	-	85.53%
Enmagic Renewable Energy Co., Ltd.	Chairman Directors Supervisors	Shao-Hsin, Wang Wei-Ming, Liang; Chun-Chiang, Wang (The above persons are representatives of Beijing SINBON TongAn Renewable Energy Co., Ltd.) Chi-Chou, Chang	4,500,000 shares	85.53%
Xuzhou ENMAGIC Energy Co., Ltd.	Chairman Directors Supervisors	Chun-Chiang, Wang Ching, Chin; Yung, Tsui Yang-Yi, Lin	-	85.53%

Name of Enterprise	Occupation title	Name or representative	Shares in holding	
			Quantity of shares	Proportion of shareholding
SINTOP Energy Management Co., Ltd.	Chairman	Wei-Ming, Liang Yi-Hsien, Lin (The above 2 persons are the representatives of SINBON Electronics Co., Ltd.) Ching-Fu, Chang (representative of TOP Taiwan Investment Co, Ltd.)	680,400 shares	53.57%
	Directors			
	Supervisors	Chi-Chou, Chang; Chien-Jung, Chen		

4. Operation of the affiliates (2022):

Name of Enterprise	Stated capital	Total assets	Total liabilities	Net worth	Revenue	Operating income	Income in current period (after taxation)	Earnings per share (after taxation)
Beijing SINBON Electronics Co., Ltd. (Unit: CNY)	12,828,851.80	32,470,740.32	805,116.51	31,665,623.81	-	(1,536,324.37)	1,562,548.22	-
Hong Kong SINBON Electronics Co., Ltd. (Unit: HKD)	95,606,400	1,422,856,535	1,065,173,940	357,682,595	1,828,624,200	253,759,128	252,233,367	-
Shanghai SINBON Electronics Co., Ltd. (Unit: CNY)	25,401,762.00	104,011,612.03	52,389,383.95	51,622,228.08	145,000,916.42	9,365,050.32	5,092,475.48	-
SINBON International Enterprise Company Limited (Unit: USD)	53,281,715	196,663,866	-	196,663,866	-	-	41,123,247	-
Jiangyin SINBON Electronics Co., Ltd. (Unit: CNY)	286,025,460	1,923,677,521.54	863,502,861.43	1,060,174,660.11	3,083,393,177.35	252,609,689.31	230,453,101.08	-
Shenzhen SINBON Electronics Co., Ltd. (Unit: CNY)	17,924,154.88	92,898,854.02	30,658,470.62	62,240,383.40	108,340,497.87	9,112,799.71	5,803,514.92	-

Name of Enterprise	Stated capital	Total assets	Total liabilities	Net worth	Revenue	Operating income	Income in current period (after taxation)	Earnings per share (after taxation)
Kwan-Ze Corporation Ltd. (Unit: NTD)	252,000,000	700,256,193	1,184,788	699,071,405	-	(72,620)	131,869,313	-
Tong Cheng SINBON Electronics Co., Ltd. (Unit: CNY)	115,869,100	364,727,698.48	159,334,761.81	205,392,936.67	344,277,121.02	47,554,079.78	43,662,218.97	-
Beijing SINBON TongAn Renewable Energy Co., Ltd. (Unit: CNY)	152,000,000	719,122,601.38	146,624,811.43	572,497,789.95	447,164,757.44	25,820,165.85	68,915,874.82	-
SINBON USA LLC. (Unit: USD)	8,978,735	7,980,817	4,575,283	3,405,533	16,422,011	(1,101,146)	(1,329,096)	-
Radbon Avionics Inc. (Unit: NTD)	140,000,000	376,861,757	76,374,297	300,487,460	430,629,372	134,170,519	105,929,972	-
T-CONN Precision Co., Ltd. (Unit: NT\$1,000)	367,500	1,610,829	844,388	766,441	990,346	28,618	121,343	-
T-CONN Precision (Zhongshan) Co., Ltd. (Unit: CNY)	69,199,908	141,313,292	60,626,259	80,687,033	177,242,957	17,071,528	17,016,934	-
Super Progressive Limited (Unit: USD)	100,000	0	0	0	0	(146,323)	(145,438)	-
Worldwide Wire Harnesses Co., Ltd. (Unit: USD)	150,000	291,668	65	291,603	-	-	53,128	-
SINBON Technologies Tennessee Co., LLC. (Unit: USD)	139,980	1,221,724	1,180,202	41,523	928,509	(32,676)	53,128	-
SINBON Europe GmbH (Unit: EUR)	5,208,773	249,709	104,405	145,304	372,000	41,632	43,084	-

Name of Enterprise	Stated capital	Total assets	Total liabilities	Net worth	Revenue	Operating income	Income in current period (after taxation)	Earnings per share (after taxation)
SINBON Hungary Kft (Unit: HUF 1,000)	22,000	3,424,173	3,590,545	(166,372)	3,906,488	(-356,419)	(630,465)	-
Jiangsu ENMAGIC Energy Co., Ltd. (Unit: CNY)	30,000,000	445,698,898.85	338,675,018.65	107,023,880.20	389,235,103.40	41,442,546.71	29,476,328.23	-
Kunshan ENMAGIC Energy Co., Ltd. (Unit: CNY)	3,000,000	3,363,580	3,600	3,359,980	167,109	100,221	100,333	-
SINBON Ohio LLC (Unit: USD)	5,187,070	14,402,393	14,061,295	341,098	22,205,876	(597,419)	(850,197)	-
Enmagic Renewable Energy Co., Ltd. (Unit: NTD)	45,000,000	345,622,993	302,042,144	43,580,849	131,944,103	3,368,708	4,466,163	-
Xuzhou ENMAGIC Energy Co., Ltd. (Unit: CNY)	10,000,000	130,489,079.31	123,211,549.92	7,277,529.39	103,552,563.70	(2,008,377.15)	(2,179,612.22)	-
SINTOP Energy Management Co., Ltd. (Unit: NTD)	12,700,000	17,998,641	747,344	17,251,297	7,147,834	5,345,273	4,290,977	-

(II) Consolidated Financial Statements

Declaration

In 2022 (from January 1, 2022 to December 31, 2022), the related entities that are required to be included in the preparation of the consolidated financial statements of the Company, under the "Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those defined in International Financial Reporting Standards (IFRS) No. 10 "Consolidated Financial Statements." In addition, the information which shall be disclosed in the combined financial statements of affiliated companies is included in the consolidated financial statements of the parent company. Consequently, there will be no separate preparation of combined financial statements of affiliated companies.

Your kind attention will be appreciated

SINBON Electronics Co., Ltd.

Legal Representative: Shao-Hsin, Wang

March 9 2023, Thursday

- II. Offering of securities through private placement in the previous period to the date this report was printed: None.
- III. The holding or disposal of the shares issued by the Company by subsidiaries in the previous period to the date this report was printed.: none.
- IV. Supplementary information: None.

Chapter IX. The occurrence of the incidents as stated in subparagraph 2 of Paragraph 3 under Article 36 of this law that caused significant influence on shareholders equipment or stock price in the previous period to the date this report was printed

Not applicable