GEOVISION INC.

Parent Company Only Financial Statements
With Independent Auditors ‘Report
For the Years Ended December 31, 2022 and 2021
(Stock Code: 3356)

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

GEOVISION INC.

DECEMBER 31, 2022, AND 2021 PARENT COMPANY ONLY

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of GEOVISION INC.

Opinion

We have audited the accompanying parent company only financial statements of GEOVISION Inc. ("the Company"), which comprise the parent company only balance sheets as of December 31, 2022, and 2021, the parent company only statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2022, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 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, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2022 parent company only financial statements are stated as follows:

Assessment of allowance for inventory valuation losses

Description

Please refer to Note 4(11) for the description of accounting policy, Note 5(2) for accounting estimates and assumption uncertainty in relation to inventory valuation, and Note 6(5) for details of inventory. As of December 31, 2022, the Company's inventory and allowance for inventory valuation losses amounted to NT$248,525 thousand and NT$93,781 thousand, respectively.

The Company is engaged in manufacturing and selling digital surveillance systems. Due to the rapidly changing technology and stiff competition in the industry, and the cost of key components comprise a major part of the manufacturing cost, there is a higher risk of incurring inventory valuation loss or having obsolete inventory. The Company's inventories are measured at the lower of cost and net realizable value. The item by item approach is used in identifying the lower of cost and net realizable value which is used as basis in recognizing provision for loss on valuation of inventories that are over a certain age, obsolete or damaged. Given that the Company's inventory is significant, the items are voluminous and the evaluation of inventories is subject to management's judgement, we consider the estimation of the allowance for inventory valuation loss a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Discussed with management to determine whether the provision policy and procedure of allowance for inventory valuation loss is consistently applied for the comparative periods in the financial statements.
2. Obtained an understanding on the warehouse management processes, reviewed the annual physical inventory count plan and participated in the annual inventory count in order to evaluate the effectiveness of procedures used by the management to identify and control obsolete inventories.
3. Verified the accuracy of inventory aging report and selected samples in last transaction date before the balance sheet date in order to calculate the accuracy of inventory aging interval.

Existence of revenue

Description

Please refer to Note 4(26) for accounting policy on revenue recognition. The Company has two types of sales customers: distributors and retail. Because the Company has a large number of customers located in various locations, there is a higher risk of existence of sales customers and high probability of uncollectible accounts. Therefore, we consider the existence of sales customers a key audit matter

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Evaluated the internal controls over customers' credit check which were designed and performed by management, and reviewed the related credit evaluation documents of customers to determine whether these were properly approved.
2. Selected samples and checked the consistency of transaction details against supporting documents for high-growth customers.
3. Sent out accounts receivable confirmations to major customers, verified the confirmation replies against company records and investigated differences, if any.

Other matter- Reference to the audits of other auditors

We did not audit the financial statements of certain investments accounted for under the equity method of the Company, which were audited by other auditors.

For the year ended December 31, 2022 and 2021, the balances of these investments accounted for under the equity method (Part of the credit balance is accounted in other non-current liabilities) in the Company's financial statements amounted to NT$ (2,124) thousand and NT$ (11,081) thousand, constituting (0.10) % and (0.42) % of the Company's total assets. For the year ended December 31, 2022 and 2021, other comprehensive income loss of these investments accounted for under the equity method and associates included in the Company's financial statements amounted to profit or (loss) NT$ (8,950) thousand and NT$ 6,514 thousand, constituting (6.01) % and 4.04% of the Company's total other comprehensive income profit or loss.

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

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

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the generally accepted auditing standards in 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 generally accepted auditing standards in 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 Company's internal control.

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

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, 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 Company audit.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Jie-Ru Hsu and Yung-Chien Hsu.

For and on behalf of PricewaterhouseCoopers, Taiwan

February 24, 2023

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

GEOVISION INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 410,671	19	$ 429,533	16
1110	Financial assets at fair value through profit or loss - current	6(2)	460,696	22	586,237	22
1136	Financial assets at amortized cost - current	6(3) and 8	58,345	3	357,201	14
1170	Accounts receivable, net	6(4)	3,047	-	2,576	-
1180	Accounts receivable - related parties, net	7	805,717	38	727,257	28
1200	Other receivables		8,346	-	6,236	-
1210	Other receivables - related parties	7	42,753	2	26,022	1
130X	Inventories	6(5)	154,744	7	250,083	10
1470	Other current assets		5,628	-	8,533	-
11XX	**Current Assets**		1,949,947	91	2,393,678	91
	Non-current assets					
1510	Financial assets at fair value through profit or loss - non-current	6(2)	2,165	-	2,954	-
1550	Investments accounted for under the equity method	6(6)	41,777	2	52,582	2
1600	Property, plant and equipment	6(7)	2,224	-	3,838	-
1755	Right-of-use assets	6(8)	7,154	-	24,592	1
1780	Intangible assets		892	-	1,594	-
1840	Deferred income tax assets	6(22)	139,496	7	149,790	6
1900	Other non-current assets		7,795	-	5,992	-
15XX	**Non-current assets**		201,503	9	241,342	9
1XXX	**Total assets**		$ 2,151,450	100	$ 2,635,020	100

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GEOVISION INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(9)	$ 19,626	1	$ 294,862	11
2120	Financial liabilities at fair value – non-current	6(2)	3,960	-	978	-
2170	Accounts payable		73,974	4	319,921	12
2200	Other payables	6(10)	52,401	2	66,785	3
2230	Current income tax liabilities		93,397	4	69,274	3
2280	Lease liabilities - current		7,587	-	18,019	1
2300	Other current liabilities		10,889	1	6,534	-
21XX	**Current Liabilities**		261,834	12	776,373	30
	Non-current liabilities					
2570	Deferred income tax liabilities	6(22)	7,827	-	1,870	-
2580	Lease liabilities - non-current		-	-	7,573	-
2600	Other non-current liabilities	6(6)	20,223	1	28,840	1
25XX	**Non-current liabilities**		28,050	1	38,283	1
2XXX	**Total Liabilities**		289,884	13	814,656	31
	Equity attributable to owners of parent					
	Share capital					
3110	Common stock	6(13)	898,221	42	898,221	34
	Capital surplus	6(14)				
3200	Capital surplus		225,409	10	225,409	9
	Retained earnings	6(15)				
3310	Legal reserve		536,759	25	519,030	20
3320	Special reserve		51,664	2	35,558	1
3350	Unappropriated retained earnings		160,294	8	193,810	7
	Other equity interest					
3400	Other equity interest	6(16)	(10,781)	-	(51,664)	(2)
3XXX	**Total equity**		1,861,566	87	1,820,364	69
	Significant Subsequent Events	11				
3X2X	**Total liabilities and equity**		$ 2,151,450	100	$ 2,635,020	100

The accompanying notes are an integral part of these parent company only financial statements.

GEOVISION INC.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

			Year ended December 31			
			2022		2021	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(17) and 7	$ 869,679	100	1,420,889	100
5000	Operating Cost	6(5) and (20)	(472,669)	(54)	(822,524)	(58)
5900	Gross profit		397,010	46	598,635	42
5610	Unrealized profit on sale	7	(519,905)	(60)	(449,187)	(32)
5920	Realized profit on sales	7	449,187	52	198,471	14
5950	Realized gross profit		329,292	38	347,919	24
	Operating expenses	6(20) and 7				
6100	Selling expenses		(69,017)	(8)	(72,595)	(5)
6200	General & administrative expenses		(47,593)	(6)	(37,202)	(3)
6300	Research and development expenses		(128,733)	(15)	(130,985)	(9)
6450	Expected credit impairment (loss) gain		(3,075)	-	-	-
6000	Total operating expenses		(248,418)	(29)	(240,782)	(17)
6900	Operating profit		80,874	9	107,137	7
	Non-operating income and expenses					
7100	Interest income	7	28,266	3	4,312	1
7010	Other income	6(18) and 7	18,645	2	15,556	1
7020	Other gains and losses	6(19)	16,646	2	18,444	1
7050	Financial costs		(426)	-	(1,661)	-
7070	Share of profit of associates and joint ventures accounted for using equity method		22,287	3	43,529	3
7000	Non-operating revenue and expenses		85,418	10	80,180	6
7900	**Profit before income tax**		166,292	19	187,317	13
7950	Income tax expense	6(22)	(59,352)	(7)	(10,778)	(1)
8200	**Profit for the period**		$ 106,940	12	$ 176,539	12
	Other comprehensive income (loss)					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Gain (losses) on re-measurement of defined benefit plans	6(11)	$ 1,458	-	$ 939	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(22)	(292)	-	(188)	-
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss		1,166	-	751	-
	Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(16)	40,753	5	(16,071)	(1)
8380	Other comprehensive income of subsidiaries, affiliated and joint ventures that using the equity method – will be reclassified to profit or loss	6(16)	130	-	(35)	(-)
8360	Components of other comprehensive loss that will be reclassified to profit or loss		40,883	5	(16,106)	(1)
8300	**Total other comprehensive profit (net)**		$ 42,049	5	(15,355)	(1)
8500	**Total comprehensive income for the period**		$ 148,989	17	$ 161,184	11
	Earnings per share	6(23)				
9750	Basic		$ 1.19		1.97	
9850	Diluted		$ 1.18		1.95	

The accompanying notes are an integral part of these parent company only financial statements.

GEOVISION INC.
PARENT COMPANY ONLY STATEMENTS OF
CHANGES IN EQUITY YEARS ENDED DECEMBER
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Note	Common Stock	Capital surplus	Retained earnings: Legal reserve	Retained earnings: Special reserve	Retained earnings: Unappropriated retained earning	Total other equity interest: Exchange differences on transaction of foreign financial statement	Total other equity interest: Other equity - other	Total equity
Year 2021									
Balance at January 1, 2021		$ 898,257	$ 226,509	$ 503,263	$ -	$ 157,671	($ 35,558)	($ 2,197)	$ 1,747,945
Profit for the year		-	-	-	-	176,539	-	-	176,539
Other comprehensive loss	6(16)	-	-	-	-	751	(16,106)	-	(15,355)
Total comprehensive income (loss)		-	-	-	-	177,290	(16,106)	-	161,184
Appropriation and distribution of retained earnings in 2020:	6(15)								
Legal reserve appropriated		-	-	15,767	-	(15,767)	-	-	-
Special reserve appropriated		-	-	-	35,558	(35,558)	-	-	-
Cash dividends		-	-	-	-	(89,826)	-	-	(89,826)
Cancellation of new shares on restricting employee rights	6(13)	(36)	36	-	-	-	-	-	-
Restricting employee rights on change on new shares		-	(1,136)	-	-	-	-	1,136	-
Compensation costs for share-based payments	6(12)	-	-	-	-	-	-	1,061	1,061
Balance at December 31, 2021		$ 898,221	$ 225,409	$ 519,030	$ 35,558	$ 193,810	($ 51,664)	$ -	$ 1,820,364
Year 2022									
Balance at January 1, 2022		$ 898,221	$ 225,409	$ 519,030	$ 35,558	$ 193,810	($ 51,664)	$ -	$ 1,820,364
Profit for the year		-	-	-	-	106,940	-	-	106,940
Other comprehensive loss	6(16)	-	-	-	-	1,166	40,883	-	42,049
Total comprehensive income (loss)		-	-	-	-	108,106	40,883	-	148,989
Appropriation and distribution of retained earnings in 2021:	6(15)								
Legal reserve appropriated		-	-	17,729	-	(17,729)	-	-	-
Special reserve appropriated		-	-	-	16,106	(16,106)	-	-	-
Cash dividends		-	-	-	-	(107,787)	-	-	(107,787)
Balance at December 31, 2022		$ 898,221	$ 225,409	$ 536,759	$ 51,664	$ 160,294	($ 10,781)	$ -	$ 1,861,566

The accompanying notes are an integral part of these parent company only financial statements.

GEOVISION INC.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax			
Adjustments		$ 166,292	$ 187,317
Adjustments to reconcile profit (loss)			
Depreciation	6(20)	19,406	20,541
Amortization	6(20)	702	790
Expected credit loss (gain)		3,075	-
Net loss on financial assets at fair value through profit or loss	6(19)	114,507	(67,698)
Interest expense		426	1,661
Interest income		(28,226)	(4,312)
Dividend income	6(18)	(13,867)	(9,057)
The compensation cost of share-based payment	6(12)	-	1,061
Gain on investments accounted for using equity method		(22,287)	(43,529)
Loss on disposal of property, plant andequipment		23	787
Gain from lease termination		-	(87)
Gain on disposal of investment		(2,821)	-
Unrealized gain from inter-affiliate accounts		67,718	250,716
Changes in operating assets and liabilities:			
Changes in operating assets:			
Financial assets or liabilities at fair value through profit or loss		35,508	(1,506)
Accounts receivable		(3,546)	(381)
Accounts receivable - related parties		(78,460)	(427,750)
Other receivables		(2,142)	(170)
Inventories		95,339	(788)
Other current assets		2,905	6,798
Defined benefit asset, net		(536)	(616)
Changes in operating liabilities			
Accounts payable		(245,947)	196,221
Other payables		(20,933)	16,554
Other current liabilities		4,355	(11,049)
Cash (outflow) inflow generated from operations		91,451	115,503
Interest received		28,298	5,107
Interest paid		(609)	(1,819)
Income tax paid		(11,802)	(9,969)
Net cash flows (used in) from operating activities		107,338	108,822

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GEOVISION INC.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2022	2021
CASH FLOWS FROM INVESTMENT ACTIVITIES			
Acquisition of financial assets at fair value through profit or loss		(82,562)	(161,289)
Disposal of financial assets at fair value through profit or loss		61,859	7,466
Acquisition of financial assets at amortization cost - current		(58,345)	(357,201)
Decreasing of financial assets at amortization cost - current		357,201	571,869
Other receivable – increase in subsidiaries' financial guarantee		(16,731)	(17,727)
Acquisition of property, plant and equipment		-	(81)
Disposal of property, plant and equipment		11	-
Acquisition of intangible assets		-	(152)
Decrease on refundable deposits		192	716
Dividend received		13,867	9,057
Net cash flows from (used in) investing activities		275,492	52,658
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in short-term loans		(275,236)	(89,138)
Repayment of lease principal		(18,669)	(18,563)
Cash dividend paid	6(15)	(107,787)	(89,826)
Net cash flows from (used in) financing activities		(401,692)	(197,527)
Net increase (decrease) in cash and cash equivalents		(18,862)	(36,047)
Cash and cash equivalents at beginning of the year		429,533	465,580
Cash and cash equivalents at end of the year		$ 410,671	$ 429,533

The accompanying notes are an integral part of these parent company only financial statements.

GEOVISION INC.

NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organization

GEOVISION INC. (the "Company") is primarily engaged in the R&D, sales and after-sales service of remote digital monitoring system.

2. The Date of Authorization for Issuance of the Financial Statements and Procedures for Authorization

These parent company only financial statements were approved and authorized for issuance by the Board of Directors on February 24, 2023.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRSs") as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC effective from 2022 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
Amendments to IAS 16, 'Property, plant and equipment: proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts—cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, 'Disclosure of Accounting Policy'	January 1, 2023
Amendments to IAS 8, 'Definition of Accounting Estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction'	January 1, 2023

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(3) Effect of IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
Amendments to IFRS 16, 'Lease Liability in a Sale and Leaseback'	January 1, 2024
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 –comparative information'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

4. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

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

(2) Basis of preparation

A. Except for the following items, the parent company only financial statements have been prepared under the historical cost convention:

(a) Financial assets at fair value through profit or loss.

(b) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations asendorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

The parent company only financial statements are presented in New Taiwan dollars (NTD), which is the Company's functional currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

(a)The operating results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognized in other comprehensive income.

(b) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Company retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(4) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realized within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be paid off within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be paid off within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. 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.

(5) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(6) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value and recognizes thetransaction costs in profit or loss. The Company subsequently measures the financial assets at fairvalue, and recognizes the gain or loss in profit or loss.

D. The Company recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(7) Financial assets at amortized cost

A. Financial assets at amortized cost are those that meet all of the following criteria:

(a) The objective of the Company's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortized cost are recognized and derecognized using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognized in profit or loss when the asset is derecognized or impaired.

D. The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(8) Accounts and notes receivable

A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measuredat initial invoice amount as the effect of discounting is immaterial.

(9) Impairment of financial assets

For financial assets at amortized cost at each reporting date, the Company recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Company recognizes the impairment provision for lifetime ECLs.

(10) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(11) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads allocated based on normaloperating capacity. It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(12) Investments accounted for using equity method / subsidiary and associates

A. Subsidiaries are all entities controlled by the Company. The Company controls and entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

B. Unrealized gains or losses on transactions between the Company and subsidiaries have been eliminated. The accounting policies of the subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognize losses proportionate to its ownership.

D. If changes in the Company's shares in subsidiaries do not result in loss in control (transactions with non-controlling interest), transactions shall be considered as equity transactions, which are transactions between owners. Difference of adjustment of non-controlling interest and fair value of consideration paid or received is recognized in equity.

E. When the Company loses control of a subsidiary, the Company re-measures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Company loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assetsor liabilities are disposed of.

F. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.

G. The Company's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

H. When changes in an associate’s equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the ownership percentage of the associate, the Company recognizes change in ownership interests in the associate in ‘capital surplus’ in proportion to its ownership.

I. Unrealized gains on transactions between the Company and its associates are eliminated to the extent of the Company’s interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

J. Pursuant to the “Regulations Governing the Preparation of Financial Reports by Securities Issuers,” profit (loss) of the current period and other comprehensive income in the non-consolidated financial statements shall be equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners’ equity in the non-consolidated financial statements shall be equal to the equity attributable to owners of the parent in the consolidated financial statements.

(13) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.

B. Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. 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 must be depreciated separately. The assets’ residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets’ residual values and usefullives differ from previous estimates or the patterns of consumption of the assets’ future economicbenefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, ‘Accounting Policies, Changes in Accounting Estimates and Errors’, from the date of the change. The estimated useful lives of property, plant and equipmentare as follows:

Mechanical equipment	8 years
Leasehold improvements	5 years
Transportation and Office Equipment	5 years
Mold equipment	2 years

(14) Leasing arrangements (lessee)－right-of-use assets/ lease liabilities

A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payment includes:

(a) Fixed payments, less any lease incentives receivable;

(b) Variable lease payments that depend on an index or rate;

The Company subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is re-measured and the amount of re-measurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

(a) The amount of the initial measurement of lease liability;

(b) Any lease payments made at or before the commencement date;

(c) Any original direct costs incurred; and

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is re-measured, the amount of re-measurement is recognized as anadjustment to the right-of-use asset.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and re-measure the lease liability to reflect the partial or full termination of the lease, and recognize the difference in profit or loss.

(15) Intangible assets

Computer software are stated initially at its cost and amortized on a straight-line basis over their estimated useful lives of 3 ~ 5 years.

(16) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

(17) Borrowings

Borrowings is short-term bank borrowings. Borrowings are recognizedinitially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(18) Accounts and notes payable

A. Accounts and notes payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(19) Financial liabilities at fair value through profit or loss

A. It is incurred principally for the purpose of repurchasing it in the near term and derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

B. At initial recognition, the Company measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.

(20) Derecognizing of financial liabilities

A financial liability is derecognized when the obligation specified in the contract is either discharged or cancelled or expires.

(21) Non-Hedging derivative and embedded derivatives

A. Derivatives that are not hedging instruments are measured at fair value on the date of signing the contract at the time of initial recognition, and are accounted for as financial assets or liabilities measured at fair value through profit or loss, and are subsequently measured at fair value, with the benefit or loss recognized in profit or loss.

B. For financial asset hybrid contracts embedded in derivative instruments, the overall hybrid instrument is classified as financial assets measured at fair value through profit or loss according to the terms of the contract at the time of original recognition, financial assets at fair value through other comprehensive profit or loss and financial assets at amortized cost.

C. For non-financial asset hybrid contracts embedded in derivatives, at the time of original recognition, it is judged according to the contract terms whether the economic characteristics and risks of the embedded derivatives and the host contract are closely related to determine whether to treat them separately. When closely related, the overall hybrid instrument shall be handled according to appropriate criteria according to its nature. When it is not closely related, the derivative instrument is separated from the main contract and treated as a derivative instrument, and the main contract is treated according to the appropriate criteria according to its nature; or the whole is designated as a financial liability at fair value through profit or loss at the time of original recognition.

(22) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expense when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefitobligation at the balance sheet date less the fair value of plan assets. The net defined benefitobligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.

ii. Re-measurements arising on defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Termination benefits

Termination benefits are benefits provided when the employee's employment is terminated before the normal retirement date or when the employee decides to accept the company's welfare offer in exchange for the termination of employment. The Group recognizes an expense when it is no longer possible to withdraw the offer of termination benefits or when the related restructuring costs are recognized, whichever is earlier. Benefits that are not expected to be fully settled within 12 months after the balance sheet date are discounted.

D. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognized as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employees' compensation is distributed by shares, the basis for calculating the number of shares is to evaluate the fair value by means of evaluation techniques and other methods in accordance with the provisions of IFRS No. 2 "Share-Based Compensation".

(23) Employee share-based payment

A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognized as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognized is based on the number of equity instruments that eventually vest.

B. Restricted stocks:

(a) Restricted stocks issued to employees are measured at the fair value of the equity instruments granted at the grant date, and are recognized as compensation cost over the vesting period.

(b) For restricted stocks which employees acquired with no consideration. If employees who resign during the vesting period, the Company has the right to redeem at no consideration and then retire those stocks and according to the terms and conditions of the issuance method on the grant day, the recovered shares are recognized as a reduction of share capital and capital reserve.

(24) Income tax

A.The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects either accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlledby the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

D. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle ona net basis or realize the asset and settle the liability simultaneously.

(25) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the shareholders. Cash dividends are recorded as liabilities.

(26) Revenue recognition

A. The Company manufactures and sells webcam, video servers and components. Sales are recognized when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.

B. Revenue from sales is recognized based on the price specified in the contract, net of the estimated sales discounts and allowances. Accumulated experience is used to estimate and provide for the sales discounts and allowances, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. A refund liability is recognized for expected sales discounts and allowances payable to customers in relation to sales made until the end of the reporting period. The sales usually are made with a credit term of 30 to 90 days, which is consistent with market practice. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Company does not adjust the transaction price to reflect the time value of money.

C. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(27) Government grants

Government grants are recognized at their fair value only when there is reasonable assurance that the Company will comply with any conditions attached to the grants and the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes expenses for the related costs for which the grants are intended to compensate.

(28) Operating department

The Company's operating department information is reported in a consistent manner with the internal management reports provided to the main operating decision makers. The Chief Operating Decision Maker is responsible for allocating resources to operating departments and evaluating their performance which is the Board of Directors of the Company.

5. Critical Accounting Judgments, Estimates and Key Sources of Assumption Uncertainty

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company’s accounting policies and make critical assumptions and estimates concerning future events; and the related information is addressed below:

(1) Critical judgements in applying the Company’s accounting policies

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realizable value, the Company must determine the net realizable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Company evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realizable value. Such an evaluation of inventories is principally based on the demand for products within the specified period in the future. Therefore, there might be material changesto the evaluation. The inventory amount on December 31, 2022, is $154,744.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand	$ 143	$ 163
Checking accounts and demand deposits	287,160	398,477
Time deposit	61,416	30,893
Repurchase bond	61,952	-
Total	$ 410,671	$ 429,533

A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Company reclassified the pledged bank deposits and time deposits with more than three months maturity to “Financial assets at amortized cost”, please refer to Notes 6(3) for the details.

(2) Financial assets at fair value through profit or loss

Assets items		December 31, 2022		December 31, 2021
Current items:				
Equity instrument	$	460,179	$	573,174
Beneficiary certificate		-		13,063
Derivatives		517		-
Total	$	460,696	$	586,237
Non-current				
Equity instrument	$	2,165	$	2,954

Liability items		December 31, 2022		December 31, 2021
Current items:				
Derivatives	($	3,960)	($	978)

A. The nature of financial assets and liabilities at fair value through profit or loss is as follows:

(a) Equity instrument: including listed and unlisted stocks.

(b) Benefit certificate: open-end fund.

(c) Derivatives: Swap contracts

B. The details of financial assets and liability at fair value through profit or loss are recognized as follows:

		2022		2021
Equity instrument	($	159,475)	$	64,642
Beneficiary certificate		1,475		7,553
Derivatives		43,493	(	4,497)
Total	($	114,507	$	67,698

C. Hedging accounting

December 31, 2022

Financial liabilities	Contract amount (Principal)			Contract period
Current:				
Cross currency swap	USD (buy)	$	7,000	2022/11/19 – 2023/2/14
	NTD (sell)		219,081	

December 31, 2021

Financial assets	Contract amount (Principal)			Contract period
Current:				
Cross currency swap	USD (buy)	$	10,500	2021/9/3 – 2022/5/17
	NTD (sell)		291,742	

The Company signed the cross currency swap contract to meet the needs of fund scheduling. In terms of currency exchange, the principals of the two currencies are swapped at the same exchange rate at the beginning and end of the period to reduce exchange rate risk. In terms of interest exchange, the exchange of fixed interest rates between the two currencies is adopted to reduce the risk of interest rate fluctuations.

D. The Company does not use financial assets at fair value through profit or loss as pledged assets.

(3) Current financial assets at amortized cost

	December 31, 2022	December 31, 2021
Pledged bank deposits	$ 24,566	$ 301,821
Time deposits maturing over three months	33,779	55,380
	$ 58,345	$ 357,201

A. Amounts recognized in profit or loss in relation to financial assets at amortized cost are listed below:

	2022	2021
Interest income	$ 1,838	$ 2,012

B. As at December 31, 2022 and 2021, without taking into account any collateral held or other credit enhancements, the maximum hedge to credit risk in respect of the amount that best represents the Company's financial assets at amortized cost were carrying amounts.

C. The details of the Company's financial assets at amortized cost pledged to others as collateral are provided in Note 8.

(4) Accounts receivable

	December 31, 2022	December 31, 2021
Account receivable	$ 9,661	$ 22,299
Minus: Allowance for losses	(6,614)	(19,723)
	$ 3,047	$ 2,576

A. There were no any collateral.

B. As at December 31, 2022 and 2021, accounts receivable were all from contracts with customers. And as at January 1, 2021, the balance of receivables from contracts with customers amounted to $21,918.

C. As at December 31, 2022 and 2021, without taking into account any collateral held or other credit enhancements, the maximum hedge to credit risk in respect of the amount that best represents the Company's accounts receivable were carrying amounts.

D. Information relating to credit risk is provided in Note 12(2).

(5) Inventories

	December 31, 2022	December 31, 2021
Raw material	$ 111,401	$ 121,377
Work in process	32,280	60,322
Finished goods and merchandise	98,844	162,165
	248,525	343,864
Minus: Allowance for inventory valuation losses	(93,781)	(93,781)
	$ 154,744	$ 250,083

The cost of inventories recognized as expense for the year:

	2022	2021
Cost of goods sold	$ 472,669	$ 821,041
Loss on market value decline inventories	-	1,213
	$ 472,669	$ 822,254

(6) Investments accounted for using equity method

Subsidiaries	December 31, 2022	December 31, 2021
USA Vision System Inc.	$ 14,105	$ 13,661
Europe Vision Systems s. r. o.	(20,223)	(28,840)
GeoVision Japan Inc.,	2,797	13,369
CYBER SURVEILLANCE CO., LTD.	6,776	7,531
GeoVision Vietnam Systems Co., Ltd	3,276	6,613
IDI Signage Inc.	14,823	11,146
GEOVISION BRAZIL REPRESENTACAO E SERVICOS LTDA	-	262
	21,554	23,742
Credit amounts to other current liabilities	20,223	28,840
	$ 41,777	$ 52,582

A. Please refer to Note 4(3) in the consolidated financial statements for the year ended December 31, 2022 for the information regarding the Company's subsidiaries.

B. The Company's subsidiary GEOVISION BRAZIL REPRESENTACAO E SERVICOS LTDA ceased operations in January 2022.

(7) Property, plant and equipment

	Office equipment	Mold equipment	Other equipment	Total
January 1, 2022				
Cost	$ 7,217	$ 936	$ 1,271	$ 9,424
Accumulated depreciation	(3,846)	(866)	(874)	(5,586)
	$ 3,371	$ 70	$ 397	$ 3,838
2022				
At January 1	$ 3,371	$ 70	$ 397	$ 3,838
Disposals	-	-	(34)	(34)
Depreciation expense	(1,352)	(70)	(158)	(1,580)
At December 31	$ 2,019	$ -	$ 205	$ 2,224
December 31, 2022				
Cost	$ 7,217	$ 936	$ 1,237	$ 9,390
Accumulated depreciation	(5,198)	(936)	(1,032)	(7,166)
	$ 2,019	$ -	$ 205	$ 2,224

		Office equipment		Mold equipment		Other equipment		Total
January 1, 2021								
Cost	$	8,172	$	4,415	$	3,790	$	16,377
Accumulated depreciation	(	3,382)	(	3,888)	(	2,481)	(	9,751)
	$	4,790	$	527	$	1,309	$	6,626
2021								
At January 1	$	4,790	$	527	$	1,309	$	6,626
Additional		-		-		81		81
Disposals		-		-	(	787)	(	787)
Depreciation expense	(	1,419)	(	457)	(	206)	(	2,082)
At December 31	$	3,371	$	70	$	397	$	3,838
December 31, 2022								
Cost	$	7,217	$	936	$	1,271	$	9,424
Accumulated depreciation	(	3,846)	(	866)	(	874)	(	5,586)
	$	3,371	$	70	$	397	$	3,838

(8) Leasing arrangements - lessee

A. The Company leases assets including buildings. Rental contracts are typically made for periods of 1 to 4 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. The Company leases the partial office, office cars, and business mobile phone with a lease term of less than 12 months.

C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

		December 31, 2022		December 31, 2021
		Book value		Book value
Buildings	$	7,154	$	24,592

		2022		2021
		Depreciation expense		Depreciation expense
Buildings	$	17,826	$	18,459

D. For the years ended December 31, 2022 and 2021, the additions to right-of-use assets were $388 and $2,991, respectively.

E. Information on profit or loss in relation to lease contracts is as follows:

		2022		2021
Items affecting profit or loss				
Interest expense on lease liabilities	$	274	$	603
Expense on short-term lease contracts		1,217		1,269

F. The lease contract of the Company's Taipei office1 was early terminated in 2021, reducing the right-of-use asset by $9,284 and the lease liability by $9,371.

G. For the years ended December 31, 2022 and 2021, the Company’s total cash outflow for leases were $20,160 and $20,435, respectively.

(9) Short-term borrowings

The nature of borrowings	December 31,2022	Interest rate range	Collateral
Bank loans			
Secured loan	$ 19,626	2.04%	Pledge deposit (note)

The nature of borrowings	December 31,2022	Interest rate range	Collateral
Bank loans			
Secured loan	$ 294,862	0.12%~0.57%	Pledge deposit (note)

A. The credit line for short-term loans is jointly guaranteed by related parties, please refer to Note 7 for details.

B. Please refer to Note 8 for the pledge of the Company's short-term loans.

Note: Secured loans on December 31, 2022 and 2021 were partially guaranteed by the SME Credit Guarantee Fund, and related parties provided joint guarantees. Please refer to Note 7 for details.

(10) Other account payable

	December 31,2022	December 31,2021
Wage payable and bonus	$ 42,506	$ 47,398
Freight payable	2,180	3,194
Labor and health insurance payable	2,134	2,349
Others	5,581	13,844
	$ 52,401	$ 66,785

(11) Pensions

A. Defined benefit plans

(a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees’ service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees’ monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions to cover the deficit by next March.

(b) The amounts recognized in the balance sheet are as follows:

	December 31,2022	December 31,2021
Present value of defined benefit obligations	$ 22,493	$ 21,979
Fair value of plan assets	(26,298)	(23,790)
Net defined benefit liability (listed as other non-current liability)	($ 3,805)	($ 1,811)

(c) Movements in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit assets
2022			
At January 1	$ 21,979	($ 23,790)	($ 1,811)
Interest (expense) income	198	(217)	(19)
	22,177	(24,007)	(1,830)
Re-measurements:			
Return on plan assets (Note)	-	(1,774)	(1,774)
Change in financial assumptions	(1,496)	-	(1,496)
Experience adjustments	1,812	-	1,812
	316	(1,744)	(1,458)
Pension fund contribution	-	(517)	(517)
At December 31	$ 22,493	($ 26,298)	($ 3,805)

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit assets
2021			
At January 1	$ 22,438	($ 22,694)	($ 256)
Current service cost	85	-	85
Interest (expense) income	224	(230)	(6)
	22,747	(22,924)	(177)
Re-measurements:			
Return on plan assets (Note)	-	(171)	(171)
Change in financial assumptions	145	-	145
Experience adjustments	(913)	-	(913)
	(768)	(171)	(939)
Pension fund contribution	-	(695)	(695)
At December 31	$ 21,979	($ 23,790)	($ 1,811)

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company and domestic subsidiaries have no right to participate in managing and operating that fund and hence the Company and domestic subsidiaries are unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2022 and 2021 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	2022	2021
Discount rate	1.40%	0.90%
Future salary increases	2.50%	2.50%

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 1%	Decrease 1%
December 31, 2022				
Effect on present value of defined benefit obligation	($ 755)	$ 788	$ 3,226	($ 2,785)
December 31, 2021				
Effect on present value of defined benefit obligation	($ 562)	$ 1,033	$ 3,554	($ 2,637)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analyzing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(f) Expected contributions to the defined benefit pension plans of the Company for the year ending 2023 amount to $0.

(g) As of December 31, 2022, the weighted average duration of the retirement plan is 14 years.

B. Defined contribution plans

(a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act, covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) The pension costs under defined contribution pension plans of the Company for the years ended December 31, 2022 and 2021, were $7,907 and $8,113, respectively.

(12) Share-based payment

A. For the years ended December 31, 2022 and 2021, the Company's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Restricted stocks to employees	2019.03.28	170K stock	2 years	Note (a) and (b)
Restricted stocks to employees	2019.03.08	248K stock	"	"

(a) The employees with one and two year(s) of service with the Company subsequent to the grant date will be vested 60% and 40% of the restricted stocks, respectively

(b) The restricted rights of employees who are granted new shares before meeting the vested conditions are as follows:

a. Except inheritance, restricted stocks to employees shall not be sold, pledged, transferred, gifted, asked the Company to buy back, or disposed of in any other form.

b. The right to attend, propose, speak, or vote at the shareholder meeting is executed in accordance with the trust custody contract.

c. The restricted stocks are not entitled to any dividends, bonuses or distributions from capital surplus. Other shareholders have the same rights as ordinary shares issued by the Company.

B. The share-based payment transaction given by the company is distributed free of charge, and the fair value per unit is NTD$31.4 ~ $33.65.

C. In 2021, due to the restrictions on employee stock, the remuneration cost of new shares will be $1,061.

D. No share-based basic payment in 2022.

(13) Share capital

A. As of December 31, 2022, the rate capital of the Company is $1,300,000, paid in capital is $898,221, which is 89,822 thousand shares with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

B. The Company's beginning and ending outstanding common stock adjustment are as follows (unit: thousand shares):

	2022	2021
At January 1	89,822	89,826
Restricted stocks to employees	-	(4)
At December 31	89,822	89,822

C. In 2021, the company take back 4 thousands new shares that do not meet the vested conditions and restricted the stock of employees, and handle the registration and capital reduction according to law.

(14) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	2022			
	Issued at premium	Recognition of changes in net equity value of investments using the equity method	Donated surplus	Total
January 1 (as December 31)	$ 221,602	$ 3,783	$ 24	$ 225,409

	2021				
	Issued at premium	Recognition of changes in net equity value of investments using the equity method	Restricted stocks to employees	Donated surplus	Total
At January 1	$ 218,570	$ 3,783	$ 4,132	$ 24	$ 226,509
Restricted stocks to employees new shares vested	3,032	-	(3,032)	-	-
Restricted stocks to employees new shares cancellation	-	-	36	-	36
Restricted stocks to employees new shares change	-	-	(1,136)	-	(1,136)
At December 31	$ 221,602	$ 3,783	$ -	$ 24	$ 225,409

(15) Retained earnings

A. Under the Company’s Articles of Incorporation, the current year’s earnings, if any, shall first be used to pay all taxes and offset prior year’s operating losses and then 10% of the remaining amount shall be set aside as legal reserve, unless accumulated legal reserve has reached an amount equal to the Company’s paid-in capital. Also, special reserve shall be set aside or reversed according to the laws or regulations. The remaining amount plus accumulated retained earnings in prior years are the distributable earnings. The Board of Directors shall retain a part of the distributable earnings depending on the operational needs, and propose an earnings distribution to the shareholders’ meeting for approval.

B. In accordance with Article 241 of the Company Law, the Company authorizes the board of directors to distribute dividends and bonuses or the provisions of Article 241 of the Company Law with the attendance of more than two-thirds of the directors and the resolution of more than half of the directors present. All or part of the statutory surplus reserve and capital reserve shall be distributed in cash and reported to the shareholders' meeting. The provisions of the preceding paragraph that shall be resolved by the shareholders' meeting shall not apply.

C. The company's dividend policy is based on the company's current year and previous year's earnings, taking into account the company's profitability, capital structure, and future operating needs. After deducting the appropriation required by the company's articles of association, the board of directors draws up a distribution plan and submits it to the shareholders' meeting for approval. The amount of surplus to be distributed in the current year shall not be less than 20% of the accumulated distributable surplus. Shareholder dividends shall be paid in cash or stock, of which cash dividends shall not be less than 10% of the total dividends

D. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

E. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings

F. The appropriations of 2022 and 2021 earnings had been approved by the shareholders during their meeting on February, 2023 and May 26, 2021, respectively. Details are summarized below:

	2022		2021	
	Amount	Dividend per share (in dollars)	Amount	Dividend per share (in dollars)
Legal reserve	$ 10,811		$ 17,729	
Special reserve	(40,883)		16,106	
Cash dividends	125,750	$ 1.40	107,787	$ 1.20
Total	$ 95,678		$ 141,622	

Information about the earnings appropriation resolved by the stockholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

G. Please refer to Note 6(21) for information on employee remuneration and remuneration of directors and supervisors

(16) Other equity items

	2022	2021
At January 1	($ 51,664)	($ 37,755)
Currency exchange differences – Conversion of foreign operating institutions	40,753	(16,071)
Currency exchange differences – Subsidiaries and affiliated companies	130	(35)
	-	1,136
	-	1,061
At December 31	($ 10,781)	($ 51,664)

(17) Operating revenue

Revenue from contracts with customers	2022	2021
Digital surveillance system and related products	$ 869,679	$ 1,420,889

A. The Company derives revenue from the transfer of goods and services over time and at a point in time.

B. The Company recognized revenue from contracts with customers that related to contracts liability (listed in "other current liabilities) as follows:

	December 31, 2022	December 31, 2021	January 1, 2021
Contracts liability - receipts in advance	$ 1,807	$ 2,484	$ 3,526

C. The beginning contract liabilities recognized as current period revenue:

	2022	2021
Digital surveillance system and related products	$ 161	$ 874

(18) Other income

	2022	2021
Dividend income	$ 13,867	$ 9,057
Other income	4,778	6,499
Total	$ 18,645	$ 15,556

(19) Other gains and losses

	2022	2021
Net profit (loss) on Financial assets at fair value through profit or loss	($ 114,507)	$ 67,698
Net profit (loss) on Currency exchange	128,363	(47,396)
Other gains and losses	2,790	(1,858)
Total	$ 16,646	$ 18,444

(20) Expenses by nature

		2022		2021
Employee benefit expense	$	195,850	$	205,686
Depreciation expenses (including right-of-use assets)		19,406		20,541
Amortization expense		702		790
Operating cost and operating expense	$	215,958	$	227,017

(21) Employee benefit expense

		2022		2021
Wages and salaries	$	169,548	$	178,252
Labor and health insurance fees		14,338		14,782
Pension costs		7,888		8,192
Other personnel expenses		4,076		4,460
	$	195,850	$	205,686

A. According to the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 1% for employees' compensation and shall not be higher than 1% for directors' remuneration.

B. For the years ended December 31, 2022 and 2021, the Company's employees' compensation was accrued at $17,200 and $17,000, respectively; while directors' remuneration was accrued at $0. The aforementioned amounts were recognized in salary expenses and was estimated based on the current profit situation.

By the resolution of the board of directors, the 2021 employees' compensation and the directors' remuneration are consistent with the amounts recognized in the 2021 financial report. Relevant information about the employees' compensation and directors' remuneration approved by the board of directors can be inquired at the public information observation station. "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(22) Income tax

A. Income tax expense:

(a) Components of income tax (benefit) expense:

		2022		2021
Current tax:				
Current tax on profits for the year	$	40,072	$	69,536
5% income tax on undistributed earnings		1,783		826
Prior year income tax (over) under estimation		1,538	(	4,466)
Total current taxes		43,393		65,896
Deferred taxes:				
Origination and reversal of temporary differences		15,959	(	55,118)
Total deferred taxes		15,959	(	55,118)
Income taxes (benefit) expenses	$	59,352	$	10,778

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	2022	2021
Re-measurement of defined benefit obligations	($ 292)	($ 188)

B. Reconciliation between income tax expense and accounting profit:

	2022	2021
Tax calculated based on profit before tax and statutory tax rate	$ 33,258	$ 37,463
Effect from items off-book adjusted in accordance with tax regulation	19,089	(14,746)
Temporary differences not recognized as deferred tax assets	3,684	(8,299)
5% income tax on undistributed earnings	1,783	826
Prior year income tax (over) under estimation	1,538	(4,466)
Income taxes (benefit) expenses	$ 59,352	$ 10,778

C. Amounts of deferred tax assets as a result of temporary differences are as follows:

	2022			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Deferred tax assets:				
-Temporary differences:				
Unrealized gross profit	$ 92,598	$ 14,701	$ -	$ 107,299
Loss on allowance for inventory	18,756	-	-	18,756
Loss on investment using equity method	6,874	-	-	6,874
Valuation loss on unrealized financial assets	-	3,152	-	3,152
Actuarial gains and losses on pension	1,967	188	(292)	1,863
Allowance for bad debts exceeded	2,436	(1,789)	-	647
Unrealized exchange loss	26,242	(26,242)	-	-
Other	917	(12)	-	905
Total	$ 149,790	($ 10,002)	($ 292)	$ 139,496
Deferred tax liabilities:				
Valuation gain on unrealized financial assets	($ 1,870)	$ 1,870	$ -	$ -
Unrealized exchange gain	-	(7,827)	-	(7,827)
	($ 1,870)	($ 5,957)	$ -	($ 7,827)

	2021			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Deferred tax assets:				
-Temporary differences:				
Unrealized gross profit	$ 41,021	$ 51,577	$ -	$ 92,598
Unrealized exchange loss	20,594	5,648	-	26,242
Loss on allowance for inventory	18,513	243	-	18,756
Allowance for bad debts exceeded	3,305	(869)	-	2,436
Loss on investment using equity method	6,874	-	-	6,874
Actuarial gains and losses on pension	2,155	-	(188)	1,967
Other	528	389	-	917
Total	$ 92,990	$ 56,988	($ 188)	$ 149,790
Deferred tax liabilities:				
Valuation gain on unrealized financial assets	$ -	($ 1,870)	$ -	($ 1,870)

D. Deductible temporary differences not recognized as deferred tax assets: are as follows:

	2022	2021
Temporary differences can be deducted	$ 567,486	$ 591,008

The above-mentioned deductible temporary difference is the temporary difference between the book value of the long-term equity investment and the tax basis of the company's assessment of investment in subsidiaries. The deferred income tax assets are not yet recognized, due to there will be no branch companies or repatriated profits in the foreseeable future.

E. The Company’s income tax returns through 2020 have been assessed and approved by the Tax Authority.

(23) Earnings per share

	2022		
	Amount after taxes	Weighted average number of ordinary share outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Net income for the period	$ 106,940	89,822	$ 1.19
Diluted earnings per share			
Net income for the period	106,940		
Assumed conversion of all dilutive potential ordinary shares:			
- Employees’ compensation	-	444	
Net income plus assumed conversion of all dilutive potential ordinary shares	$ 106,940	90,266	$ 1.18

	Amount after taxes	Weighted average number of ordinary share outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Net income for the period	$ 176,539	89,764	$ 1.97
Diluted earnings per share			
Net income for the period	176,539		
Assumed conversion of all dilutive potential ordinary shares:			
- Employees' compensation	-	536	
- Restricted stocks to employees	-	58	
Net income plus assumed conversion of all dilutive potential ordinary shares	$ 176,539	90,358	$ 1.95

(24) Changes in liabilities from financing activities

For the Company's 2022 and 2021 changes in liabilities arising from financing activities, short-term borrowings and lease principal repayments, please refer to the impact of the cash flow statement.

7. Related Party Transactions

(1) Names and relationship of related parties

Names of related parties	Relationship with the Company
USA Vision Systems, Inc.(USA Vision)	The Company's subsidiary
EUROPE Vision Systems S.R.O.(Europe Vision)	"
GeoVision Japan Inc.	"
GEOVISION BRAZIL REPRESENTACAO E SERVICOS (GeiVision BRAZIL)	"
GeoVision Vietnam Systems Co., Ltd	"
IDI Signage Inc.	"
GeoVision Technology (Shanghai) Co., Ltd	"
XVision Technology Inc.	Other related party
Shanghai URight Technology Co., Ltd	Affiliated companies
Kuang-Cheng Tai	CEO of the Company

(2) Significant transactions and balances with related parties

A. Operating revenue

	2022	2021
Sales of goods:		
- Subsidiaries		
USA Vision	$ 497,407	$ 898,192
Europe Vision	119,221	280,636
Other	49,057	29,738
- Other related party	46,493	56,567
- Affiliated company	507	1,191
	$ 712,685	$ 1,266,324

(a) The transaction price of selling goods and non-related parties have no significant difference.

(b) The goods of the Company's sales to related parties are eliminated at the end of the period by the unrealized gross profit on sales generated by the related party's inventory that has not been re-sold, and accounted for as "investment using the equity method". As of December 31, 2022 and 2021, the amounts of unrealized gross profit were $516,905 and $449,187, respectively.

B. Receivables from related parties:

	December 31, 2022	December 31, 2021
Account receivable:		
- Subsidiaries		
USA Vision	$ 651,623	$ 563,575
Europe Vision	118,750	141,411
Other	23,412	9,313
- Other related party	11,928	12,787
- Affiliated company	4	171
	$ 805,717	$ 727,257

The above-mentioned related person is the distributor of the Company in the United States, Europe, and Japan. Considering the market conditions, the collection period is 90-120 days after the sale of the goods, which is longer than the average collection period of 0-30 days for general customers.

C. Other receivables to related parties:

	December 31, 2022	December 31, 2021
Other receivables:		
- Subsidiaries		
Europe Vision	$ 32,710	$ 18,804
GeoVision Japan	6,972	7,218
GeoVision Vietnam	3,071	-
	$ 42,753	$ 26,022

Other receivables from related parties are mainly funds loaned to others.

D. Royalty expense

	2022	2021
- Subsidiaries	$ 16,674	$ 13,939

E. Commission expense

	2022	2021
- Subsidiaries	$ 417	$ 1,541

F. Interests income

	2022	2021
- Subsidiaries	$ 24,824	$ 881

G. Other income

	December 31, 2022	December 31, 2021
- Subsidiaries	$ 4,218	$ 3,057

H. Endorsement guarantee

As of December 31, 2022, the Company's CEO serves as the joint guarantor for the Company's short-term loans.

(3) Key management compensation

	2022	2021
Salaries and other short term employees; benefit	$ 22,069	$ 18,378
Post-employment benefits	698	752
Share-based payment	-	181
Total	$ 22,767	$ 19,311

8. Pledged Assets

The Company's assets pledged as collateral are as follows:

	Book Value		
Assets items	December 31,2022	December 31, 2021	Pledge purpose
Financial assets measured at amortized cost - pledged deposits	$ 24,566	$ 301,821	Bank guaranteed borrowings

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

A. Contingencies

None.

B. Commitment

None.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

The profit distribution plan for 2022 was passed by the board of directors of the Company on February 24, 2023. Please refer to Note 6 (15).

12. Others

(1) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

(2) Financial instruments

A. Financial instruments by category

The types of the Company's financial instruments include cash and cash equivalents, financial assets and liabilities measured at fair value through profit and loss, financial assets measured at amortized cost, accounts receivable, other receivables, deposits, short-term borrowing, accounts payable and other payables. The related amounts and information, please refer to Note 6 and the Balance Sheet.

B. Financial risk management policies

(a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programmer focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial position and financial performance.

(b) Risk management is carried out by a finance department under policies approved by the Board of Directors. Company finance department identifies, evaluates and hedges financial risks in close co-operationwith the operating units.

(c) For information on undertaking derivatives to avoid financial risks, please refer to Note 6 (2).

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Company operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company in various functional currency primarily with respect to the USD and EUR. Foreign exchange risk arises from future commercial transactionsand recognized assets and liabilities.

ii. Management has set up a policy to require companies to manage their foreign exchange risk against their functional currency. Every company should hedge against the overall exchange rate risk through the Company's finance department. The exchange rate risk is measured through the expected transactions of highly probable US dollar expenditures and the use of forward foreign exchange contracts to reduce the impact of exchange rate fluctuations on the expected cost of purchasing inventories.

iii. The Company's businesses involve some non-functional currency operations (the Company and some subsidiaries' functional currency is NTD, some subsidiaries' functional currency is USD, CZK and JPY.) The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2022		
(Foreign currency: functional currency)	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
Financial assets			
Monetary items			
USD:NTD	32,733	30.71	$ 1,005,230
EUR:NTD	5,196	32.71	169,961
Non-monetary items			
Foreign operating organizations			
USD:NTD	13,652	30.71	$ 419,232

	December 31, 2021		
(Foreign currency: functional currency)	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
Financial assets			
Monetary items			
USD:NTD	42,496	27.69	$ 1,176,714
EUR:NTD	6,873	31.34	215,400
Non-monetary items			
Foreign operating organizations			
USD:NTD	12,224	27.69	$ 338,475

iv. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	2022		
	Sensitivity analysis		
(Foreign currency: functional currency)	Degree of variation	Effect on profit loss	Effect on other comprehensive income
Financial assets			
Monetary items			
USD:NTD	1%	$ 10,052	$ -
EUR:NTD	1%	1,700	-

	2021		
	Sensitivity analysis		
(Foreign currency: functional currency)	Degree of variation	Effect on profit loss	Effect on other comprehensive income
Financial assets			
Monetary items			
USD:NTD	1%	$ 11,767	$ -
EUR:NTD	1%	2,154	-

v. In 2022 and 2021, due to the significant impact of exchange rate fluctuations, the total exchange gains and losses (including realized and unrealized) recognized by the Company's monetary items are $128,363 and ($47,396), respectively.

Price risk

i. The equity instruments that the Company is exposed to price risk are financial assets held at fair value through profit or loss. In order to manage the price risk of equity instrument investment, the company disperses its investment portfolio, and the diversification method is based on the limit set by the company.

ii. The Company mainly invests in equity instruments and open-end funds issued by domestic companies. The prices of these equity instruments will be affected by the uncertainty of the future value of the investment target. If the prices of these equity instruments increase or decrease by 1%, and all other factors remain unchanged, the losses for 2022 and 2021 will increase or decrease by $3,699 and $4,714, respectively.

Cash flow and fair value interest rate risk

i. The Company's interest rate risk comes from short-term borrowings. Borrowings issued at floating rates expose the Company to cash flow interest rate risk, part of which is offset by cash and cash equivalents held at floating rates. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

ii. If the NTD borrowing rate increases or decreases by 1%, and all other factors remain unchanged, the net profit after tax in 2022 and 2021 will decrease or increase by $157 and $2,359, respectively, mainly due to changes in interest expenses due to borrowings with floating rates.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.

ii. When the Company conducts daily sales transactions, The transactions are usually in the form of advance payment or cash collection for new customers and most existing customers; If there is a need for a transaction credit line, in addition to considering the customer's past transaction records with the company, external agencies are used to investigate or measure the current economic and financial conditions to reduce the credit risk of a specific customer.

iii. When the contract payment is more than 90 days overdue according to the agreed payment terms, the company considers that the credit risk of the financial asset has increased significantly since the original recognition. When the contract payment is overdue for more than 365 days according to the agreed payment terms, it is deemed to have breached the contract.

iv. The company evaluates the expected credit loss individually for the accounts receivable that have been individually materially breached; The rest of the amount uses a simplified method to estimate the expected credit loss based on the provision matrix, and incorporates the Taiwan Economic Research Institute's Prosperity Observation Report into future forward-looking considerations to adjust the loss rate established based on historical and current information for a specific period to estimate accounts receivable loss allowance. On December 31, 2022 and 2021, the estimated allowance loss of accounts receivable based on individual or reserve matrix is as follows:

	Individual	Not past due	1-90 days past due	91-180 days past due	181-360 days past due	Total
December 31,2022						
Expected loss rate	100%	0~0.1%	0~0.1%	0~0.1%	0~0.1%	
Total book value	$ 6,583	$ 136,859	$ 196,311	$ 191,979	$ 283,649	$ 815,378
Loss allowance	$ 6,583	$ 13	$ 18	$ -	$ -	$ 6,614

	Individual	Not past due	1-90 days past due	91-180 days past due	181-360 days past due	Total
December 31,2021						
Expected loss rate	100%	0.50%	0.50%	0.50%	100%	
Total book value	$ 16,056	$ 714,086	$ 19,413	$ 1	$ -	$ 749,556
Loss allowance	$ 16,056	$ 3,570	$ 97	$ -	$ -	$ 19,723

v. The aging analysis of accounts receivable is as follows:

	December 31, 2022	December 31, 2021
Not past due	$ 136,859	$ 714,089
Within 90 days	196,311	19,413
91 – 181 days	191,976	1
181 – 360 days	283,649	-
Over 361 days	6,583	16,056
	$ 815,378	$ 749,556

Aging analysis based on the number of days overdue.

vi. The Company adopts the simplified method, which the table of changes in the allowance for losses of accounts receivable is as follows:

	2022	2021
At January 1	$ 19,723	$ 19,723
Provision for impairment loss	3,075	-
Write-off	(16,184)	-
At December 31	$ 6,614	$ 19,723

The amount mentioned above is the impairment loss recognized in the accounts receivable arising from the customer contract.

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Company and aggregated by Company finance department. Company finance department monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs.

ii. The following table shows the Company's non-derivative financial liabilities and derivative financial liabilities delivered on a net or gross basis, which are grouped according to the relevant maturity date. Non-derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the contract maturity date; Derivative financial liabilities are analyzed based on the remaining period from the balance sheet date to the expected maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows of other financial liabilities:

December 31, 2022	Less than 1 year	Between 1 and 2 year	Total
Non-derivative financial liabilities:			
Lease liabilities	$ 8,134	$ -	$ 8,134

December 31, 2021	Less than 1 year	Between 1 and 2 year	Total
Non-derivative financial liabilities:			
Lease liabilities	$ 18,460	$ 7,589	$ 20,049

Except as stated above, the Company's non-derivative financial liabilities and derivative financial liabilities are all due within the next year.

iii. The Company does not expect that the cash flow of maturity analysis will be significantly earlier, or the actual amount will be significantly different.

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

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. The fair value of the Company's investment in equity investment without active market and investment property is included in Level 3.

B. For those financial instruments of the Company that are not measured by fair value, the book value is a reasonable approximation of the fair value. Please refer to Note 12 (2) for details.

C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

(a) The related information of natures of the assets is as follows:

December 31,2022	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value				
Financial assets at fair value through profit or loss				
- Equity instrument	$ 460,179	$ -	$ 2,165	$ 462,344
- Derivatives	-	517	-	517
Total	$ 460,179	$ 517	$ 2,165	$ 462,861
Liabilities:				
Recurring fair value				
Financial assets at fair value through profit or loss				
- Derivatives	$ -	$ 3,960	$ -	$ 3,960

December 31,2021	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value				
Financial assets at fair value through profit or loss				
- Equity instrument	$ 573,174	$ -	$ 2,954	$ 576,128
- Derivatives	13,063	-	-	13,063
Total	$ 586,237	$ -	$ 2,954	$ 589,191
Liabilities:				
Recurring fair value				
Financial assets at fair value through profit or loss				
- Derivatives	$ -	$ 978	$ -	$ 978

(b) The methods and assumptions that the Company used to measure fair value are as follows:

i. The Company adopts market quotations as fair prices (that is, Level 1), which are classified according to the characteristics of the instruments as follows:

	Listed (OTC) stock	Open-end fund
Market quotations	Closing price	Net value

ii. Except for the above-mentioned financial instruments with active markets, the fair value of other financial instruments is obtained by evaluation techniques or referring to quotations from counterparties. The fair value obtained through evaluation techniques can refer to the current fair value of other financial instruments with substantially similar conditions and characteristics, discounted cash flow method, or other evaluation techniques, including calculations based on the market information available on the consolidated balance sheet date using models (such as the reference yield curve of the counter shopping center, the average quotation of Reuters commercial paper interest rates).

iii. When assessing non-standard and low-complexity financial instruments, such as exchange rate contract, the Company and its subsidiaries adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

iv. The evaluation of derivative financial instruments is based on evaluation models widely accepted by market users, such as discount method and option pricing model. Forward foreign exchange contracts are usually evaluated based on the current forward exchange rate.

v. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company's financial and non-financial instruments. Therefore, the estimated value derived using the valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc.. In accordance with the Company's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the parent company only balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

vi. The Company takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Company's credit quality.

D. There was no movement between Level 1 and Level 2 for the year of 2022 and 2021.

E. The movement of Level 3 in 2022 and 2021 is as follows:

	Equity Securities	
	2022	2021
At January 1	$ 2,954	$ 3,755
Recognized in current net income as profit or loss	(789)	(801)
At December 31	$ 2,165	$ 2,954

F. Company treasury and accounting segment is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

G. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2022	Valuation technique	Significant unobservable	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments:					
Non listed, non OTC stocks	$ 2,165	Comparable Listed OTC Companies Act	Price-to-book ratio multiplier	0.9~5.17% (2.35)	The higher the multiplier and control premium, the higher the fair value
			Lack of market liquidity discount	30%	The higher the discount for lack of market liquidity, the lower the fair value

	Fair value at December 31, 2021	Valuation technique	Significant unobservable	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instruments:					
Non listed, non OTC stocks	$ 2,954	Comparable Listed OTC Companies Act	Price-to-book ratio multiplier	0.99~2.30% (1.718)	The higher the multiplier and control premium, the higher the fair value
			Lack of market liquidity discount	30%	The higher the discount for lack of market liquidity, the lower the fair value

H. The Company has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorized within Level 3 if the inputs used to valuation models have changed:

Financial assets	Period	Input	Change	Favorable change	Unfavorable change
Equity instrument	December 31, 2022	Lack of market liquidity discount	±1%	$ 31	($ 31)
Equity instrument	December 31, 2021	Lack of market liquidity discount	±1%	$ 42	($ 42)

(4) Other information

The Company and the government have promoted several anti-epidemic measures against Covid-19; therefore, the epidemic did not significantly impact the Company's operations and business in 2022.

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: None.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 2.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: None.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 3.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 4.

I. Trading in derivative instruments undertaken during the reporting periods: Please refer to note 6(2)

J. Significant inter-company transactions during the reporting periods: Please refer to table 5.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 6.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 7

B. Significant transactions that occur directly or indirectly through enterprises in third regions and investee companies reinvested in mainland China: Neither the Company nor the invested company has this situation.

(4) Major shareholders information

Major shareholders information: Please refer to table 8.

14. Segment Information

Not applicable.

GEOVISION INC.
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

Statement 1

Item	Description				Amount
Cash on hand	NTD	62 thousand			$ 143
	JPY	16 thousand	Rate	0.23	
	USD	2 thousand	Rate	30.71	
	CNY	1 thousand	Rate	4.42	
Checking account and demand deposits	NTD	92,897 thousand			287,160
	EUR	458 thousand	Rate	32.71	
	JPY	818 thousand	Rate	0.23	
	USD	5,302 thousand	Rate	30.71	
	CNY	57 thousand	Rate	4.42	
	HKD	4,071 thousand	Rate	3.94	
Time deposits	USD	2,000 thousand	Rate	30.71	61,416
Cash equivalents	Repurchase bond, expire in January 1, 2023, Rate 4.25%				61,952
					$ 410,671

GEOVISION INC.
STATEMENT OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

Statement 2

Client Name	Summary	Amount	Note
Non-related parties:			
Bomark		$ 3,090	
Geo SA		1,649	
Formosa Plastics Group		1,365	
Zamco Security System Co.		762	
Wise Comercio Internacional LTD		740	
Uno		447	
Others		1,608	None of the balances of each client is greater than 5% of this account balance.
		9,661	
Less: Allowance for bad debts		(6,614)	
		$ 3,047	
Related parties:			
USA Vision Systems Inc.		$ 651,623	
Europe Vision System s.r.o		118,750	
GeoVision Japan Inc.,		14,556	
XVision Technology Inc.		11,928	
GeoVision Vietnam		8,856	
Shanghai URight Technology Co., Ltd		4	
		$ 805,717	

GEOVISION INC.
STATEMENT OF INVENTORIES
DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

Statement 3

		Amount		
Item	Summary	Cost	Net Realizable Value	Note
Raw materials		$ 111,401	$ 112,066	Use net realizable value as market value
Work in progress		38,280	38,280	〃
Finished goods and merchandise inventory		98,844	164,305	〃
		248,525	$ 314,651	
Less: Allowance for inventory valuation losses		(93,781)		
		$ 154,744		

GEOVISION INC.
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

Statement 4

	Beginning Balance		Change (Note 2)		Ending Balance			Net Assets Value		
Invested company name	Shares	Amount	Shares	Amount	Shares	Percentage of ownership	Amount	Unit Price	Total Amount	Collateral
Long term investment using equity method										
USA Vision System Inc.	1,450,645	$ 13,661	-	$ 444	1,450,645	100%	$ 14,105	$ -	$ 419,232	None
Europe Vision System s.r.o	Note 1	(28,840)	-	8,617	Note 1	100%	(20,223)	-	71,964	〃
GeoVision Japan Inc.,	2,280	13,369	-	(10,572)	2,280	95%	2,797	-	15,944	〃
Cyber Surveiliance Co., Ltd.	1,460,000	7,531	-	(755)	1,460,000	100%	6,779	-	6,776	〃
GeoVision Brazil Representacaoe servicos LTDA	593,600	262	(593,600)	(262)	-	0%	-	-	-	〃
GeoVision Vietnam Systems Co., Ltd	Note 1	6,613	-	(3,337)	Note 1	100%	3,279	-	9,720	〃
IDI Signage Inc.	2,040,000	11,146	-	3,667	2,040,000	51%	14,823	-	14,823	〃
		23,742		($ 2,188)			21,554		$ 538,459	
Long-term equity investment credit balance listed as other liabilities		28,840					20,223			
		$ 52,582					$ 41,777			

Note1: The investee company has not issued shares, so there is no number of shares held.

Note2: The amount of change in the current period includes the impact of the share of subsidiaries and related companies recognized using the equity method, unrealized sales benefits, and exchange differences in the translation of financial statements of foreign operating institutions.

GEOVISION INC.
STATEMENT OF SHORT-TERM BORROWINGS
DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

Statement 5

Nature	Description	Ending Balance	Contract Period	Range of Interest Rate	Credit Line	Collateral	Pledge amount
Secured borrowings	Taishin International Bank	$ 19,626	2022/10/21~2023/1/16	2.04%	$ 100,000	USD time deposit	$ 24,566

GEOVISION INC.
STATEMENT OF ACCOUNTS PAYABLE
DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

Statement 6

Supplier Name	Description	Amount	Note
UNV Digital Technologies Company Limited		$ 48,795	
Arrow Electronics Taiwan Ltd.		13,531	
Other		11,648	None of the balances of each supplier is greater than 5% of this account balance
		$ 73,974	

GEOVISION INC.
STATEMENT OF OPERATING REVENUE
YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

Statement 7

Item	Number	Amount	Note
Digital surveillance system and related products	4,968,438	$ 869,679	

GEOVISION INC.
STATEMENT OF OPERATING COSTS
YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

Statement 8

Item		Amount
Opening balance of raw materials	$	121,377
Add: Purchases in the year		102,536
Less: Ending balance of raw materials	(	111,401)
Transferred to expenses	(	254)
Director raw materials		112,258
Manufacturing expense		29,503
Add: Beginning work in progress		60,322
Purchases during the year		5,277
Other transfers		84,546
Less: Ending work in progress	(	38,280)
Transferred to expenses	(	57)
Cost of finished goods		253,569
Add: Beginning finished goods		159,895
Purchases during the year		38,552
Less: Ending finished goods	(	97,068)
Transferred to expenses		3,530
Cost of goods manufactured and sold		358,478
Opening balance of merchandise inventory		2,270
Add: Purchases in the year		212,099
Less: Ending balance of merchandise inventory	(	1,776)
Transferred to work in progress	(	84,546)
Less: Transferred to expenses	(	13,856)
Cost of sales		114,191
Operating cost	$	472,669

GEOVISION INC.
STATEMENT OF MANUFACTURING EXPENSES
YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

Statement 9

Item	Description	Amount	Note
Processing expense		$ 14,625	
Payroll expenses		9,179	
Depreciation		4,127	
Other expenses		1,572	None of the balances of each item is greater than 5% of this account balance
		$ 29,503	

GEOVISION INC.
STATEMENT OF OPERATING EXPENSES
YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

Statement 10

Item	Selling expense	Administrative expenses	Research and development expenses	Expected credit loss	Total	Note
Wages and salaries	$ 34,464	$ 30,598	$ 93,447	$ -	$ 158,509	
Royalty expenses	17,584	-	-	-	17,584	
Depreciation	3,730	1,932	9,617	-	15,279	
Insurance expense	3,224	3,466	7,388	-	14,078	
Service expense	1,779	5,077	439	-	7,295	
Others	8,236	6,520	17,842	3,075	35,673	None of the balances of each item is greater than 5% of this account balance
	$ 69,017	$ 47,593	$ 128,733	$ 3,075	$ 248,418	

GEOVISION INC.
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY FUNCTION
YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

Statement 11

Function / Nature	Year ended December 31, 2022			Year ended December 31, 2021		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee Benefit Expense						
Wages and salaries	$ 9,179	$ 158,509	$ 167,688	$ 22,687	$ 153,755	$ 176,442
Labor and health insurance fees	1,096	13,242	14,338	2,240	12,542	14,782
Pension costs	536	7,352	7,888	989	7,203	8,192
Directors' remuneration	-	1,860	1,860	-	1,810	1,810
Other	440	3,636	4,076	741	3,719	4,460
	$ 11,251	$ 184,599	$ 195,850	$ 26,657	$ 179,029	$ 205,686
Depreciation Expense	$ 4,127	$ 15,279	$ 19,406	$ 5,027	$ 15,514	$ 20,541
Amortization Expense	$ 3	$ 699	$ 702	$ 3	$ 787	$ 790

1. As at December 31, 2022 and 2021, the Company had 169 and 174 employees, respectively, including 3 and 3 non-employee directors.
2. As at December 31, 2022 and 2021, the average employee benefit expense was $1,170 and $1,192, respectively.
   Average employee salaries in current year was $1,010 and $1,032, respectively, adjustment of average employee salaries was -2.1%.
3. The Company's salary and remuneration policy (including board of directors, supervisors, managers, and employees)
   (1) Board of directors
      A. Accordance with the Company's Article, all directors are allowed to pay traveling expenses and other remuneration when performing the business of the Company. Its remuneration authorization is determined by the board of directors based on the evaluation of the remuneration committee and considering the common standards in the industry.
      B. Accordance with the Company's Article, if there is any profit in the year, no more than 1% should be allocated as the director's remuneration, and however, if the Company still has accumulated losses, it shall reserve the compensation amount in advance, and then appropriate the remaining balance according to the proportion in the preceding paragraph.
   (2) Managers
      A. The remuneration of the Company's managers is based on the contribution to the Company's overall operation, individual performance and future operating risks, etc., which are reviewed by the remuneration committee and approved by the board of directors.
      B. Accordance with the Company's Article, if there is any profit in the year, no less than 1% should be appropriated as employee remuneration, and the recipients of the payment include employees of affiliated companies who meet certain conditions. However, if the company still has accumulated losses, it shall reserve the compensation amount in advance, and then appropriate the remaining balance according to the proportion in the preceding paragraph.

(3) Employees

A. The Company provides a diversified and competitive salary system, including fixed salary and variable salary. In accordance with the relevant regulations of the Company on salary and bonus, it is issued with reference to the operating conditions and personal performance, and the comprehensive performance appraisal and promotion system is used as the basis for employee salary adjustment.

B. According to the Company's articles of association, if there is any profit in the year, no less than 1% should be allocated as employee remuneration, and the distribution targets include Company employees who meet certain conditions. However, if the Company still has accumulated losses, it shall reserve the compensation amount in advance, and then appropriate the remaining balance according to the proportion in the preceding paragraph.

GEOVISION INC.

Loans to others

Year Ended December 31, 2022

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance for current period	Balance at December 31, 2022	Actual amount drawn down	Interest rate	Nature of loan	Amount of transaction with the borrower	Reason for shore-term financing	Allowance for doubtful accounts	Collateral Item	Collateral Value	Limit on loans granted to a single party (note 1)	Ceiling on total loans granted (note1)	Footnote
0	GeoVision Inc.,	GeoVision Japan Inc.,	Other receivables	Yes	$ 7,596	$ 6,972	$ 6,972	2.125%	Business operation	$ 37,097	None	$ -	None	$ -	$ 37,097	$ 372,313	
0	GeoVision Inc.,	Europe Vision System s.r.o	Other receivables	Yes	32,710	32,710	32,710	2.80%	Business operation	119,221	None	-	None	-	119,221	372,313	
0	GeoVision Inc.,	GeoVision Vietnam Systems Co., Ltd	Other receivables	Yes	3,221	3,070	3,010	1.0%	Business operation	11,960	None	-	None	-	11,960	372,313	

Note 1:Fund loans to companies that need short-term financing, the Company’s ceiling on total amount of loans to others shall not exceed 20% of the Company’s net assets value; the limit on loans granted to a single party shall not exceed 10% of the Company’s net assets value.

Fund loans to companies with business contacts, the Company’s ceiling on total amount of loans to others shall not exceed 20% of the Company’s net assets value; the limit on loans granted to a single party shall not exceed the amount of business transactions between the two parties in the most recent year

Note 2:The interest rate is based on the current rate of the Company's transaction bank at the time of the actual loan

GEOVISION INC.

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

Year Ended December 31, 2022

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As at December 31, 2022						Footnote
				Number of shares		Book value	Ownership (%)		Fair value	
GeoVision Inc.,	Ultracker Technology Co., Ltd	None	Financial assets at fair value through profit or loss - non-current	460,000	$	2,165	3.36%	$	2,165	
GeoVision Inc.,	Taiwan Semiconductor Manufacturing Co., Ltd. Listed company	None	Financial assets at fair value through profit or loss - current	840,000		376,740	-		376,740	
GeoVision Inc.,	ECOVE Environment Corporation, Listed company	None	Financial assets at fair value through profit or loss - current	5,000		1,235	0.01%		1,235	
GeoVision Inc.,	Hon Hai Precision Industry Co., Ltd. Listed company	None	Financial assets at fair value through profit or loss - current	50,000		4,995	-		4,995	
GeoVision Inc.,	China Petrochemical Corporation , H stock	None	Financial assets at fair value through profit or loss - current	840,000		12,475	-		12,475	
GeoVision Inc.,	Bank of China Limited, H stock	None	Financial assets at fair value through profit or loss - current	400,000		4,475	-		4,475	
GeoVision Inc.,	Ping An Insurance (Group) Company of China, Ltd., H stock	None	Financial assets at fair value through profit or loss - current	12,000		2,442	-		2,442	
GeoVision Inc.,	Tencent Holdings Limited, H stock	None	Financial assets at fair value through profit or loss - current	1,800		2,368	-		2,368	
GeoVision Inc.,	China Construction Bank Corporation, H stock	None	Financial assets at fair value through profit or loss - current	160,000		3,082	-		3,082	
GeoVision Inc.,	Apple Inc., US stock	None	Financial assets at fair value through profit or loss - current	5,700		22,742	-		22,742	
GeoVision Inc.,	Ganfeng Lithium Co.,Ltd., H stock	None	Financial assets at fair value through profit or loss - current	25,200		5,788	0.01%		5,788	
GeoVision Inc.,	JD.com, Inc. H stock	None	Financial assets at fair value through profit or loss - current	85		74	-		74	
GeoVision Inc.,	Alphabet Inc, US stock	None	Financial assets at fair value through profit or loss - current	4,150		11,244	-		11,244	
GeoVision Inc.,	Microsoft Corporation, US stock	None	Financial assets at fair value through profit or loss - current	1,700		12,519	-		12,519	

GEOVISION INC.

Purchases or sales of goods from or to related parties reaching $100 million or 20% of the Company's paid-in capital or more

Year Ended December 31, 2022

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

			Transaction situation				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
GeoVision Inc.,	USA Vision System Inc.	Subsidiary of the Company	Sales	$ 497,407	57%	90 days	Note 1	Note 2	$ 651,623	80%	
GeoVision Inc.,	Europe Vision System s.r.o	Subsidiary of the Company	Sales	119,221	14%	120 days	Note 1	Note 2	118,750	15%	

Note 1: Considering the local operating cost of related parties, the business discount would be given according to performance achievement status, therefore, the selling price is lower than unrelated parties.
Note 2: Considering the local market condition, the receiving term may be extended as appropriate, therefore, receiving term is longer than the average term of 0-30 days for general customers.

GEOVISION INC.

Receivables from related parties reaching $100 million or 20% of the Company's paid-in capital or more

December 31, 2022

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance of receivables from related parties	Turnover rate	Overdue receivables: Amount	Overdue receivables: Action taken	Amount collected subsequent to the balance date	Allowance for doubtfulaccounts
GeoVision Inc.,	USA Vision System Inc.	Subsidiary of the Company	$ 651,623	0.82	$ 560,362	Payments after the balance sheet date	$ 38,904	$ -
GeoVision Inc.,	Europe Vision System s.r.o	Subsidiary of the Company	118,750	0.92	90,485	Payments after the balance sheet date	5,973	-

GEOVISION INC.

Significant inter-company transactions during the reporting period

Year Ended December 31, 2022

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

				Transaction				
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account		Amount (Note 5)	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	GeoVision Inc.,	USA Vision System Inc.	1	Sales revenue	$	497,407	Note 4	38%
0	GeoVision Inc.,	USA Vision System Inc.	1	Accounts receivable		651,623	Note 4	29%
0	GeoVision Inc.,	Europe Vision System s.r.o	1	Sales revenue		119,221	Note 4	9%
0	GeoVision Inc.,	Europe Vision System s.r.o	1	Accounts receivable		118,750	Note 4	5%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is ‘0’.

(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: There are three ways of relationship with the counterparty, represented by type

(1) Parent to subsidiaries.

(2) Subsidiaries to Parent.

(3) Subsidiaries to Subsidiaries.

Note 3: The transaction amount is calculated as a percentage of the consolidated total revenue or total assets. If it is an asset-liability item, it is calculated as the ending balance in the consolidated total assets; if it is a profit and loss item, it is calculated as the accumulated amount in the consolidated total revenue.

Note 4: Considering the local operating cost of related parties, the business discount would be given according to performance achievement status, therefore, the selling price is lower than unrelated parties; Considering the local market condition, the receiving term may be extended as appropriate, therefore, receiving term is longer than the average term of 0-30 days for general customers.

Note 5: The disclosure requirement for the above disclosed amount of purchases and sales and receivables (payments) to related parties amount to NT$50 million or 20% of the paid-in capital.

GEOVISION INC.

Information on investees

Year Ended December 31, 2022

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

				Initial investment amount		Shares held as at December 31, 2022					
Investor	Investee	Location	Main business activities	Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for current period	Investment income (loss) for current period	Footnote
GeoVision Inc.,	USA Vision System Inc.	U.S.A.	Sales of digital surveillance system	$ 448,135	$ 448,135	1,450,646	100	$ 14,105	$ 42,328	$ 42,328	
GeoVision Inc.,	Europe Vision System s.r.o	Czech Republic	Sales of digital surveillance system	101,523	101,523	-	100	(20,223)	(16,050)	(16,050)	Note 1
GeoVision Inc.,	GeoVision Japan Inc.,	Japan	Sales of digital surveillance system	21,663	21,663	2,280	95	2,797	(7,021)	(6,670)	
GeoVision Inc.,	Cyber Surveillance co., Ltd	Samoa	Investment company	48,197	48,197	1,460,000	100	6,776	(888)	(888)	
GeoVision Inc.,	GeoVision Brazil Representacaoe Servicos LTDA	Brazil	Sales of digital surveillance system	-	9,162	-	-	-	-	-	
GeoVision Inc.,	GeoVision Vietnam Systems Co., Ltd	Vietnam	Sales of digital surveillance system	9,291	9,291	-	100	3,276	(111)	(111)	Note 1
GeoVision Inc.,	IDI Signage Inc.	Taiwan	R & D of electronic digital panel	33,941	33,941	2,040,000	51	14,823	7,211	3,678	
USA Vision System Inc.	GeoVision Surveillance Canada Inc.	Canada	Sales of digital surveillance system	62,694	62,694	2,593,650	100	12,699	(3,493)	(3,493)	
USA Vision System Inc.	GVInstall., LLC	U.S.A.	Sales of digital surveillance system	5,820	5,820	176,000	88	37,583	36,377	32,012	
USA Vision System Inc.	GuardVision Monitoring, LLC	U.S.A.	Sales of digital surveillance system	1,333	-	490	49	1,289	-	-	

Note 1: The investee company has not issued shares, so there is no number of shares held

GEOVISION INC.

Information on investments in Mainland China

Year Ended December 31, 2022

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Name of invested	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2022	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2022	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (Note 2)	Book value	Accumulate remittance of earnings in current period	Footnote
					Outflow	Inflow							
GeoVision Technology (Shanghai) Co., Ltd	Digital surveillance system	$ 29,480	2	$ 29,480	$ -	$ -	$ 29,480	($ 34)	100	($ 34)	($ 43)	$ -	Note 4
Shanghai URight Technology Co., Ltd	Digital surveillance system	26,505	2	14,578	-	-	14,578	(2,030)	45	(914)	6,204	-	Note 4

Note 1: There are three ways of investment methods, represented by type:

(1) Directly invest in mainland China

(2) Investing in the mainland through companies in another country(Specify the investment company in the third region)

(3) Other methods

Note 2: The gains and losses of the Company’s investment amounts in the current period are recognized according to the financial report audited by the CPA.

Note 3: Relevant figures in this table are expressed in NTD, and those involving foreign currencies are converted into NTD at the exchange rate on the financial reporting date.

Note 4: Transfer the investment through CYBER SURVEILLANCE CO., LTD.

Company name	Accumulated Investment in Mainland China as of December 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
GeoVision Inc.,	$ 44,058	$ 44,058	$ 1,128,898

GEOVISION INC.

Major Shareholders Information

December 31, 2022

Table 8

Name of Major Shareholders	Number of shares hold	Ownership (%)
CHEN-YUAN Co., Ltd.	4,884,052	5.44

Note 1: The major shareholders information was from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialized form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation. The share capital which was recorded on the financial statements may be different from the actual number of shares in dematerialized form due to the difference of calculation basis.

Note 2: If the aforementioned data contains shares which were kept at the trust by the shareholders, the data was disclosed as separate account of client which was set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio greater than 10% in accordance with Securities and Exchange Act, the shareholding ratio including the self-owned shares and trusted shares, at the same time, persons who have power to decide how to allocate the trust assets. For the information of reported share equity of insider, please refer to Market Observation Post System.