Stock code: 1569

Bin Chuan Enterprise Co., Ltd.

Financial Statements and Independent Auditors' Report

2022 and 2021

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§ Table of Contents §

Independent Auditors' Report

Bin Chuan Enterprise Co., Ltd.

Opinion

We have audited the accompanying individual financial statements of Bin Chuan Enterprise Co., Ltd. (the Company) and its subsidiaries, which comprise the individual balance sheets as of December 31, 2022 and 2021, and the individual statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the individual financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Individual 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 individual financial statements of the Company for the year ended December 31, 2022. These matters were addressed in the context of our audit of the individual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter for the individual financial statements of the Company for the year ended December 31, 2022 is stated as follows:

<u>Revenue recognition</u>

The Company's recognition of operating revenue from selling to some specific customers is significant. Based on the Bulletin of Standards on Auditing, the sales recognition is the risk and a matter of concern to users of financial statements. Therefore, the revenues of some specific customers is listed as the key audit matters this year. Refer to Note 4 for the explanation of accounting policies related to sales recognition.

We performed the following main audit procedures for the above sales recognition:

I. Understand and test the effectiveness of internal controls related to sales recognition, and obtain basic customer information to evaluate the reasonability of sales targets.
II. Test the content of sales revenue to confirm its authenticity.

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

Management is responsible for the preparation and fair presentation of the individual 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 individual financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

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

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

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

I. Identify and assess the risks of material misstatement of the individual 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.

II. 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.

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

IV. 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 individual 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.

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the individual financial statements of the Company for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Toche

Accountant HSU, JUI-HSUAN	Accountant LIU, YU-HSIANG
Approval No. of Financial Supervision Commission No. Financial-Supervisory-Securities-Auditing-1020025513	Approval No. of Financial Supervision Commission No. Financial-Supervisory-Securities-Auditing-1050024633

March 27, 2023

Bin Chuan Enterprise Co., Ltd.
Individual Balance Sheets
December 31. 2022 and 2021

In Thousands of New Taiwan Dollars

Codes	Assets	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	$ 930,787	15	$ 287,737	5
1110	Financial assets at fair value through profit or loss - current (Notes 4, 7 and 14)	-	-	20	-
1150	Notes receivables (Notes 4, 8 and 18)	10	-	20	-
1170	Trade receivables (Notes 4, 5, 8 and 18)	1,007,131	17	1,420,059	25
1180	Trade receivables - related parties (Notes 18 and 24)	559	-	959	-
1206	Other receivables	4,582	-	309	-
1210	Other receivables - other parties (Note 24)	168,202	3	136,921	2
130X	Inventories (Notes 4 and 9)	7,635	-	2,546	-
1476	Other financial assets - current (Note 10)	6,725	-	-	-
1479	Other current assets	1,274	-	3,440	-
11XX	Total current assets	2,126,905	35	1,852,011	32
	Non-current assets				
1510	Financial assets at fair value through profit or loss - non-current (Notes 4 and7)	20,165	-	21,418	-
1550	Investments accounted for using equity method (Notes 4 and 11)	3,671,324	61	3,610,079	63
1600	Property, plant and equipment (Notes 4, 12 and 25)	22,498	-	25,554	1
1840	Deferred tax assets (Notes 4 and 20)	10,459	-	13,531	-
1980	Other financial assets - non-current (Note 10)	215,091	4	194,121	4
15XX	Total non-current assets	3,939,537	65	3,864,703	68
1XXX	Total assets	$ 6,066,442	100	$ 5,716,714	100
Codes	**Liabilities and equity**				
	Current liabilities				
2100	Short-term loans (Note 13 and 25)	$ 677,900	11	$ 654,600	11
2110	Short-term notes payable (Note 13)	109,953	2	117,938	2
2150	Notes payable (Note 15)	1,785	-	2,321	-
2170	Accounts payable (Note 15)	80	-	198	-
2180	Accounts payable - related parties (Note 24)	915,304	15	1,123,456	20
2219	Other Payables (Note 16)	27,353	-	23,198	-
2230	Current tax liabilities (Note 20)	64,404	1	36,341	1
2322	Current portion of long-term loans payable (Note 13)	154,583	3	40,000	1
2365	Refund liabilities (Notes 4 and 18)	33,842	1	35,492	1
2399	Other current liabilities	2,402	-	722	-
21XX	Total current liabilities	1,987,606	33	2,034,266	36
	Non-current liabilities				
2530	Bonds payable (Notes 14 and 17)	-	-	16,115	-
2540	Long-term loans (Note 13)	525,000	8	379,584	6
2570	Deferred tax liabilities (Notes 4 and 20)	-	-	37,090	1
25XX	Total non-current liabilities	525,000	8	432,789	7
2XXX	Total liabilities	2,512,606	41	2,467,055	43
	Equities (Note 17)				
3110	Common stock	1,214,474	20	1,206,871	21
3200	Capital reserve	1,154,878	19	1,146,324	20
	Retained earnings				
3310	Legal reserve	275,515	5	243,972	4
3320	Special reserve	254,589	4	219,988	4
3350	Unappropriated earnings	818,021	13	687,093	12
3300	Total retained earnings	1,348,125	22	1,151,053	20
3410	Exchange differences resulting from translating the financial statements of foreign operations	(163,641)	(2)	(254,589)	(4)
3XXX	Total equity	3,553,836	59	3,249,659	57
	Total liabilities and equity	$ 6,066,442	100	$ 5,716,714	100

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

Chairman：HSIAO, CHIN-MING　　Manager: HSIAO, CHIN-CHUN　　Accounting supervisor：LEE, FAN

Bin Chuan Enterprise Co., Ltd.
Individual Statements of Comprehensive Income
From January 1 to December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars, , except earnings per share)

		2022		2021	
Codes		Amount	%	Amount	%
4100	Net sales revenue (Notes 4 and 24)	$ 4,159,561	100	$ 3,642,835	100
5110	Cost of sales (Notes 9, 19 and 24)	3,848,137	92	3,412,687	94
5900	Operating margin	311,424	8	230,148	6
5920	Realized (unrealized) benefits of transactions with subsidiaries	-	-	30	-
5950	Realized operating margin	311,424	8	230,178	6
	Operating expenses (Note 19)				
6100	Sales and marketing expenses	7,570	-	6,396	-
6200	General and administrative expenses	43,016	1	35,563	1
6000	Total operating expenses	50,586	1	41,959	1
6900	Net operating profit	260,838	7	188,219	5
	Non-operating income and expenses (Notes 19 and 24)				
7010	Interest income from bank deposits	17,895	1	6,029	-
7020	Other gains and losses	142,322	3	(15,540)	-
7050	Finance costs	(28,717)	(1)	(24,022)	(1)
7070	Share of profit or loss of subsidiaries accounted for using equity method	43,882	1	181,010	5
7000	Total non-operating income and expenses	175,382	4	147,477	4
7900	Income from continuing operations before income tax	436,220	11	335,696	9

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Codes		2022 Amount	2022 %	2021 Amount	2021 %
7950	Total income tax expense (Note 20)	$ 44,832	1	$ 20,266	-
8200	Profit	391,388	10	315,430	9
	Other comprehensive income (Notes 17 and 20)				
8360	To be reclassified to profit or loss in subsequent period				
8361	Exchange differences resulting from translating the financial statements of foreign operations	93,065	2	(37,916)	(1)
8399	Income tax related to items that may be reclassified subsequently to P/L	(2,117)	-	3,315	-
8300	Other comprehensive income (net of income tax)	90,948	2	(34,601)	(1)
8500	Total comprehensive income	$ 482,336	12	$ 280,829	8
	Earnings per share (Note 21)				
9750	Basic	$ 3.23		$ 2.62	
9850	Diluted	$ 3.21		$ 2.59	

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

Chairman: HSIAO, CHIN-MING Manager: HSIAO, CHIN-CHUN Accounting supervisor: LEE, FAN

Bin Chuan Enterprise Co., Ltd.
Individual Statements of Changes in Equity
From January 1 to December 31, 2022 and 2021

In Thousands of New Taiwan Dollars

Codes		Capital Stock				Retained earnings				Foreign currency translation reserve	Total
		Common stock	Capital collected in advance	Total	Capital reserve	Legal reserve	Special reserve	Unappropriated earnings	Total		
A1	Balance, January 1, 2021	$ 1,194,828	$ 7,435	$ 1,202,263	$ 1,140,835	$ 204,516	$ 219,821	$ 592,134	$ 1,016,471	($ 219,988)	$ 3,139,581
	Appropriations of 2020 earnings (Note 17)										
B1	Legal reserve	-	-	-	-	39,456	-	(39,456)	-	-	-
B3	Special reserve	-	-	-	-	-	167	(167)	-	-	-
B5	Common stock cash dividend	-	-	-	-	-	-	(180,848)	(180,848)	-	(180,848)
		-	-	-	-	39,456	167	(220,471)	(180,848)	-	(180,848)
D1	Profit of 2021	-	-	-	-	-	-	315,430	315,430	-	315,430
D3	Other comprehensive income of 2021, net of income tax	-	-	-	-	-	-	-	-	(34,601)	(34,601)
D5	Total comprehensive income of 2021	-	-	-	-	-	-	315,430	315,430	(34,601)	280,829
I1	Conversion of convertible corporate bond (Notes 14 and 17)	12,043	(7,435)	4,608	5,489	-	-	-	-	-	10,097
Z1	Balance, December 31, 2021	1,206,871	-	1,206,871	1,146,324	243,972	219,988	687,093	1,151,053	(254,589)	3,249,659
	Appropriations of 2021 earnings (Note 17)										
B1	Legal reserve	-	-	-	-	31,543	-	(31,543)	-	-	-
B3	Special reserve	-	-	-	-	-	34,601	(34,601)	-	-	-
B5	Common stock cash dividend	-	-	-	-	-	-	(194,316)	(194,316)	-	(194,316)
		-	-	-	-	31,543	34,601	(260,460)	(194,316)	-	(194,316)
D1	Profit of 2022	-	-	-	-	-	-	391,388	391,388	-	391,388
D3	Other comprehensive income of 2022, net of income tax	-	-	-	-	-	-	-	-	90,948	90,948
D5	Total comprehensive income of 2022	-	-	-	-	-	-	391,388	391,388	90,948	482,336
I1	Conversion of convertible corporate bond (Notes 14 and 17)	7,603	-	7,603	8,554	-	-	-	-	-	16,157
Z1	Balance, December 31, 2022	$ 1,214,474	$ -	$ 1,214,474	$ 1,154,878	$ 275,515	$ 254,589	$ 818,021	$ 1,348,125	($ 163,641)	$ 3,553,836

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

Chairman: HSIAO, CHIN-MING

Manager: HSIAO, CHIN-CHUN

Accounting supervisor: LEE, FAN

Bin Chuan Enterprise Co., Ltd.
Individual Statements of Cash Flows
From January 1 to December 31, 2022 and 2021

In Thousands of New Taiwan Dollars

Codes		2022	2021
	Cash flows from operating activities		
A10000	Income before income tax	$ 436,220	$ 335,696
A20010	Provided by (used in) operating activities		
A20100	Depreciation	3,671	3,867
A20400	Net loss on fair value change of financial assets at FVTPL	3,448	236
A20900	Finance costs	28,717	24,022
A21200	Interest income from bank deposits	(17,895)	(6,029)
A22400	Share of profit or loss of subsidiaries accounted for using equity method	(43,882)	(181,010)
A22500	Gain on disposal or retirement of property, plant and equipment	(553)	(1,349)
A23700	Impairment loss and slow-moving loss on inventories	288	4,394
A29900	Others	(2,182)	518
A30000	Changes in operating assets and liabilities		
A31130	Notes receivables	10	(13)
A31150	Trade receivables	412,928	(352,613)
A31160	Trade receivables - related parties	400	(785)
A31180	Other receivables	21	164
A31190	Other receivables - related parties	1,352	6,047
A31200	Inventories	(5,377)	(607)
A31240	Other current assets	2,166	674
A32130	Notes payable	(536)	359
A32150	Accounts payable	(118)	(351)
A32160	Accounts payable - related parties	(208,152)	558,750
A32180	Other Payables	3,163	(2,163)
A32190	Other payables – related parties	-	(8,085)
A32230	Other current liabilities	1,680	117
A32990	Refund liability	(1,650)	12,910
A33000	Cash inflow generated from operations	613,719	394,749
A33100	Interest received	13,636	18,390
A33300	Interest paid	(27,661)	(22,507)
A33500	Income tax paid	(52,904)	(23,865)
AAAA	Net cash flows from operating activities	546,790	366,767

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Codes		2022	2021
	Cash flows from investing activities		
B00100	Purchase of financial assets at fair value through profit or loss	$ -	($ 22,059)
B01800	Obtain Investments accounted for using equity method	(172,950)	(69,525)
B02400	Refund of stock capital from capital reduction of investee using the equity method	248,652	55,620
B02700	Purchase of property, plant and equipment	(734)	(2,921)
B02800	Proceeds from disposal of property, plant and equipment	672	1,736
B04300	Other receivables - increase in related parties	(32,668)	(65,155)
B03700	Increase in refundable deposits	(10)	-
B06500	Increase in other financial assets	(27,685)	(108,621)
B07600	Dividends received from subsidiaries	-	161,769
BBBB	Net cash inflows (outflows) from investing activities	15,277	(49,156)
	Cash flows from financing activities		
C00100	Increase in short-term loans	992,000	572,200
C00200	Decrease in short-term loans	(968,700)	(443,400)
C00500	Increase in short-term notes payable	300,000	117,852
C00600	Decrease in short-term notes payable	(308,000)	(88,000)
C01600	Proceeds from long-term loans	300,000	395,000
C01700	Repayments of long-term loans	(40,001)	(438,591)
C01300	Repayment of corporate bond	-	(130,100)
C04500	Cash dividends	(194,316)	(180,848)
CCCC	Net cash inflows (outflows) from financing activities	80,983	(195,887)
EEEE	Net increase in cash and cash equivalents	643,050	121,724
E00100	Cash and cash equivalents at beginning of year	287,737	166,013
E00200	Cash and cash equivalents at end of year	$ 930,787	$ 287,737

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

Chairman: HSIAO, CHIN-MING Manager: HSIAO, CHIN-CHUN Accounting supervisor: LEE, FAN

Bin Chuan Enterprise Co., Ltd.
Notes to the Consolidated financial statements
From January 1 to December 31, 2022 and 2021
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

I. GENERAL

The Company was established in Dafa Industrial Zone, Kaohsiung City in 1983 and is mainly engaged in manufacturing, processing and sales of semi-automatic punching net machinery, audio decoration nets, and molds, and purchasing and sales of stamped parts for computer peripherals.

The Company's stocks have been traded on the Taiwan Stock Exchange's Over-The-Counter market since July 2005.

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

II. THE AUTHORIZATION OF FINANCIAL STATEMENTS

The individual financial statements were approved and authorized for issue by the Board of Directors on March 27, 2023.

III. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

(1) Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC) and did not have a significant effect on the Company's accounting policies.

(2) Amendments to the IFRSs endorsed by the FSC with effective date starting 2022

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

Note 1: This amendment applies to annual reporting period starting after January 1, 2023.

Note 2: This amendment applies to changes of accounting estimates and policies in annual reporting period starting after January 1, 2023.

Note 3: This amendment applies to all the transactions occurring after January 1, 2022, except for the deferred tax due to temporary differences for lease and decommissioning obligations as of January 1, 2022.

As of the date the individual financial statements were authorized for issue by the Board of Directors, the financial position and financial performance will not be affected by the aforementioned standards or interpretations.

(3) The IFRSs issued by IASB but not yet endorsed and issued into effect by the FSC

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

Note 1: Unless otherwise specified, the above new, revised or amended standards or interpretations start to apply in the annual reporting period after each effective date.

Note 2: The seller and lessee shall retrospectively apply the amendments to IFRS 16 for sale and leaseback transactions entered into after the initial application of IFRS 16.

As of the date the individual financial statements were authorized for issue, the Company continues in evaluating the impact on its financial position and financial performance from the initial adoption of the aforementioned standards or interpretations. The related impact will be disclosed when the Company completes its evaluation.

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Statement of Compliance

The individual financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (the “Accounting Standards Used in Preparation of the Parent Company Only Financial Statements”).

(2) Basis of Preparation

The individual financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values, as explained in the accounting policies below.

The fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs:

1. Level 1 Inputs: the quoted prices (unadjusted) in active markets for identical assets or liabilities that can access at the measurement date.
2. Level 2 Inputs: the inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (price) or indirectly (derived from price).
3. Level 3 inputs: the unobservable inputs for the asset or liability.

When preparing the individual financial statements, the Company account for subsidiaries by using the equity method. In order to agree with the amount of net income, other comprehensive income and equity attributable to shareholders of the Company in the consolidated financial statements, the differences of the accounting treatment between the individual basis and the consolidated basis are adjusted under the heading of investments accounted for using equity method, share of profits of subsidiaries, share of other comprehensive income of subsidiaries and relevant equities in the individual financial statements.

(3) Classification of Current and Non-current Assets and Liabilities

Current assets include:

1. Assets held primarily for the purpose of trading;
2. Assets realized within 12 months after the balance sheet date; and
3. Cash or cash equivalents (excluding assets restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date).

Current liabilities include:

1. Liabilities held primarily for the purpose of trading;
2. Liabilities due to be settled within 12 months after the balance sheet date (liabilities with long-term refinancing or rearrangement of payment terms completed after the balance sheet date and before the release of the financial statements); and
3. Liabilities with a repayment deadline that cannot be unconditionally deferred for at least 12 months after the balance sheet date. However, the terms of a liability that could, at the option of the counterparty, result in its settlement by issue of equity instruments do not affect its classification.

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

(4) Foreign Currencies

In preparing the individual financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

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

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the year.

Non-monetary items that are measured in terms of historical cost in foreign currencies are translated at the rates prevailing at the date of the transactions and are not retranslated.

For the purposes of presenting individual financial statements, the assets and liabilities of the Company's foreign operations (including the subsidiaries located in or in a currency different from the Company) are translated into NT$ using exchange rates prevailing at the end of the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income.

(5) Sales of Trade Receivables

Trade receivables are considered sold when all of the following conditions are met:

1. The receivables have been isolated from the control of the Company, meaning they are deemed to have been removed from the control of the Company.
2. Each assignee of the trade receivables has the right to pledge or exchange the trade receivables, and there are no restrictions on the assignee's exercise of the right to pledge or exchange, which results in the Company obtaining more than a trivial benefit.
3. The Company did not maintain effective control over the trade receivables by either of the following ways:
   (1) Agreement to repurchase or redeem the trade receivables before the due date with rights and obligations.
   (2) The unilateral ability to cause the holder to return specific assets.

When trade receivables are sold, the difference between the selling price and the carrying amount is recorded as a financial expense and reported as non-operating expenses in the current year.

(6) Inventories

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

(7) Investments in Subsidiaries

Investments accounted for using the equity method include investments in subsidiaries and associates.

A subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of profit or loss and other comprehensive income of the subsidiary as well as the distribution received. The Company also recognized its share in the changes in the equity of subsidiaries.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. Any difference between the carrying amount of the subsidiary and the fair value of the consideration paid or received is recognized directly in equity.

When the Company's share of losses of a subsidiary exceeds its equity in said subsidiary (which includes any carrying amount of the investment accounted for by the equity method and long-term equity that, in substance, forms part of the Company's net investment in the said subsidiary), the Company continues recognizing its share of further losses.

When the Company transacts with its subsidiaries, profits and losses resulting from the transactions with the subsidiaries are recognized in the Company's individual financial statements only to the extent of interests in the subsidiaries that are not owned by the Company.

(8) Property, Plant and Equipment

Property, plant and equipment are recognized at cost and then measured at the cost less accumulated depreciation.

Except for the self-owned land, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each year, with the effects of any change in the estimates accounted for on a prospective basis.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

(9) Impairment of Property, Plant and Equipment

At the end of each balance sheet date, the Company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. The corporate assets are allocated to individual cash-generating units on a reasonable and consistent allocation basis.

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

When an impairment loss subsequently reverses, the carrying amount of the asset or a cash-generating unit is increased to the revised estimate of its recoverable amount, but the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

(10) Financial Instruments

Financial assets and financial liabilities shall be recognized in the individual balance sheet when the Company becomes a party to the contractual provisions of the instruments.

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

1. Financial assets

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

(1) Measurement categories

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

A. Financial assets at FVTPL

Financial assets at FVTPL are mandatorily required to measure at FVTPL.

Financial assets at FVTPL are measured at fair value. Any remeasurement gains or losses on such financial assets are recognized in other gains or losses.

B. Financial assets at amortized cost

Financial assets held by the Company and met the following two conditions simultaneously are classified as financial assets at amortized cost:

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

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

Subsequent to initial recognition, financial assets measured at amortized cost (including cash and cash equivalents, notes receivables, trade receivables (including related party), other receivables (including related party), and other financial assets (current and noncurrent)) are measured at amortized cost, which equals to carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by multiplying the effective interest rate by the gross carrying amount of a financial asset, except:

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

b. Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets.

Credit impairment of financial assets refers to situations where the issuer or debtor has encountered significant financial difficulties, defaults, or is highly likely to file for bankruptcy or undergo other financial reorganization, or where the financial difficulties have led to the disappearance of an active market for the financial assets.

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

C. Investments in debt instruments at FVTOCI

Debt instruments held by the Company and met the following two conditions simultaneously are classified as financial assets at FVTOCI:

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

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

Investments in debt instruments at FVTOCI are measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment gains or losses on investments in debt instruments at FVTOCI are recognized in profit or loss. Other changes in the carrying amount of these debt instruments are recognized in other comprehensive income and will be reclassified to profit or loss when these debt instruments are disposed.

(2) Impairment of financial assets

At the balance sheet date, a loss allowance for expected credit loss is recognized for financial assets at amortized cost (including accounts receivable) and for investments in debt instruments that are measured at FVTOCI.

The loss allowance for accounts receivable is measured at an amount equal to lifetime expected credit losses. For other financial assets, when the credit risk on the financial instrument has not increased significantly since initial recognition, a loss allowance is recognized at an amount equal to expected credit loss resulting from possible default events of a financial instrument within 12 months after the reporting date. If, on the other hand, there has been a significant increase in credit risk since initial recognition, a loss allowance is recognized at an amount equal to expected credit loss (ECLs) over the expected life of a financial instruments.

The ECLs refer to the weighted average credit loss with the risk of default as the weight. The 12-month ECLs represent the ECLs from possible defaults of a financial instrument within 12 months after the reporting date. The lifetime ECLs represent the ECLs from all possible defaults in a financial instrument over the expected life of a financial instrument.

For the purpose of internal credit risk management, the Company determines that the following situations represent default of financial assets without considering the collateral held:

A. Internal or external information indicates that the debtor is unlikely to settle the debt.

B. The overdue period exceeds 360 days, unless there is reasonable and demonstrable information that the deferred default criteria is more appropriate.

The Company recognizes an impairment loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of the financial asset.

(3) Derecognition of financial assets

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

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset’s carrying amount and the consideration received is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset’s carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

2. Equity instruments

Equity instruments issued by the Company are recognized at the proceeds received, net of the cost of direct issue.

3. Financial Liabilities
   (1) Subsequent measurement
   Financial liabilities are subsequently measured either at amortized cost using effective interest method.
   (2) Derecognition of financial liabilities
   The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.
4. Convertible corporate bond
   The compound financial instrument (convertible corporate bond) issued by the Company is classified as financial liabilities and equity instruments at initial recognition in accordance with the substance and definition of financial liabilities and equity instruments in the contractual agreement.
   At the initial recognition, the fair value of the liability component is estimated based on similar non-convertible instruments' market interest rates, and subsequently measured at amortized cost using the effective interest method until conversion or maturity date. The liability component of the embedded non-equity derivative instruments is measured at fair value.
   The conversion right classified as equity is equal to the residual amount of the fair value of the entire compound instrument minus the fair value of the separately determined liability component, and is not subsequently remeasured. When the conversion right is exercised, the related liability component and the amount attributed to equity will be reclassified to capital and capital reserve - additional paid-in capital. If the conversion right of convertible corporate bond is not exercised by the maturity date, the amount attributed to equity will be reclassified to capital reserve - other.
   The transaction costs related to the issuance of convertible corporate bond are allocated based on the proportion of the total consideration to the liability component (included in the carrying amount of liabilities) and equity component (included in equity).

(11) Revenue recognition

The Company recognizes revenue when identifies a contract with a customer, and allocates the transaction price to the performance obligations after performance obligations are satisfied.

When control of goods is transferred to customers (for exports, when the sales conditions specified in the contract are fulfilled; for domestic sales, upon delivery to customers), the customers have the right to determine the price and the way the products are used while bearing the main responsibility for resale and the risk of obsolescence; thus, revenue and account receivable are recognized concurrently.

The revenue from sales of goods is measured at fair value based on the agreed transaction price between the Company and the customers (after considering commercial and quantity discounts). If refunds are made to customers due to discounts, they are recognized as refund liabilities.

(12) Leasing

At the inception of a contract, the Company assesses whether the contract is (or contains) a lease.

For a contract that contains a lease component and non-lease component, the Company uses relative standalone selling prices to allocate the consideration in the basic contribution contract and accounts for them separately.

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

Right-of-use assets are measured at cost. Subsequent measurement is calculated as cost less accumulated depreciation.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of lease payments. If the interest rate implicit in a lease can be easily determined, the lease payment is discounted at such an interest rate. If the interest rate cannot be easily determined, the lessee's incremental borrowing rate applies.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term used to determine those payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, when the carrying amount of right-of-use assets has become zero, the remaining remeasured amount shall be recognized in profit or loss.

(13) Employee benefits

1. Short-term employee benefits

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

2. Post-employment benefits

   For defined contribution post-employment benefit plans, payments to the benefit plan are recognized as an expense when the employees have rendered service entitling them to the contribution.

3. Termination benefits

   The Company recognizes termination benefits liabilities when it can no longer cancel the termination benefits agreement or when it recognizes restructuring costs (which is earlier).

(14) Income tax

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

1. Current income tax expense

   The Company calculated the income tax payable based on the current income determined according to the Income Tax Act of the Republic of China (R.O.C.).

   Income tax on unappropriated earnings is expensed in the year the shareholders approved the appropriation of earnings which is the year subsequent to the year the earnings are generated.

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

2. Deferred income tax

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

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

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

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

   Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the balance sheet date, to recover or settle the carrying amount of its assets and liabilities.

3. Current and deferred tax for the period

   Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are recognized in other comprehensive income or directly in equity, respectively.

V. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Estimated impairment of financial assets

The provision for impairment of trade receivables is based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on historical experience and existing market conditions. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

VI. CASH AND CASH EQUIVALENTS

	December 31, 2022	December 31, 2021
Cash on hand	$ 10	$ 10
Bank check and demand deposits	69,729	287,202

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	December 31, 2022	December 31, 2021
Cash equivalents		
Time deposits with an original maturity less than 3 months	$ 861,048	$ 525
	$ 930,787	$ 287,737

VII. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31, 2022	December 31, 2021
Financial assets at FVTPL - current		
Derivative		
Net amount of callable and puttable convertible corporate bond (Note 14)	$ -	$ 20
Financial assets mandatorily measured at FVTPL - non-current		
Non-derivative financial assets		
Beneficiary certificate	$ 20,165	$ 21,418

VIII. NOTES AND TRADE RECEIVABLE

	December 31, 2022	December 31, 2021
Notes receivables - arising from operations		
Carried at amortized cost	$ 10	$ 20
Trade receivables		
Carried at amortized cost	$ 811,035	$ 1,364,699
At FVTOCI	196,096	55,360
	$ 1,007,131	$ 1,420,059

(1) Trade receivables

1. Trade receivables carried at amortized cost

The Company conducts a careful assessment of all customers, and they are all with good credit. Therefore, the Company does not expect a significant credit risk. The Company continuously controls the debtor’s financial position and overall credit risk and considers the past default records and current financial position of the debtor, the general economic conditions of the industry and the forecast direction of economic conditions to assess the risk and probability of credit losses.

The Company continues to monitor the collection status of accounts receivable to ensure appropriate actions have been taken to collect overdue amounts. In addition, the Company will review the recoverable amount of each accounts receivable on the balance sheet date to ensure that appropriate provisions for irrecoverable accounts receivable have been made.

If there is evidence showing that the counterparty is facing serious financial difficulties and the Company cannot reasonably foresee the recoverable amount, the Company directly writes off the trade receivables and will continue the collection while the collected amount will be recognized in profit or loss.

2. Accounts receivable classified as at FVTOCI

Regarding some of the major customer's accounts receivable, the Company decides whether to sell them to a bank without recourse or not based on the working capital situation. The management approach adopted by the Company for such accounts receivable is to achieve the purpose through collecting cash flows from contracts and selling financial assets. Therefore, these accounts receivable are measured at fair value through other comprehensive income. Furthermore, the evaluation method for impairment loss is the same as the accounts receivable carried at amortized cost.

Accounts receivable and notes receivable - related parties are not overdue and there is no expected credit loss. The following table details the loss allowance of trades receivables based on the Company's provision matrix.

December 31, 2022

	Not past due	Past due for 1~60 days	Past due for 61~90 days	Past due for 91~120 days	Past due for 121~360 days	Past due over 360 days	Total
Total carrying amount	$ 1,007,131	$ -	$ -	$ -	$ -	$ -	$ 1,007,131
Loss allowance (Lifetime ECL)	-	-	-	-	-	-	-
Net	$ 1,007,131	$ -	$ -	$ -	$ -	$ -	$ 1,007,131

December 31, 2021

	Not past due	Past due for 1~60 days	Past due for 61~90 days	Past due for 91~120 days	Past due for 121~360 days	Past due over 360 days	Total
Total carrying amount	$ 1,419,235	$ 824	$ -	$ -	$ -	$ -	$ 1,420,059
Loss allowance (Lifetime ECL)	-	-	-	-	-	-	-
Net	$ 1,419,235	$ 824	$ -	$ -	$ -	$ -	$ 1,420,059

(2) The relevant information regarding the sale of trade receivables is as follows:

2022

Related Party	Selling price in 2022	Cash received in 2022	Prepaid balance at December 31	Annual interest rate on prepaid balance (%)	Prepaid amount limit
CTBC	$ 1,677,694	$ 1,259,589	$ 376,038	Taibor+0.5%	$ 552,780
Taishin Bank (Note)	15,607	15,607	-	-	-
	$ 1,693,301	$ 1,275,196	$ 376,038		$ 552,780

Note: The prepaid amount limit will expire in 2022.

2021

Related Party	Selling price in 2021	Cash received in 2021	Prepaid balance at December 31	Annual interest rate on prepaid balance (%)	Prepaid amount limit
CTBC	$ 1,183,086	$ 611,824	$ 498,022	Taifx+0.9% ／ Taibor+0.7%	$ 498,240
Taishin Bank	5,342	5,342	-	-	49,284
	$ 1,188,428	$ 617,166	$ 498,022		$ 547,524

The above limits are revolving and the bank's purchase of the unexpired trade receivables sold by the Company and its subsidiaries is under a non-recourse basis.

As of December 31, 2022 and 2021, the reserve for sales of trade receivables amounted to NT$42,067 thousand and NT$73,240 thousand, respectively, which have not been collected yet, and are recorded under trade receivables.

IX. Inventories

	December 31, 2022	December 31, 2021
Goods	$ 6,648	$ 1,270
Finished goods	395	681
Work-in-process	389	389
Raw materials	203	206
	$ 7,635	$ 2,546

The cost of revenue related to Inventories includes:

	2022	2021
Inventory losses	$ 288	$ 4,394

X. Other financial assets

	December 31, 2022	December 31, 2021
Other financial assets - current		
Time deposits with an original maturity more than 3 months	$ 6,725	$ -
Other financial assets - non-current		
Restricted project deposits	$ 214,992	$ 194,032
Refundable deposits	99	89
	$ 215,091	$ 194,121

Restricted project deposits are funds received by the Company from its overseas subsidiaries and categorized with liquidity based on their expected use time, in accordance with The Management, Utilization, and Taxation of Repatriated Offshore Funds Act.

XI. Investments accounted for using equity method

	December 31, 2022		December 31, 2021	
	Amount	Percentage of Ownership	Amount	Percentage of Ownership
Investments in Subsidiaries				
Hamagawa Corp. (Note 1)	$ 296,980	100	$ 542,360	100
Hamagawa Holdings (Note 2)	3,244,312	100	2,960,067	100
Feng Rong Medical Co., Ltd.	130,032	51	107,652	51
	$ 3,671,324		$ 3,610,079	

Note 1: In 2022 and 2021, the investee, Hamagawa Corp., returned capital of NT$248,652 thousand (US$8,215 thousand) and NT$55,620 thousand (US$2,000 thousand), respectively.

Note 2: The Company increased its investment in Hamagawa Holdings in 2022 and 2021 for the amounts of NT$172,950 thousand (US$5,700 thousand) and NT$69,525 thousand (US$2,500 thousand), respectively.

Refer to Tables 6 and 7 for the information on investees.

XII. Property, Plant and Equipment

2022

	Land	Buildings	Machinery and equipment	Transportation equipment	Office and other equipment	Total
Cost						
Balance, January 1, 2022	$ 5,152	$ 27,040	$ 13,609	$ 8,686	$ 1,290	$ 55,777
Additions	-	296	438	-	-	734
Disposals	-		(975)	-	-	(975)
Balance, December 31, 2022	$ 5,152	$ 27,336	$ 13,072	$ 8,686	$ 1,290	$ 55,536
Accumulated depreciation						
Balance, January 1, 2022	$ -	$ 14,486	$ 10,974	$ 4,393	$ 370	$ 30,223
Depreciation	-	914	1,165	1,377	215	3,671
Disposals	-	-	(856)	-	-	(856)
Balance, December 31, 2022	$ -	$ 15,400	$ 11,283	$ 5,770	$ 585	$ 33,038
Net, December 31, 2022	$ 5,152	$ 11,936	$ 1,789	$ 2,916	$ 705	$ 22,498

2021

	Land	Buildings	Machinery and equipment	Transportation equipment	Office and other equipment	Total
Cost						
Balance, January 1, 2021	$ 5,152	$ 27,040	$ 19,669	$ 8,829	$ 2,494	$ 63,184
Additions	-	-	130	2,601	190	2,921
Disposals	-	-	(6,190)	(2,744)	(1,394)	(10,328)
Balance, December 31, 2021	$ 5,152	$ 27,040	$ 13,609	$ 8,686	$ 1,290	$ 55,777

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	Land	Buildings	Machinery and equipment	Transportation equipment	Office and other equipment	Total
Accumulated depreciation						
Balance, January 1, 2021	$ -	$ 13,582	$ 15,792	$ 5,367	$ 1,556	$ 36,297
Depreciation	-	904	1,371	1,385	207	3,867
Disposals	-	-	(6,189)	(2,359)	(1,393)	(9,941)
Balance, December 31, 2021	$ -	$ 14,486	$ 10,974	$ 4,393	$ 370	$ 30,223
Net, December 31, 2022	$ 5,152	$ 12,554	$ 2,635	$ 4,293	$ 920	$ 25,554

There was no impairment in 2022 and 2021 after the evaluation.

The Company's property, plant and equipment are depreciated on a straight-line basis over the following estimated useful life:

Buildings	
Main plants	25-55 years
Others	3-10 years
Machinery and equipment	5-10 years
Transportation equipment	5 years
Office and other equipment	5 years

Refer to Note 25 for the carrying amounts of property, plant and equipment that have been pledged by the Company to secure loans.

13. Loans

(1) Short-term loans

	December 31, 2022	December 31, 2021
Secured loans (Note 25)		
Bank loans	$ -	$ 50,000
Unsecured loans		
Credit loans	677,900	604,600
	$ 677,900	$ 654,600
Annual interest rate		
Secured loans (%)	-	1.10
Unsecured loans (%)	1.55～2.05	1.00～1.40

(2) Short-term notes payable

	December 31, 2022	December 31, 2021
Commercial paper payable	$ 110,000	$ 118,000
Less: unamortized discount	47	62
	$ 109,953	$ 117,938

On December 31, 2022 and 2021, the acceptance institutions for the commercial notes payable were China Bills Finance Corporation, Mega Bills Finance Corporation, International Bills Finance Corporation, and Bank of Shanghai, while the assurance agencies were China Bills Finance Corporation, Mega Bills Finance Corporation, Far Eastern International Bank, and Bank of Shanghai. The annual interest rates were 1.400% ~ 1.462% and 0.272% ~ 0.558% as of December 31, 2022 and 2021, respectively.

(3) Long-term loans

	Repayment Method	Significant Covenant	December 31, 2022	December 31, 2021
Floating rate borrowings				
Back loans - Unsecured NTD denominated bank loans	began in July 2020 and has a repayment period of 24 months, with the first period being a full 12 months and subsequent periods being one month each. The annual interest rates as of the end of 2022 and 2021 were 1.839% and 1.374%, respectively.	-	$ 14,583	$ 39,584
	began in December 2021 and has 4 repayment periods, with the first period being a full 19 months and subsequent periods being 6 months each with the final period being 5 months. The annual interest rates as of the end of 2022 and 2021 were 2.258% and 1.480%, respectively.	Note 1	200,000	200,000
	began in October 2021 and has a repayment period of 24 months, with the first period being a full 13 months and subsequent periods being one month each. The annual interest rates as of the end of 2022 and 2021 were 1.845% and 1.316%, respectively.	-	165,000	180,000
Back loans - Secured NTD denominated bank loans	began in June 2022 and has 3 repayment periods, with the first period being a full 24 months and subsequent periods being 6 months each. The annual interest rate as of the end of 2022 was 2.200%.	Note 2	300,000	-
Total long-term bank loans			679,583	419,584
Less: Current portion			154,583	40,000
Long-term loans			$ 525,000	$ 379,584

Note 1: On December 2021, the Company entered into a loan agreement with CTBC Bank Co., Ltd. for a non-revolving unsecured loan of NT$200,000 thousand with a term of 3 years. The Company's consolidated semi-annual and annual financial statements shall meet certain financial ratios and standards.

Note 2: On June 2022, the Company entered into a loan agreement with Entie Commercial Bank, Ltd. for a revolving secured loan of NT$300,000 thousand with a term of 3 years. The Company's consolidated semi-annual and annual financial statements shall meet certain financial ratios and standards.

The Company's consolidated financial statements comply with the above financial ratios and standards agreed.

14. Bonds payable

The Company has issued the sixth domestic unsecured convertible corporate bond in February 2019 and the status as of December 31, 2022 and 2021 is as follows:

	December 31, 2022	December 31, 2021
(1) Components of liabilities		
1. Corporate bond		
The sixth domestic unsecured convertible	$ -	$ 16,500
Less: Discounts on bonds	-	385
	$ -	$ 16,115

The effective interest rate for the 6th domestic unsecured convertible corporate bond is 2.06%. As of the end of 2022, all the convertible corporate bonds have been converted to the common shares of the Company, except for cases where debt holders have requested to sell back the bonds based on the redemption conditions and the buyback price was NT$100 thousand.

	December 31, 2022	December 31, 2021
2. Financial assets at FVTPL		
Net amount of 6th domestic callable and puttable convertible corporate bond	$ -	$ 20
(2) Components of equities - stock option		
The sixth domestic unsecured convertible	$ -	$ 1,123

XV. NOTES PAYABLE AND ACCOUNTS PAYABLE

	December 31, 2022	December 31, 2021
Notes payable		
From operating activities	$ 691	$ 933
From non-operating activities	1,094	1,388
	$ 1,785	$ 2,321
Accounts payable	$ 80	$ 198

The Company has financial risk management policies to ensure that all accounts payable are repaid within the pre-agreed credit period.

XVI. OTHER PAYABLES

	December 31, 2022	December 31, 2021
Salaries and incentive bonus	$ 10,717	$ 9,908
Bonus to employees	8,939	6,881
Payables for interest	1,955	963
Payables for labor costs	1,684	1,467
Payables for directors' remuneration	1,800	1,500
Others	2,258	2,479
	$ 27,353	$ 23,198

XVII. EQUITY

(1) Common stock

	December 31, 2022	December 31, 2021
Authorized shares (in thousands)	150,000	150,000
Authorized capital	$ 1,500,000	$ 1,500,000
Issued and paid shares (in thousands)	121,447	120,687
Issued capital	$ 1,214,474	$ 1,206,871

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

(2) Capital reserve

	December 31, 2022	December 31, 2021
May be used to offset a deficit, distributed as cash dividends or transferred to share capital (Note)		
Additional paid-in capital	$ 673,349	$ 673,349
From convertible bonds	440,556	430,879
Donations	40,973	40,973
May not be used for any purpose		
Stock options	-	1,123
	$ 1,154,878	$ 1,146,324

Note: The capital reserve may be used to offset a deficit and, when there is no deficit, used to distributed as cash dividends or transferred to share capital. If such capital reserve is distributed as transferred to share capital, it is limited to a certain percentage of the Company's paid-in capital each year.

(3) Retained earnings and dividend policy

The Company’s Articles of Incorporation provide that, if there is a earning in the annual financial statements, the earning is distributed as follows:

1. Paying taxes.
2. Offset losses.
3. Set aside a legal reserve at 10% of the remaining earnings (until the accumulated legal capital reserve equals the Company’s total capital).
4. Set aside or reverse a special reserve in accordance with relevant laws or regulations.
5. Allocate by the Board of Directors after adding the beginning retained earnings, and the amount of dividend distribution shall not be less than 25% of the remaining amount after deducting the profit for the year according to 1-4. However, if the remaining amount after deducting the amount calculated according to 1-4 from the current year's profit is less than 2% of the paid-in capital, dividends may not be distributed.

The company is currently in a growth phase, and considering the financial structure and future expected capital expenditures, its dividend policy involves distributing a portion of dividends in stock and a portion in cash. Cash dividends range from 20% to 100%, while stock dividends range from 0% to 80%. To maintain the company's earnings per share level and consider the impact of stock dividends on the company's business performance, if the earnings per share in the year of dividend distribution decline by more than 20% compared to the previous year, or depending on the company's financial situation, the proportion of cash dividends are adjusted to 50% to 100%, and the proportion of stock dividends are adjusted to 0% to 50%. The most appropriate dividend policy and distribution method shall be determined according to the above principles, and the Board of Directors shall prepare a proposal for approval by the shareholders' meeting.

The legal reserve may be used to offset losses. When the company has no losses, the portion of legal reserve that exceeds 25% of the total paid-in capital may be distributed to shareholders in cash, in addition to being used to increase capital.

The appropriations of 2021 and 2020 earnings have been approved by the shareholder's meeting in June 2022 and August 2021, respectively, as follows:

	Earnings distribution		Cash dividends per share (NT$)	
	2021	2020	2021	2020
Legal reserve	$ 31,543	$ 39,456		
Special reserve	34,601	167		
Cash dividends	194,316	180,848	$ 1.6	$ 1.5

The reserve of special reserve of NT$90,948 and the appropriations of 2022 earnings have been approved by the shareholder's meeting in March 2023 as follows:

	Earnings distribution	Cash dividends per share (NT$)
Legal reserve	$ 39,139	
Cash dividends	242,895	$ 2

The earnings distribution for 2022 is to be presented for approval in the Company's shareholders' meeting to be held in June 2023.

(4) Others

Exchange differences resulting from translating the financial statements of foreign operations:

	2022	2021
Balance at January 1	($ 254,589)	($ 219,988)
Exchange differences arising on translation of net assets of foreign operations	93,065	(37,916)
Relevant income tax effect	(2,117)	3,315
Balance at December 31	($ 163,641)	($ 254,589)

18. REVENUE

(1) Contract balances

	December 31, 2022	December 31, 2021	January 1, 2021
Notes and trade receivables	$ 1,007,700	$ 1,421,038	$ 1,067,627
Refund liability	$ 33,842	$ 35,492	$ 22,582

Refund liability is the discount estimated based on the customer contract and is recognized as a deduction from revenue in the year of sale of the related goods.

(2) Disaggregation of revenue from contracts with customers

The Company's main source of revenue is the sales of metal products for computer casings. The chief operating decision makers consider the company as a single reporting segment. For detailed information on customer revenue, please refer to the statements of comprehensive income.

19. Income from continuing operations before income tax

Income before income tax includes:

(1) Interest income from bank deposits

	2022	2021
Bank deposits	$ 15,098	$ 319
Financings provided (Note 24)	1,990	3,533
Endorsements and guarantees (Note 24)	807	2,177
	$ 17,895	$ 6,029

(2) Other gains and losses

	2022	2021
Net foreign exchange gains (losses)	$ 144,860	($ 24,863)
Gain from disposal of property, plant and equipment	553	1,349
Profit or loss of financial assets at FVTPL	(3,448)	(236)
Others	357	8,210
	$ 142,322	($ 15,540)

Profit or loss for above table is as follows:

	2022	2021
Foreign exchange gains	$ 277,627	$ 27,138
Foreign exchange losses	(132,767)	(52,001)
	$ 144,860	($ 24,863)

(3) Finance costs

	2022	2021
Financial institution borrowings, proceeds from sale of accounts receivable, and interest on private placement bonds	$ 24,454	$ 19,688
Commission	4,214	3,970
Amortized interest on convertible corporate bond at a discount	49	364
	$ 28,717	$ 24,022

(4) Depreciation

	2022	2021
Property, Plant and Equipment	$ 3,671	$ 3,867
Depreciation summarized by function		
Operating costs	$ 1,806	$ 2,006
Operating expenses	1,865	1,861
	$ 3,671	$ 3,867

(5) Employee benefits expense

	2022	2021
Short-term employee benefits		
Salaries	$ 41,471	$ 33,880
Insurance	5,503	5,305
Others	3,030	2,629
	50,004	41,814
Post-employment benefits		
Defined contribution plans	2,851	2,779
Termination benefits	-	65
	$ 52,855	$ 44,658
Summarized by function		
Operating costs	$ 15,128	$ 14,390
Operating expenses	37,727	30,268
	$ 52,855	$ 44,658

(6) Employees’ compensation and directors' remuneration

Articles of Incorporation stipulate that 1% to 10% and not to exceed 3% of the income before tax (after deducting employee and director compensation) shall be allocated for employees’ compensation and directors' remuneration. The employees’ compensation and directors' remuneration for 2022 and 2021 (paid in cash) were resolved by the Board of Directors in March 2023 and March 2022, respectively, as follows:

	2022	2021
Employees’ compensation	$ 8,939	$ 6,881
Directors' remuneration	1,800	1,500

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

The actual allocated amount of employees’ compensation and directors' remuneration in 2020 and 2021 are the same as the recognized amount in 2020 and 2021 individual financial statements.

Information on the employees’ compensation and directors' remuneration resolved by the Company’s board of directors is available at the "Market Observation Post System website of the Taiwan Stock Exchange".

20. INCOME TAX

(1) Income tax expense recognized in profit or loss

Income tax expense consisted of the following:

	2022	2021
Current income tax expense		
Current tax expense recognized in the current year	$ 78,220	$ 46,301
Surtax for undistributed earnings	2,747	8,704
Adjustments on prior years	-	560
	80,967	55,565
Deferred income tax	(36,135)	(35,299)
	$ 44,832	$ 20,266

A reconciliation of income before income tax and income tax expense recognized in profit or loss was as follows:

	2022	2021
Income from continuing operations before income tax	$ 436,220	$ 335,696
Income tax expense at the statutory rate	$ 87,244	$ 67,139
Temporary differences	(8,069)	(36,087)
Surtax for undistributed earnings	2,747	8,704
Deferred income tax effect from subsidiaries earnings	(37,090)	(20,050)
Adjustments on prior years	-	560
	$ 44,832	$ 20,266

(2) Income tax relating to components of other comprehensive income

	2022	2021
Deferred income tax		
Exchange differences resulting from translating the financial statements of foreign operations	($ 2,117)	$ 3,315

(3) Current income tax assets and liabilities

	December 31, 2022	December 31, 2021
Current tax liabilities		
income tax payable	$ 64,404	$ 36,341

(4) Deferred income tax assets and liabilities

The changes of deferred income tax assets and liabilities are as follows:

2022

	Balance at January 1	Profit or loss	Other comprehensive income	Balance at December 31
Deferred income tax assets				
Temporary differences				
Exchange differences resulting from translating the financial statements of foreign operations	$ 11,439	$ -	($ 2,117)	$ 9,322
Others	2,092	(955)	-	1,137
	$ 13,531	($ 955)	($ 2,117)	$ 10,459
Deferred income tax liabilities				
Temporary differences				
Share of profits of subsidiaries	($ 37,090)	$ 37,090	$ -	$ -

2021

	Balance at January 1	Profit or loss	Other comprehensive income	Balance at December 31
Deferred income tax assets				
Temporary differences				
Exchange differences resulting from translating the financial statements of foreign operations	$ 8,124	$ -	$ 3,315	$ 11,439
Others	2,285	(193)	-	2,092
	$ 10,409	($ 193)	$ 3,315	$ 13,531
Deferred income tax liabilities				
Temporary differences				
Share of profits of subsidiaries	($ 72,582)	$ 35,492	$ -	($ 37,090)

(5) Unrecognized deferred income tax liabilities associated with investments

As of December 31, 2022 and 2021, the aggregate taxable temporary differences associated with investments in subsidiaries not recognized as deferred income tax liabilities amounted to NT$1,912,916 thousand and NT$1,700,250 thousand, respectively.

(6) Income tax examination

The tax authorities have examined income tax returns of the Company through 2020.

21. EARNINGS PER SHARE

The earning per share and the weighted average number of ordinary shares are as follows:

	2022	2021
Net income	$ 391,388	$ 315,430
Effects of all dilutive potential common shares		
Convertible corporate bond	61	503
	$ 391,449	$ 315,933

Shares

In thousand

	2022	2021
Weighted average number of ordinary shares used to calculate for basic earnings per share	121,338	120,604
Effects of all dilutive potential common shares		
Convertible corporate bond	109	845
Employees' compensation	471	331
Weighted average number of common shares used in the computation of diluted EPS	121,918	121,780

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

22. Capital risk management

There have been no significant changes in the capital risk management policies during the current year, except for the financial ratio restrictions under the bank loan agreements in Note 13. There are no external capital requirements beyond these restrictions.

23. Financial Instruments

(1) Fair value of financial instruments not measured at fair value

The management of the Company considers that the carrying amount of financial assets and financial liabilities that are not measured at fair value approximate their fair values.

(2) Fair value of financial instruments measured at fair value on a recurring basis

1. Fair value hierarchy

	Level 1	Level 3	Total
December 31, 2022			
Financial assets at FVTPL			
Beneficiary certificate	$ 20,165	$ -	$ 20,165
Trade receivables at FVTOCI	-	196,096	196,096
	$ 20,165	$ 196,096	$ 216,261
December 31, 2021			
Financial assets at FVTPL			
Net amount of callable and puttable convertible corporate bond	$ -	$ 20	$ 20
Beneficiary certificate	21,418	-	21,418
Trade receivables at FVTOCI	-	55,360	55,360
	$ 21,418	$ 55,380	$ 76,798

2. Valuation techniques and inputs applied for Level 3 fair value measurement

The net amount of callable and puttable convertible corporate bond - derivative instruments is estimated using an option pricing model for fair value, with the significant unobservable input being the stock price volatility. If the stock price volatility decreases, the fair value of these derivative instruments will decrease.

The accounts receivable measured at fair value through other comprehensive income are not significantly affected by discounting, and therefore are measured at fair value based on the original invoice amount.

(3) Categories of financial instruments

	December 31, 2022	December 31, 2021
Financial assets		
Amortized cost (Note 1)	$ 2,136,991	$ 1,984,766
FVTPL		
Net amount of callable and puttable convertible corporate bond	-	20
Beneficiary certificate	20,165	21,418
Trade receivables at FVTOCI	196,096	55,360
Financial Liabilities		
Amortized cost (Note 2)	2,445,800	2,392,902

Note 1: Including cash and cash equivalents, and financial assets carried at amortized cost, which include notes and accounts receivable (including related parties), other receivables (including related parties), and other financial assets (current and non-current).

Note 2: Including financial liabilities carried at amortized cost, which include short-term loans, short-term notes payable, notes and accounts payables (including related parties), other payables, refund liabilities, bonds payable, and long-term loans (current portion included).

(4) Financial risk management objectives and policies

The Company and its subsidiaries' primary financial instruments include trade receivable, accounts payable, short-term notes payable, corporate bonds payable, short- and long-term bank loans, and lease liabilities. The finance department provides services to each business unit, manages the Company's funds, and oversees the Company's foreign exchange. Based on the analysis of risk level and scope, the finance department supervises and manages the financial risks related to the operation of the Company and its subsidiaries through internal risk reports. These risks include market risk (including foreign currency risk and interest rate risk), credit risk, and liquidity risk.

The finance department submits reports to the management of the Company quarterly.

1. Market risk

The Company is exposed to the financial market risks due to the operating activities, primarily changes in foreign currency exchange rates (refer to (1)), interest rates (refer to (2)) and other prices (refer to (3)).

The Company and subsidiaries regularly monitor foreign exchange net positions and timely exchange them into functional currency. There have been no changes in the management and measurement methods of the market risks associated with these financial instruments.

(1) Foreign currency risk

Refer to Note 27 for the carrying amounts of the Company's monetary assets and monetary liabilities denominated in non-functional currencies at the balance sheet date.

Sensitivity analysis

The Company was mainly affected by the fluctuations in the exchange rates of USD.

1% is the sensitivity ratio used in reporting foreign currency risk internally to management and represents management's assessment of the reasonably possible range of changes in foreign currency rates. The Company mainly holds net assets in US dollars. When the exchange rate between the TWD (functional currency) and the USD increases/decreases by 1%, the income before income tax for 2022 and 2021 will decrease/increase by NT$13,743 thousand and NT$8,663 thousand, respectively.

(2) Interest rate risk

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

	December 31, 2022	December 31, 2021
Fair value interest rate risk		
Financial assets	$ 1,082,766	$ 194,032
Financial Liabilities	109,953	134,053
Cash flow interest rate risk		
Financial assets	68,740	286,582
Financial Liabilities	1,357,483	1,074,184

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to interest rates on the balance sheet date of the financial instrument mentioned above. The analysis assumes that the amounts of the outstanding assets and liabilities on the balance sheet date remain outstanding throughout the reporting period. Basis points of 1% increase or decrease were used when reporting interest rate risk internally to management and represent management's assessment of the reasonably possible change in interest rates.

If interest rates had been increased/decreased by 1% for financial liabilities with floating rate, and all other variables held constant, the Company’s net profit before tax for 2022 and 2021 would increase/decrease by NT$13,575 thousand and NT$10,742 thousand, respectively mainly due to the exposure to cash flow interest rate risk on the Company's variable-rate loans.

(3) Other price risk

The Company is exposed to equity price volatility due to the investment in beneficial certificates of funds. Assuming a hypothetical increase/decrease of 1% in prices of the equity for the years ended December 31, 2022 and 2021, the net income before tax would have increased/decreased by NT$202 thousand and NT$214 thousand, respectively due to the changes in fair value of financial at FVTPL.

2. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial losses to the Company. As of the balance sheet date, the Company’s maximum credit risk exposure come from:

(1) The carrying amounts of the financial assets recognized in the balance sheet.

(2) The contingent liabilities arising from the financial guarantees provided by the Company are recognized without considering the probability of occurrence.

The Company follows a policy of conducting transactions only with reputable counterparties and obtaining sufficient collateral, when necessary, to mitigate the risk of financial loss arising from defaults. The Company utilizes publicly available financial information and transaction records to assess the creditworthiness of major customers. The Company continuously monitors credit exposure and the credit ratings of the counterparties, ensures that the total transaction amount is diversified among customers with qualified credit ratings, and regularly reviews and approves credit limits to control credit exposure.

The Company's credit risk is primarily concentrated on the following major customers:

	December 31, 2022	December 31, 2021
Company A	$ 573,362	$ 808,104
Company B	148,601	322,228
	$ 721,963	$ 1,130,332

The maximum credit exposure for providing financing guarantees to subsidiaries by the Company is as follows:

	Carrying Amount	Maximum credit exposure
December 31, 2022		
Off-balance sheet commitments and guarantees	$ -	$ -
December 31, 2021		
Off-balance sheet commitments and guarantees	-	495,195

3. Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows. The Company and subsidiaries rely on bank borrowings as a significant source of liquidity. Management of the Company monitors the utilization of bank borrowings and ensures compliance with loan covenants.

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

The remaining contractual maturity analysis of non-derivative financial liabilities was based on the earliest date at which the Company might be required to repay and was compiled based on the undiscounted cash flows of financial liabilities (including principal and estimated interest). Therefore, the bank borrowings with a repayment on demand clause were included in the earliest time period, regardless of the probability of exercise of the right by banks. The maturity analysis of non-derivative financial liabilities is prepared based on the contractual repayment date.

The undiscounted interest amount of interest cash flows paid at floating interest rates is derived from the yield rate at the balance sheet date.

December 31, 2022	Within 1 year	More than 1 year	Total
Non-derivative financial liabilities			
Variable interest rate instrument	$ 846,559	$ 535,509	$ 1,382,068
Fixed interest rate instrument	110,000	-	110,000
Non-interest bearing	978,364	-	978,364
	$ 1,934,923	$ 535,509	$ 2,470,432
December 31, 2021			
Non-derivative financial liabilities			
Variable interest rate instrument	$ 701,764	$ 389,884	$ 1,091,648
Fixed interest rate instrument	118,000	16,500	134,500
Non-interest bearing	1,184,665	-	1,184,665
Liabilities of financial guarantees	495,195	-	495,195
	$ 2,499,624	$ 406,384	$ 2,906,008

The amount stated in the financial guarantee contracts represents the maximum potential liability that the Company may be required to pay in fulfilling its guarantee obligation if the guarantee holder demands full compensation. However, based on the expectations as of the balance sheet date, the Company believes that the probability of having to make payments under those contractual obligations is minimal.

(2) Financing facilities

	December 31, 2022	December 31, 2021
Unsecured bank loans limits		
Amount used	$ 1,167,483	$ 1,142,184
Amount unused	477,517	922,216
	$ 1,645,000	$ 2,064,400
Secured bank loans limits		
Amount used	$ 300,000	$ 50,000
Amount unused	49,541	100,000
	$ 349,541	$ 150,000

24. RELATED PARTY TRANSACTIONS

The transactions between the Company and its related parties, other than those disclosed in other notes, are summarized as follows:

(1) Related party name and categories

Related Party Name	Related Party Categories
Hamagawa Holdings	Subsidiary
Hamagawa Corp.	Subsidiary
Hamagawa Industrial (M) Sdn. Bhd.	Subsidiary
Suzhou Fengchuan Technology Co., Ltd.. (Suzhou Fengchuan)	Subsidiary
Suzhou Binchuan Precise Industrial Co., Ltd.. (Suzhou Bin Chuan)	Subsidiary
Chongqing Fengchuan Electronic Technology Co., Ltd. (Chongqing Fengchuan)	Subsidiary
HSIAO, CHIN-MING	Chairman
HSIAO, CHIN-CHUN	General Manager

(2) Operating revenue

Item	Related Party Categories	2022	2021
Net revenue from sale	Subsidiary	$ 2,573	$ 2,718

The Company's transaction prices and payment terms of sales of goods for subsidiaries are determined by each other, and there are no similar transactions with non-related parties for comparison.

(3) Purchases

Related Party Categories/Name	2022	2021
Subsidiary		
Suzhou Fengchuan	$ 3,192,517	$ 2,852,470
Suzhou Bin Chuan	365,369	390,782
Chongqing Fengchuan	275,867	146,327
	$ 3,833,753	$ 3,389,579

The purchase price from the subsidiary is agreed at a gross profit margin of approximately 6% for the Company. The transaction terms are agreed by each other and there are no other similar transactions with non-related parties for comparison.

(4) Trade receivables - related parties

Related Party Categories	December 31, 2022	December 31, 2021
Subsidiary	$ 559	$ 959

(5) Accounts payable - related parties

Related Party Categories/Name	December 31, 2022	December 31, 2021
Subsidiary		
Suzhou Fengchuan	$ 758,314	$ 882,233
Suzhou Bin Chuan	154,281	205,719
Chongqing Fengchuan	2,709	35,504
	$ 915,304	$ 1,123,456

The balance of payables to related parties outstanding in the market is not secured by collateral.

(6) Loans to related parties (included in other receivables - related parties)

Refer to Table 1 for financing provided to subsidiaries. Balance of loans as of December 31, 2022 and 2021 and related interest income for 2022 and 2021 are as follows:

Loan balance

Related Party Categories/Name	December 31, 2022	December 31, 2021
Subsidiary		
Chongqing Fengchuan	$ 162,763	$ 27,680
Suzhou Fengchuan	-	94,112
	$ 162,763	$ 121,792

Interest income from bank deposits

Related Party Categories/Name	2022	2021
Subsidiary		
Chongqing Fengchuan	$ 1,719	$ 2,084
Suzhou Fengchuan	271	1,449
	$ 1,990	$ 3,533

The financing provided by the Company to its subsidiaries are unsecured loans, and the interest rate shall not be lower than the weighted average interest rate at which the Company borrows from banks. The interest rate for December 31, 2022 and 2021 was 1.9%.

(7) Endorsements and Guarantees

Endorsements/guarantees provided

As of December 31, 2022 and 2021, the Company provided endorsement and guarantee for related parties' financing as follows:

	December 31, 2022		December 31, 2021	
Subsidiaries	Total amount	Amount used	Total amount	Amount used
Hamagawa Holdings	$ 92,130	$ -	$ 110,720	$ 68,923
Suzhou Fengchuan	$ -	$ -	$ 557,502	$ 262,960
Chongqing Fengchuan	$ 61,420	$ -	$ 342,007	$ 163,312

The interest income of the above-mentioned subsidiary's endorsement and guarantee for 2022 and 2021 were NT$807 thousand and NT$2,177 thousand, respectively, and were included in non-operating income and expense - interest income.

Acquisition of endorsements and guarantees

As of December 31, 2022, the Company did not obtain endorsements and guarantees. As of December 31, 2021, the subsidiary, Suzhou Fengchuan, provided endorsement and guarantees for the Company to obtain bank financing, with a guaranteed amount of NT$484,400 thousand. However, the Company did not utilize this guarantee.

(8) Other receivables - related parties

Related Party Categories	December 31, 2022	December 31, 2021
Subsidiary		
Suzhou Fengchuan	$ -	$ 94,112
Chongqing Fengchuan	166,013	27,836
Hamagawa Corp.	2,182	14,011
Hamagawa Holdings	-	440
Others	7	522
	$ 168,202	$ 136,921

They were mainly advances for salaries, equipment payments, and principal and interest of receivables.

(9) Other related party transactions

The Company's certain long-term and short-term borrowings and short-term notes payable are guaranteed and secured by the Chairman and General Manager as joint guarantors and collateral providers.

(10) Information on key management personnel compensation

	2022	2021
Short-term employee benefits	$ 18,985	$ 17,879
Post-employment benefits	467	505
	$ 19,452	$ 18,384

25. PLEDGED OR MORTGAGED ASSETS

The following assets are provided to financial institutions as collateral for bank financing:

	Carrying Amount	
	December 31, 2022	December 31, 2021
Trade receivables	$ 6,055	$ -
Property, Plant and Equipment		
Land	5,152	5,152
Buildings	11,936	12,554
	$ 23,143	$ 17,706

26. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Refer to Note 24 (7) for guarantees.

27. INFORMATION OF SIGNIFICANT FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was summarized according to the foreign currencies other than the functional currency of the Company. The exchange rates disclosed were used to translate the foreign currencies into the functional currency. The significant financial assets and liabilities denominated in foreign currencies were as follows:

	Foreign Currencies (In Thousands)	Exchange Rate	Carrying Amount
December 31, 2022			
Monetary assets denominated in foreign currencies			
USD	$ 75,629	30.710 (USD:NTD)	$ 2,322,565
Non-monetary assets denominated in foreign currencies			
Investments accounted for using equity method			
USD	115,314	30.710 (USD:NTD)	3,541,292
Monetary liabilities denominated in foreign currencies			
USD	30,907	30.710 (USD:NTD)	949,146
December 31, 2021			
Monetary assets denominated in foreign currencies			
USD	73,166	27.680 (USD:NTD)	2,025,235
Non-monetary assets denominated in foreign currencies			
Investments accounted for using equity method			
USD	126,533	27.680 (USD:NTD)	3,502,427
Monetary liabilities denominated in foreign currencies			
USD	41,870	27.680 (USD:NTD)	1,158,949

The foreign exchange gain for the year ended December 31, 2022 was NT$144,860 thousand and the loss for the year ended December 31, 2021 was NT$24,863 thousand. They were mainly from the foreign exchange of USD to NTD.

28. ADDITIONAL DISCLOSURES

(1) Information of Significant Transactions (2) Information on investees

1. Financings provided: Table 1.
2. Endorsements/guarantees provided: Table 2.
3. Marketable securities held (excluding investments in subsidiaries): Table 3.

4. Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: None.
5. Acquisition of individual real estate properties at costs of at least NT$300 million or 20% of the paid-in capital: None.
6. Disposal of individual real estate properties at prices of at least NT$300 million or 20% of the paid-in capital: None.
7. Total purchases from or sales to related parties of at least NT$100 million or 20% of the paid-in capital: Table 4.
8. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 5.
9. Information about the derivative financial instruments transaction: None.
10. Information on investees: Table 6.

(3) INFORMATION ON INVESTMENT IN MAINLAND CHINA

1. The name of the investee in mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investee, share of profits/losses of investee, ending balance, amount received as dividends from the investee, and the limitation on investee: Table 7.
2. Significant direct or indirect transactions with the investee, its prices and terms of payment, unrealized gain or loss, and other related information which is helpful to understand the impact of investment in mainland China on financial reports are as follows:
   (1) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year: None.
   (2) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year are as follows:

	Amount	%
A. Purchases	$ 3,833,753	100
B. Accounts payable	915,304	100

   (3) The amount of property transactions and the amount of the resultant gains or losses: None.

(4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes: Table 2.

(5) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to financing of funds: Table 1.

(6) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receiving of services: None.

(4) Information of major shareholder: refer to Table 8 for all shareholders with ownership of 5 percent or greater showing the names and the number of shares and percentage of ownership held by each shareholder

Bin Chuan Enterprise Co., Ltd. and its subsidiaries
FINANCINGS PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2022

TABLE 1

In Thousands of New Taiwan Dollars
(Unless Specified Otherwise)

No.	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance for the Period (Note 5)	Balance at December 31 (Note 5)	Amount Actually Drawn (Note 5)	Interest Rate (%)	Nature for Financing	Transaction Amounts	Reason for Financing	Allowance for Loss	Collateral		Financing Limits for Each Borrowing Company (Note 3)	Financing Company's Total Financing Amount Limits (Note 4)	Note
													Item	Value			
0	The Company	Suzhou Fengchuan Technology Co., Ltd..	Other receivables	Yes	$ 317,025	$ 245,680	$ -	2	Note 1	$ 2,852,470	Business transactions	$ -	-	$ -	$ 710,768	$ 1,421,534	
0	The Company	Chongqing Fengchuan Electronic Technology Co., Ltd.	Other receivables	Yes	265,654	264,106	162,763	1.6~2	Note 2	-	Operating capital	-	-	-	710,768	1,421,534	
1	Suzhou Binchuan Precise Industrial Co., Ltd..	Chongqing Fengchuan Electronic Technology Co., Ltd.	Other receivables	Yes	185,195	185,195	185,195	2	Note 2	-	Operating capital	-	-	-	846,527	846,527	
2	Hamagawa Corp.	Hamagawa Holdings	Other receivables	Yes	92,846	-	-	-	Note 2	-	Operating capital	-	-	-	296,980	296,980	
2	Hamagawa Corp.	Suzhou Fengchuan Technology Co., Ltd..	Other receivables	Yes	375,064	264,564	264,564	2.5	Note 2	-	Operating capital	-	-	-	296,980	296,980	
2	Hamagawa Corp.	Chongqing Fengchuan Electronic Technology Co., Ltd.	Other receivables	Yes	83,759	-	-	0.8	Note 2	-	Operating capital	-	-	-	296,980	296,980	
3	Zoning	Feng Rong Medical Co., Ltd.	Other receivables	Yes	13,000	13,000	13,000	-	Note 2	-	Operating capital	-	-	-	53,633	107,266	

Note 1: The Company has business relations with the company.
Note 2: In need of short-term financing.
Note 3: According to the Company and subsidiary's "Operating Procedure for Financing Providing," the loan to a single company shall not exceed 20% of its net worth. However, the loan for a foreign subsidiary that is directly or indirectly held by the Company with 100% of voting shares are limited to the net equity of the financing company.
Note 4: According to the Company and subsidiary's "Operating Procedure for Financing Providing," the total amount of loan shall not exceed 40% of its net worth. However, the loan for a foreign subsidiary that is directly or indirectly held by the Company with 100% of voting shares are limited to the net equity of the financing company.
Note 5: The amount is converted based on the exchange rate of USD to TWD and the exchange rate of RMB to TWD at the end of 2022, which is 30.710 and 4.409, respectively.

Bin Chuan Enterprise Co., Ltd. and its subsidiaries
ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2022

TABLE 2

In Thousands of New Taiwan Dollars
(Unless Specified Otherwise)

No.	Endorsement/Guarantee Provider	Guaranteed Party		Limits on Endorsement/Guarantee Amount Provided to Each Guaranteed Party (Notes 2 and 3)	Maximum Balance for the Year (Note 4)	Ending Balance (Note 4)	Amount Actually Drawn (Note 4)	Amount of Endorsement/Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement/Guarantee Amount Allowable (Notes 2 and 3)	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China	Note
		Name	Nature of Relationship (Note 1)											
0	The Company	Hamagawa Holdings	2	$ 5,330,757	$ 182,610	$ 92,130	$ -	$ -	2.59	$ 7,107,676	Y	N	N	
0	The Company	Suzhou Fengchuan Technology Co., Ltd..	2	5,330,757	557,502	-	-	-	-	7,107,676	Y	N	Y	
0	The Company	Chongqing Fengchuan Electronic Technology Co., Ltd.	2	5,330,757	342,007	61,420	-	-	1.73	7,107,676	Y	N	Y	
1	Suzhou Binchuan Precise Industrial Co., Ltd..	Suzhou Fengchuan Technology Co., Ltd..	4	2,116,316	1,800,970	1,433,055	840,482	-	40.32	2,962,843	N	N	Y	
1	Suzhou Binchuan Precise Industrial Co., Ltd..	Key Mold Precision Industry (Suzhou) Co., Ltd.	4	2,116,316	45,101	42,994	4,033	-	1.21	2,962,843	N	N	Y	
1	Suzhou Binchuan Precise Industrial Co., Ltd..	Chongqing Fengchuan Electronic Technology Co., Ltd.	4	2,116,316	89,776	88,188	2,796	-	2.48	2,962,843	N	N	Y	
2	Suzhou Fengchuan Technology Co., Ltd..	Suzhou Binchuan Precise Industrial Co., Ltd..	4	2,875,933	135,276	22,047	-	-	0.62	3,834,578	N	N	Y	
2	Suzhou Fengchuan Technology Co., Ltd..	The Company	3	2,875,933	490,438	-	-	-	-	3,834,578	N	Y	N	
2	Suzhou Fengchuan Technology Co., Ltd..	Chongqing Fengchuan Electronic Technology Co., Ltd.	4	2,875,933	140,125	-	-	-	-	3,834,578	N	N	Y	

Note 1: The relationships between the endorser/guarantor and the endorsee/guarantee are as follows:

1. Entities have business relations with the Company.
2. The Company directly or indirectly holds more than 50% of voting shares of the entity.
3. Entity directly or indirectly owns more than 50% of voting shares of the Company.
4. The Company directly or indirectly holds 90% of voting shares of the entity.

Note 2: According to the Company and subsidiary's “Operational Procedures for Loaning of Company Funds,” the endorsement/guarantee for a single company is limited to no more than 20% of the net equity. However, the endorsement/guarantee for a single company and associate that are directly or indirectly held by the Company with 100% of voting shares are limited to no more than 150% of the net equity of the endorsement/guarantee provider. The total amount of endorsement/guarantee does not exceed 200% of the net equity of the most recent financial statements.

Note 3: According to Suzhou Bin Chuan's “Operational Procedures for Loaning of Company Funds,” the endorsement/guarantee for a single company is limited to no more than 20% of the net equity. However, the endorsement/guarantee for a single company and associate that are directly or indirectly held by the Company with 100% of voting shares are limited to no more than 250% of the net equity. The total amount of endorsement/guarantee does not exceed 350% of the net equity of the most recent financial statements.

Note 4: The amount is converted based on the exchange rate of USD to TWD and the exchange rate of RMB to TWD at the end of 2022, which is 30.710 and 4.409, respectively.

Bin Chuan Enterprise Co., Ltd. and its subsidiaries
MARKETABLE SECURITIES HELD
DECEMBER 31, 2022

TABLE 3

In Thousands of New Taiwan Dollars
(Unless Specified Otherwise)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2022				Note
				Shares	Carrying Amount	Percentage of Ownership	Fair value	
The Company	Beneficiary certificate							
	PineBridge ESG Quantitative Bond Fund N9	-	Financial assets at FVTPL - non-current	-	$ 20,165	-	$ 20,165	-

Bin Chuan Enterprise Co., Ltd. and its subsidiaries

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL

FOR THE YEAR ENDED DECEMBER 31, 2022

TABLE 4

In Thousands of New Taiwan Dollars (Unless Specified Otherwise)

Company Name	Related Party	Nature of Relationships	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchases/Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Suzhou Fengchuan Technology Co., Ltd..	The Company	Parent company	Sales	($ 3,192,517)	(91)	Note	Note	Note	$ 758,314	78	
Suzhou Binchuan Precise Industrial Co., Ltd..	The Company	Parent company	Sales	(365,369)	(78)	Note	Note	Note	154,281	66	
Chongqing Fengchuan Electronic Technology Co., Ltd.	The Company	Parent company	Sales	(275,867)	(52)	Note	Note	Note	2,709	2	
Suzhou Juqi Mechanical Equipment Co., Ltd.	Suzhou Fengchuan Technology Co., Ltd..	Sister company	Sales	(236,601)	(72)	Note	Note	Note	34,107	46	

Note: Refer to Note 24.

Bin Chuan Enterprise Co., Ltd. and its subsidiaries
RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022

TABLE 5

In Thousands of New Taiwan Dollars
(Unless Specified Otherwise)

Company Name	Related Party	Nature of Relationships	Ending Balance	Turnover Rate (%)	Overdue		Amounts Received in Subsequent Period	Allowance for loss
					Amount	Action Taken		
The Company	Chongqing Fengchuan Electronic Technology Co., Ltd.	Parent company to subsidiary	$ 166,013 (Note 1)	-	$ -	-	$ -	$ -
Hamagawa Corp.	Suzhou Fengchuan Technology Co., Ltd..	Subsidiary to subsidiary	271,181 (Note 1)	-	-	-	-	-
Suzhou Fengchuan Technology Co., Ltd..	The Company	Subsidiary to parent company	758,314 (Note 2)	389	-	-	443,180	-
Suzhou Binchuan Precise Industrial Co., Ltd..	The Company	Subsidiary to parent company	154,281 (Note 2)	203	-	-	69,405	-
Suzhou Binchuan Precise Industrial Co., Ltd..	Chongqing Fengchuan Electronic Technology Co., Ltd.	Subsidiary to subsidiary	202,832 (Note 1)	-	-	-	-	-

Note 1: Amounts are all financing funds, interests, and equipment payments, and are recorded under the account of other receivables.
Note 2: Amounts are the trade receivables.

Bin Chuan Enterprise Co., Ltd. and its subsidiaries
INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2022

TABLE 6

In Thousands of New Taiwan Dollars
(Unless Specified Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2022			Net Income (Losses) of the Investee (Note 2)	Share of Profits/ Losses of Investee (Note 2)	Note
				December 31, 2022	December 31, 2021	Shares	Percentage of Ownership (%)	Carrying Amount (Note 2)			
The Company	Hamagawa Corp.	Cayman	Trading of semi-automatic punching net machinery, audio decoration nets, various diamond nets, molds, and peripherals, as well as related business investments	$ 35,928	$ 284,580	10,000	100.00	$ 296,980	($ 50,506)	($ 50,506)	Subsidiary
The Company	Hamagawa Holdings	Samoa	Investment and financing	1,609,288	1,436,338	52,200,000	100.00	3,244,312	77,721	77,721	Subsidiary
The Company	Feng Rong Medical Co., Ltd.	Taiwan	International trading, management consulting, other business, and intermediary services	104,000	104,000	2,000,000	51.00	130,032	32,662	16,667	Subsidiary
Feng Rong Medical Co., Ltd.	Zoning Precise Technology	Samoa	Investment and trading	203,823	203,823	3,919,674	99.97	268,076	33,880	33,869	Sub-subsidiary
Hamagawa Holdings	Ego Tech	Hong Kong	Investment	786,077	786,077	202,284,878	100.00	673,739	(43,463)	(43,463)	Sub-subsidiary
Suzhou Binchuan Precise Industrial Co., Ltd..	Binchuan (Hong Kong) Limited (Note 1)	Hong Kong	Trading	-	-	-	100.00	-	-	-	Sub-subsidiary
Zoning Precise Technology	Hamagawa Industrial (M) Sdn. Bhd.	Malaysia	Manufacturing, processing, and trading of parts of medical tools, instruments and equipment, computer, electrical appliance for home use, and audio	69,422	69,422	6,000,000	100.00	236,786	34,827	34,827	Sub-subsidiary

Note 1: No investment in the subsidiary.

Note 2: Except for the amounts of Hamagawa Industrial (M) Sdn. Bhd. converted based on the average exchange rate between MYR and NTD as of the end of and for 2022, which are 6.699 and 6.499, respectively, the other amounts are converted based on the average exchange rate between USD and NTD as of the end of and for 2022, which are 30.710 and 29.805, respectively.

Note 3: Refer to Table 7 for the information of investee companies in Mainland China.

Bin Chuan Enterprise Co., Ltd. and its subsidiaries
INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR YEAR ENDED DECEMBER 31, 2022

TABLE 7

Amounts in Thousands of New Taiwan Dollars

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2022 (Notes 5 and 6)	Investment Flows (Note 6) Outflow	Investment Flows (Note 6) Inflow	Accumulated Outflow of Investment from Taiwan as of December 31, 2022 (Notes 5 and 6)	Net Income (Losses) of the Investee Company (Note 1)	The Company of Ownership	Share of Profits/Losses (Notes 1 and 3)	Carrying Amount as of Balance as of December 31, 2022 (Note 1)	Accumulated Inward Remittance of Earnings as of December 31, 2022	Note
Suzhou Binchuan Precise Industrial Co., Ltd..	Manufacture and sell precision and plastic injection-molded components and accessories such as metal mesh panels for computers and audio-visual communication equipment, power supplies, computer keyboards, and precision cavity-molds	$ 133,589	Hamagawa Holdings (Note 2)	$ 46,624	$ -	$ -	$ 46,624	($ 104,563)	100.00	($ 104,563)	$ 846,527	$ -	None
Suzhou Fengchuan Technology Co., Ltd..	development and production of digital cameras and components; new flat panel display components for computer and communication hardware	985,791	Hamagawa Holdings (Note 2) Ego Tech (Note 2)	836,976	-	-	836,976	253,531	100.00	253,531	1,917,289	-	None
Key Mold Precision Industry (Suzhou) Co., Ltd.	Production in plastic injection molding processing and sales of fine blanking die, precise cavity-mold, mold standards, non-metal mold, and precise plastic parts for electronics and electrical appliance	732,872	Ego Tech (Note 2) Suzhou Binchuan Precise Industrial Co., Ltd..	76,747	-	-	76,747	(153,572)	100.00	(153,572)	73,856	-	None
Chongqing Fengchuan Electronic Technology Co., Ltd.	Development of LCD flat panel display, development and manufacturing of display materials, manufacturing of notebook casings, metal parts, plastic parts, and display materials, development and manufacturing of electronic materials, and manufacturing of electronic equipment, tester, and mold	522,070	Ego Tech (Note 2)	511,197	-	-	511,197	(20,936)	100.00	(20,936)	451,169	-	None
Suzhou Juqi Mechanical Equipment Co., Ltd.	Development, design and manufacturing of metal molds, processing of metal parts, and manufacturing and sales of automatic equipment	44,094	Suzhou Binchuan Precise Industrial Co., Ltd..	-	-	-	-	3,554	100.00	3,554	77,957	-	None

Investor Company	Accumulated Investment in Mainland China as of S December 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA (Notes 1 and 7)	Upper Limit on Investment (Note 4)
Bin Chuan Enterprise Co., Ltd.	$ 1,471,544	$ 1,892,719	$ 2,132,302

(Continued on next page)

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Note 1: The amounts are converted based on the exchange rates of the USD-NTD exchange rates of 30.710 and 29.805 and the RMB-NTD exchange rates of 4.409 and 4.435 as of the end and average of 2022.

Note 2: Indirect investment in a company located in mainland China through investment in a company located in a third country.

Note 3: Amount was recognized based on the audited financial statements.

Note 4: The upper limit on investment in mainland China is determined by sixty percent (60%) of the Company’s net worth according to "Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China" of MOEA on August 29, 2008.

Note 5: Including the cash outflowed from Taiwan and the holding company's own funds, and the investment in machinery and equipment.

Note 6: The amount is calculated and accumulated according to the historical exchange rate of U.S. dollars to New Taiwan dollars.

Note 7: The investment amounts authorized by MOEA include US$12,794 thousand converted from Mainland China operation's retained earnings and US$6,539 thousand from the third-party holding company's debt-to-equity swap.

Note 8: The debt-to-equity swap of US$6,539 thousand in Note 7 includes the capital increase of US$3,000 thousand and US$3,539 thousand made by the Company to Hamagawa Holdings in 2018 and 2019, respectively.

Bin Chuan Enterprise Co., Ltd.
INFORMATION ON MAJOR SHAREHOLDER
DECEMBER 31, 2022

TABLE 8

Shareholders	Shares	
	Total Shares Owned (share)	Ownership Percentage (%)
HSIAO, CHIN-MING	9,870,909	8.12
HSIAO, CHIN-CHUN	7,770,423	6.39

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

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

§ The Contents Of Statements Of Major Accounting Items §

Bin Chuan Enterprise Co., Ltd.
STATEMENT OF CASH AND CASH EQUIVALENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

STATEMENT 1

In Thousands of New Taiwan Dollars, Unless Specified Otherwise

Item	Summary	Amount
Cash on hand		$ 10
Cash in banks		
Checking accounts		989
Demand deposit		3,836
Foreign currency deposits (Note)	US$2,113 thousand, HK$60	64,904
		69,729
Cash equivalents		
Time deposits with an original maturity less than 3 months	US$28,008 thousand, with maturity dates ranging from January 3, 2023 to March 27, 2023, and an annual interest rate of 4% to 5%.	861,048
		$ 930,787

Note:The exchange rate for USD is US$1 = NT$30.710, and the exchange rate for HKD is HK$1 = NT$3.938.

Bin Chuan Enterprise Co., Ltd.
STATEMENT OF RECEIVABLES FROM RELATED PARTIES
FOR THE YEAR ENDED DECEMBER 31, 2022

STATEMENT 2 In Thousands of New Taiwan Dollars

Client Name	Summary	Amount
Non-related parties		
Inventec (Chongqing) Corporation	Sales	$ 572,656
Compal Information (Kunshan) Co., Ltd.	Sales	147,510
Sunrex Technology (Jiangsu) Co., Ltd.	Sales	63,392
Other (Note)	Sales	223,573
		$ 1,007,131
Related party		
Hamagawa Industrial (M) Sdn. Bhd.	Sales	$ 559

Note:The amount of individual client included in others does not exceed 5% of the account balance.

Bin Chuan Enterprise Co., Ltd.
STATEMENT OF OTHER RECEIVABLES FROM RELATED PARTIES
FOR THE YEAR ENDED DECEMBER 31, 2022

STATEMENT 3 In Thousands of New Taiwan Dollars

Item	Summary	Amount
Related party		
Chongqing Fengchuan Electronic Technology Co., Ltd.	Fund raising, interest receivable, equipment payments	$ 166,013
Other (Note)		2,189
		$ 168,202

Note: The amount of individual client included in others does not exceed 5% of the account balance.

Bin Chuan Enterprise Co., Ltd.
STATEMENT OF INVENTORIES
FOR THE YEAR ENDED DECEMBER 31, 2022

STATEMENT 4 In Thousands of New Taiwan Dollars

Item	Summary	Amount	
		Carrying Amount (Note 1)	Net Realizable Value (Note 2)
Raw materials	Anodized aluminum and steel	$ 203	$ 397
Work-in-process	Blue steel sheets, disk platters, metal mesh, and laptop top covers	389	389
Finished goods	Blue steel sheets, disk platters, metal mesh, and laptop top covers	395	1,296
Goods	Hardware components and laptop covers	6,648	7,073
		$ 7,635	$ 9,155

Note 1: It is the net amount after deducting the provision for impairment loss on inventories.
Note 2: Refer to Note 4 for deciding net realizable value.

Bin Chuan Enterprise Co., Ltd.
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2022

STATEMENT 5

In Thousands of New Taiwan Dollars
(Unless Specified Otherwise)

	Balance at January 1		Additions		Decrease		Balance at December 31			Net Assets Value		Collateral
Investees	Shares	Amount	Shares	Amount (Note)	Shares	Amount (Note)	Shares	%	Amount	Unit Price (NT$)	Total amount	
Hamagawa Corp.	8,225,000	$ 542,360		$ 53,779	8,215,000	$ 299,159	10,000	100	$ 296,980	$ 29,698	$ 296,980	None
Hamagawa Holdings	46,500,000	2,960,067	5,700,000	284,245		-	52,200,000	100	3,244,312	62	3,244,312	None
Feng Rong Medical Co., Ltd.	2,000,000	107,652		22,380		-	2,000,000	51	130,032	65	130,032	None
		$ 3,610,079		$ 360,404		$ 299,159			$ 3,671,324		$ 3,671,324	

Note: The net increase and decrease in the current year primarily consist of the following items related to the capital increase, capital reduction with refund of share capital, recognition of investment gains or losses using the equity method, and equity-related adjustments.

Bin Chuan Enterprise Co., Ltd.
STATEMENT OF SHORT-TERM LOANS
FOR THE YEAR ENDED DECEMBER 31, 2022

STATEMENT 6

In Thousands of New Taiwan Dollars
(Unless Specified Otherwise)

Categories	Lenders	Balance at December 31	Loan period	Interest rate (%)	Financing facilities	Collateral or guarantee	Note
Credit loans	JIHSUN BANK	$ 60,000	2022.11.24～2023.01.14	1.87	$ 60,000	None	-
	CTBC	23,000	2022.11.25～2023.12.09	1.91～2.05	90,000	None	-
	Taishin Bank	109,900	2022.11.11～2023.01.11	1.55～1.87	160,000	None	-
	Cathay United Bank	80,000	2022.10.06～2023.01.04	1.63	80,000	None	-
	KGI Bank	91,000	2022.11.30～2023.02.24	1.90	200,000	None	-
	Far Eastern Bank	52,000	2022.11.30～2023.02.02	1.85	60,000	None	-
	Bank SinoPac	212,000	2022.11.25～2023.01.19	1.63～1.82	220,000	None	-
	Taipei Fubon Bank	50,000	2022.11.30～2023.02.28	2.03	50,000	None	-
		$ 677,900			$ 920,000		

Bin Chuan Enterprise Co., Ltd.
STATEMENT OF LONG-TERM LOANS
FOR THE YEAR ENDED DECEMBER 31, 2022

STATEMENT 7

In Thousands of New Taiwan Dollars
(Unless Specified Otherwise)

Lenders	Summary	Amount			Annual interest rate (%)	Agreement Term and Payment Method	Mortgage, Secured or Unsecured
		Due Within One Year	Due After One Year	Total			
CTBC Bank Co., Ltd.		$ 50,000	$ 150,000	$ 200,000	2.258	began in December 2021 and end in December 2024, and has 4 repayment periods, with the first period being a full 19 months and subsequent periods being 6 months each with the final period being 5 months.	None
Entie Commercial Bank, Ltd.		14,583	-	14,583	1.839	began in July 2020 and end in July 2023, and has a repayment period of 24 months, with the first period being a full 12 months and subsequent periods being one month each.	None
		-	300,000	300,000	2.200	began in June 2022 and end in June 2025, and has 3 repayment periods, with the first period being a full 24 months and subsequent periods being 6 months each.	Note 25
Bank SinoPac		90,000	75,000	165,000	1.845	began in October 2021 and end in October 2024, and has 24 repayment periods, with the first period being a full 13 months and subsequent periods being one month each.	None
		$ 154,583	$ 525,000	$ 679,583			

Bin Chuan Enterprise Co., Ltd.
STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2022

STATEMENT 8

In Thousands of New Taiwan Dollars
(Unless Specified Otherwise)

Item	Shipments	Amount
Goods	32,173 thousand	$ 4,211,896
Sales returns and allowances	102 thousand	(52,335)
		$ 4,159,561

Bin Chuan Enterprise Co., Ltd.
STATEMENT OF COST OF REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2022

STATEMENT 9 In Thousands of New Taiwan Dollars

Item	Amount
(1) Cost of sales of self-made products	
Direct raw materials	
Raw materials, beginning of year	$ 206
Raw materials, end of year	(203)
	3
Work in process, beginning of year	389
Work in process, end of year	(389)
Cost of finished goods	3
Finished goods, beginning of year	681
Finished goods, end of year	(395)
	289
(2) Cost of sales of outsourced goods	
Goods, beginning of year	1,270
Purchases	3,835,914
Goods, end of year	(6,648)
	3,830,536
(3) Other cost of sales - mainly unamortized fixed manufacturing expenses	17,312
	$ 3,848,137

Bin Chuan Enterprise Co., Ltd.
STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

STATEMENT 10 In Thousands of New Taiwan Dollars

Item	Sales and marketing expenses	General and administrative expenses	Total
Salary	$ 4,687	$ 25,006	$ 29,693
Labor expenses	-	4,723	4,723
Insurance	438	3,848	4,286
Pension	201	1,962	2,163
Depreciation	467	1,398	1,865
Food expenses	90	352	442
Others	1,687	5,727	7,414
	$ 7,570	$ 43,016	$ 50,586

Bin Chuan Enterprise Co., Ltd.
STATEMENT OF LABOR, DEPRECIATION AND AMORTIZATION BY FUNCTION
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

STATEMENT 11 | In Thousands of New Taiwan Dollars

	2022			2021		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Salary and bonus	$ 11,778	$ 27,893	$ 39,671	$ 11,360	$ 21,020	$ 32,380
Labor and health insurance	1,435	4,068	5,503	1,389	3,916	5,305
Pension	688	2,163	2,851	662	2,117	2,779
Termination benefits	-	-	-	-	65	65
Board compensation	-	1,800	1,800	-	1,500	1,500
Others	1,227	1,803	3,030	979	1,650	2,629
	$ 15,128	$ 37,727	$ 52,855	$ 14,390	$ 30,268	$ 44,658
Depreciation	$ 1,806	$ 1,865	$ 3,671	$ 2,006	$ 1,861	$ 3,867

I. As of December 31, 2022 and 2021, the Company had 43 employees and the calculation basis and benefit expenses remain the same. There were 6 and 5 non-employee directors, respectively.

II. In addition, the following information has been disclosed:

1. Average labor cost for the current year is NT$1,380 thousand ("total labor cost for the current year - total director remuneration" / "the number of employees for the current year - the number of non-employee directors").
   The average labor cost for the previous year was NT$1,136 thousand ("total labor cost for the previous year - the director's remuneration" / "the number of employees for the previous year - the number of non-employee directors").
2. The average salary and bonus for the current year is NT$1,072 thousand (total salary and bonus for the current year / "the number of employees for the current year - the number of non-employee directors").
   The average salary and bonus for the current year is NT$852 thousand (total salary and bonus for the previous year / "the number of employees for the previous year - the number of non-employee directors").
3. The average adjustment in employee salaries is 25.82% ("average employee salaries of the current year - average employee salaries of the previous year" / average employee salaries of the previous year).

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4. There was no compensation to the supervisor.
5. The Company’s compensation policies
   (1) Remuneration policy for directors
   According to the Company's Articles of Incorporation and the regulations of the remuneration committee, and following the recommendations of the remuneration committee, the policy was proposed and approved by the Board of Directors.
      A. Directors' remuneration
      The directors' remuneration is mainly determined in accordance with the company's Articles of Incorporation. If the Company makes a profit in the current year, the Company shall allocate an amount not exceeding 3% as directors' remuneration. However, if the company has accumulated deficits, the amount shall be reserved to compensate for the deficits. The distribution of directors' remuneration should be resolved by the Board of Directors with the attendance of at least two-thirds of the directors and the agreement of more than half of the attending directors, and reported to the shareholders' meeting.
      B. Directors' remuneration and transportation expenses
      According to the Articles of Incorporation, "The directors of the Company may receive remuneration or transportation expenses for performing their duties, regardless of the Company's operating profit or loss. The remuneration or transportation expenses shall be determined by the Board of Directors based on their level of participation and contribution to the Company's operations, within the limits set by the Company's salary policy."
   (2) Compensation policy for managers
   The remuneration of appointed managers is determined by the remuneration committee composed of independent directors appointed by the Board of Directors. This committee is responsible for designing the relevant remuneration and compensation system. The performance evaluation and compensation of appointed managers take into account their individual performance, Company's operational performance, and the rational linkage to future risks.
   (3) Compensation policy for employees
   The compensation includes a monthly salary, bonuses, and profit sharing bonus. The compensation is based on a position-based responsibility system, taking into account the market conditions, Company's financial status, and organizational structure to establish employee salary standards. Employee's compensation is influenced by the Company's annual profit and is reflected in their salary, taking into consideration individual performance evaluations. Upon entering the Company, employees have the opportunity for annual salary adjustments based on their position level and individual performance. The extent of salary adjustments is closely tied to their performance evaluations. In addition, the Company also makes appropriate adjustments to salaries based on market salary trends and the overall business performance.