Chia Chang Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2022 and 2021 and Independent Auditors' Report

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The entities that are required to be included in the combined financial statements of affiliates as of and for the year ended December 31, 2022 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are all the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10 “Consolidated Financial Statements”. In addition, relevant information required to be disclosed in the combined financial statements has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Consequently, Chia Chang Co., Ltd. and its subsidiaries did not prepare a separate set of combined financial statements of affiliates.

Very truly yours,

CHIA CHANG CO., LTD.

By

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KUEI-HSIU SUNG
Chairman

February 23, 2023

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Chia Chang Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Chia Chang Co., Ltd. (the "Corporation") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

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

Basis for Opinion

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

Key Audit Matters

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

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

Occurrence of Recognized Sales Revenue

Chia Chang Co., Ltd. and subsidiaries engage mainly in manufacturing metal stamping of internal and external mechanical parts and related products. Although the overall market demand in 2022 declined, there was still an increase in the sales revenue due to sales made to certain customers. Since the amount and proportion of sales revenue are significant, we considered the occurrence of recognized sales revenue from certain customers as a key audit matter to the consolidated financial statements for the year ended December 31, 2022. Refer to Notes 4 and 21 to the consolidated financial statements for the accounting policies on revenue recognition.

The audit procedures we have performed in respect of the above key audit matter included understanding, assessing and testing of the effectiveness of the design and implementation of the internal control related to the sales revenue. We selected sample transactions of those sales to certain customers and verified the occurrence of sales revenue. We selected sample balances of accounts receivable from those certain customers and performed confirmation procedures. We conducted alternative audit procedures to those who failed to respond to confirmation request immediately and validated the relevant transaction documents and verified the occurrence of sales revenue.

Other Matter

We have also audited the parent company only financial statements of Chia Chang Co., Ltd. as of and for the years ended December 31, 2022 and 2021 on which we have issued an unmodified opinion.

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

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

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

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

Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.

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

4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Yao-Lin Huang and Shih-Chieh Chou.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 23, 2023

Notice to Readers

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

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

CHIA CHANG CO., LTD. AND SUBSIDIARIES

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

	December 31, 2022		December 31, 2021	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 2,078,231	19	$ 2,079,687	18
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	45	-	45	-
Notes and accounts receivable, net (Notes 4, 8 and 21)	2,658,467	24	3,500,115	31
Current tax assets (Notes 4 and 23)	142,259	1	146,115	1
Inventories, net (Notes 4 and 9)	397,329	4	524,001	5
Prepayments	61,871	1	181,587	2
Other financial assets - current (Notes 4 and 6)	2,083,673	19	2,051,481	18
Other current assets (Note 4)	155,965	2	179,188	2
Total current assets	7,577,840	70	8,662,219	77
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 10)	191,982	2	164,082	1
Investments accounted for using the equity method (Notes 4 and 12)	124,317	1	302,808	3
Property, plant and equipment (Notes 4, 13 and 28)	1,497,306	14	1,535,788	14
Right-of-use assets (Notes 4, 14 and 28)	147,159	2	155,318	1
Investment properties (Notes 4, 15 and 28)	53,991	1	54,768	1
Deferred tax assets (Notes 4 and 23)	31,335	-	23,898	-
Prepayments for machinery and equipment	1,114,360	10	384,566	3
Other non-current assets (Notes 4 and 19)	29,865	-	27,703	-
Total non-current assets	3,190,315	30	2,648,931	23
TOTAL	$ 10,768,155	100	$ 11,311,150	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 16 and 28)	$ 190,000	2	$ 470,000	4
Notes payable (Note 17)	212,232	2	190,503	2
Accounts payable (Note 17)	957,242	9	1,564,413	14
Other payables (Note 18)	574,705	5	648,661	6
Current tax liabilities (Notes 4 and 23)	141,754	1	116,788	1
Lease liabilities - current (Notes 4 and 14)	17,889	-	18,463	-
Other current liabilities	114,607	1	121,370	1
Total current liabilities	2,208,429	20	3,130,198	28
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 16 and 28)	4,409	-	-	-
Deferred tax liabilities - non-current (Notes 4 and 23)	201,089	2	201,147	2
Lease liabilities - non-current (Notes 4 and 14)	-	-	5,940	-
Guarantee deposits	830	-	830	-
Total non-current liabilities	206,328	2	207,917	2
Total liabilities	2,414,757	22	3,338,115	30
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Notes 4 and 20)				
Ordinary shares	1,423,676	14	1,423,676	12
Capital surplus	2,820,797	26	2,820,768	25
Retained earnings				
Legal reserve	890,220	8	799,339	7
Special reserve	597,812	6	524,565	5
Unappropriated earnings	3,050,624	28	2,996,941	26
Total retained earnings	4,538,656	42	4,320,845	38
Other equity	(435,084)	(4)	(597,812)	(5)
Total equity attributable to owners of the Corporation	8,348,045	78	7,967,477	70
NON-CONTROLLING INTERESTS	5,353	-	5,558	-
Total equity	8,353,398	78	7,973,035	70
TOTAL	$ 10,768,155	100	$ 11,311,150	100

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

CHIA CHANG CO., LTD. AND SUBSIDIARIES

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

	2022		2021	
	Amount	**%**	**Amount**	**%**
SALES REVENUE (Notes 4 and 21)	$ 7,838,687	100	$ 8,718,498	100
COST OF GOODS SOLD (Notes 4, 9 and 22)	6,167,580	79	6,717,203	77
GROSS PROFIT	1,671,107	21	2,001,295	23
OPERATING EXPENSES (Notes 4, 8 and 22)				
Selling and marketing expenses	277,643	3	291,491	4
General and administrative expenses	464,670	6	457,661	5
Research and development expenses	77,536	1	76,871	1
Total operating expenses	819,849	10	826,023	10
INCOME FROM OPERATIONS	851,258	11	1,175,272	13
NON-OPERATING INCOME AND EXPENSES (Note 4)				
Share of profit (loss) of associates using equity method (Note 12)	(82,051)	(1)	109,821	1
Interest income	64,588	1	57,990	1
Other income (Note 22)	58,837	1	28,010	-
Interest expense	(4,439)	-	(4,855)	-
Exchange gains (loss) (Note 29)	195,793	2	(53,557)	-
Total non-operating income and expenses	232,728	3	137,409	2
INCOME BEFORE INCOME TAX	1,083,986	14	1,312,681	15
INCOME TAX EXPENSE (Notes 4 and 23)	440,277	6	404,588	4
NET INCOME	643,709	8	908,093	11

(Continued)

CHIA CHANG CO., LTD. AND SUBSIDIARIES

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

	2022		2021	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME (LOSS) (Note 4)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized loss on investments in equity instruments at fair value through other comprehensive income	$ (16,852)	-	$ (13,697)	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	179,580	2	(59,550)	(1)
Other comprehensive income (loss)	162,728	2	(73,247)	(1)
TOTAL COMPREHENSIVE INCOME	$ 806,437	10	$ 834,846	10
NET INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Corporation	$ 644,914	8	$ 908,801	10
Non-controlling interests	(1,205)	-	(708)	-
	$ 643,709	8	$ 908,093	10
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Corporation	$ 807,642	10	$ 835,554	10
Non-controlling interests	(1,205)	-	(708)	-
	$ 806,437	10	$ 834,846	10
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 24)				
Basic	$ 4.53		$ 6.38	
Diluted	$ 4.47		$ 6.31	

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

CHIA CHANG CO., LTD. AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Corporation											
			Retained Earnings				Other Equity					
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translation of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2021	$ 1,423,676	$ 2,820,599	$ 731,633	$ 588,402	$ 2,447,928	$ 3,767,963	$ (597,795)	$ 73,230	$ (524,565)	$ 7,487,673	$ 6,266	$ 7,493,939
Appropriation of 2020 earnings												
Legal reserve	-	-	67,706	-	(67,706)	-	-	-	-	-	-	-
Special reserve	-	-	-	(63,837)	63,837	-	-	-	-	-	-	-
Cash dividends distributed	-	-	-	-	(355,919)	(355,919)	-	-	-	(355,919)	-	(355,919)
Total appropriation of 2020 earnings	-	-	67,706	(63,837)	(359,788)	(355,919)	-	-	-	(355,919)	-	(355,919)
Net income for the year ended December 31, 2021	-	-	-	-	908,801	908,801	-	-	-	908,801	(708)	908,093
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	-	(59,550)	(13,697)	(73,247)	(73,247)	-	(73,247)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	908,801	908,801	(59,550)	(13,697)	(73,247)	835,554	(708)	834,846
Changes in percentage of ownership interests in subsidiaries	-	169	-	-	-	-	-	-	-	169	-	169
BALANCE AT DECEMBER 31, 2021	1,423,676	2,820,768	799,339	524,565	2,996,941	4,320,845	(657,345)	59,533	(597,812)	7,967,477	5,558	7,973,035
Appropriation of 2021 earnings												
Legal reserve	-	-	90,881	-	(90,881)	-	-	-	-	-	-	-
Special reserve	-	-	-	73,247	(73,247)	-	-	-	-	-	-	-
Cash dividends distributed	-	-	-	-	(427,103)	(427,103)	-	-	-	(427,103)	-	(427,103)
Total appropriation of 2021 earnings	-	-	90,881	73,247	(591,231)	(427,103)	-	-	-	(427,103)	-	(427,103)
Net income (loss) for the year ended December 31, 2022	-	-	-	-	644,914	644,914	-	-	-	644,914	(1,205)	643,709
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	-	179,580	(16,852)	162,728	162,728	-	162,728
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	644,914	644,914	179,580	(16,852)	162,728	807,642	(1,205)	806,437
Changes in percentage of ownership interests in subsidiaries	-	29	-	-	-	-	-	-	-	29	-	29
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	1,000	1,000
BALANCE AT DECEMBER 31, 2022	$ 1,423,676	$ 2,820,797	$ 890,220	$ 597,812	$ 3,050,624	$ 4,538,656	$ (477,765)	$ 42,681	$ (435,084)	$ 8,348,045	$ 5,353	$ 8,353,398

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

CHIA CHANG CO., LTD. AND SUBSIDIARIES

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

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 1,083,986	$ 1,312,681
Adjustments for:		
Depreciation	249,003	240,970
Amortization	199,082	146,304
Share of profit or loss of associates	82,051	(109,821)
Interest income	(64,588)	(57,990)
Dividend income	(15,995)	(13,073)
Unrealized loss (gain) on foreign exchange	11,322	(3,862)
Gain on disposal and retirement of property, plant and equipment	(9,675)	(2,604)
Interest expense	4,439	4,855
Impairment loss recognized on non-financial assets	4,406	10,639
Net loss on disposal of investments	3,917	-
Expected credit loss recognized	1,150	2,270
Net gain on fair value changes of financial assets at fair value through profit or loss	(619)	(1)
Changes in operating assets and liabilities:		
Notes and accounts receivable	839,675	(420,195)
Inventories	128,695	(137,714)
Prepayments	119,716	(120,721)
Other current assets	(163,379)	(172,854)
Notes payable	21,729	90,225
Accounts payable	(609,605)	246,057
Other payables	(72,408)	76,551
Other current liabilities	(6,763)	93,338
Cash generated from operations	1,806,139	1,185,055
Interest received	59,600	67,806
Income tax paid	(419,751)	(306,931)
Net cash generated by operating activities	1,445,988	945,930
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in other financial assets	2,641,769	3,897,057
Increase in other financial assets	(2,597,999)	(3,680,223)
Increase in prepayments for machinery and equipment	(763,344)	(365,482)
Acquisition of property, plant and equipment	(112,895)	(147,916)
Purchase of financial assets at fair value through profit or loss	(89,440)	-
Disposal of financial assets at fair value through profit or loss	89,339	-
Dividends received	33,795	15,913
Proceeds from capital reduction of investments accounts for using the equity method	30,000	-
Proceeds from disposal of property, plant and equipment	14,104	13,128

(Continued)

CHIA CHANG CO., LTD. AND SUBSIDIARIES

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

	2022	2021
Increase in other non-current assets	$ (4,507)	$ (15,794)
Acquisition of right-of-use assets	-	(68,455)
Acquisition of investments accounted for using the equity method	-	(50,000)
Net cash used in investing activities	(759,178)	(401,772)
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash dividends paid	(427,103)	(355,919)
Increase (decrease) in short-term borrowings	(280,000)	12,000
Repayment of the principal portion of lease liabilities	(30,574)	(28,094)
Interest paid	(4,826)	(5,145)
Proceeds from long-term borrowings	4,409	-
Change in non-controlling interests	1,000	-
Proceeds from guarantee deposits	-	230
Net cash used in financing activities	(737,094)	(376,928)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	48,828	(9,260)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,456)	157,970
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	2,079,687	1,921,717
CASH AND CASH EQUIVALENTS, END OF THE YEAR	$ 2,078,231	$ 2,079,687

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

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

1. GENERAL INFORMATION

Chia Chang Co., Ltd. (the "Corporation") was incorporated in September 1985, and engages mainly in manufacturing, processing and trading of various precision machinery, related mechanical mold components, mechanical steel mold accessories and computer peripheral equipment.

The Corporation's shares have been listed on the Taiwan Stock Exchange (TWSE) since June 2011.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation's board of directors on February 23, 2023.

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

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

   The initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the accounting policies of the Corporation and its subsidiaries (collectively referred to as the "Group").

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

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

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

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

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

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of above standards and interpretations will not have a material impact on the Group's financial position and financial performance.

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

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value.

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

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

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

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

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

Current assets include:

1) Assets held primarily for the purpose of trading;

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

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

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

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

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

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

d. Basis of consolidation

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

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

See Note 11, Table 5 and Table 6 for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Foreign currencies

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

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

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

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

For the purpose of presenting consolidated financial statements, the functional currencies of the Corporation's foreign operations (including subsidiaries and associates in other countries) that are prepared using functional currencies which are different from the currency of the Corporation are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Corporation and non-controlling interests as appropriate).

f. Inventories

Inventories consist of raw materials, supplies, finished goods and work in progress 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 is 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 on the balance sheet date.

g. Investments in associates

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture.

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

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of the equity of the associate attributable to the Group.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

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

When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further loss, if any. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities.

When the Group transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

h. Property, plant and equipment

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

Except for freehold land which is not depreciated, the depreciation on property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

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

i. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

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

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

j. Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

k. Impairment of property, plant and equipment, right-of-use asset, investment properties, and intangible assets other than goodwill

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

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

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

l. Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or 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

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

a) Measurement category

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

i. Financial asset at FVTPL

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

Financial assets at FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognized in other income and interest income, respectively; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 26.

ii. Financial assets at amortized cost

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

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

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

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

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

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

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

A financial asset is credit impaired when one or more of the following events have occurred:

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

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

iii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable).

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

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Group considers the following situations as indication that a financial asset is in default (without taking into account any collateral held by the Group):

i. Internal or external information shows that the debtor is unlikely to pay its creditors.

ii. Financial asset is more than 150 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amount through a loss allowance account.

c) Derecognition of financial assets

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

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

2) Equity instruments

Debt and equity instruments issued by an entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by an entity are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Corporation's own equity instruments is recognized in and deducted directly from equity, and its book value is calculated based on the weighted average of stock types. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Corporation's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

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

b) 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.

m. Revenue recognition

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

Revenue from the sale of goods comes from sales of metal stamped products. Sales of metal stamped products are recognized as revenue according to the terms of the sale agreed with the customer, such as when the goods have been delivered to the customer's specific location because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Accounts receivable are recognized concurrently.

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

n. Leases

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

1) The Group as lessor

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

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

2) The Group as lessee

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

Right-of-use assets are initially measured at cost. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets

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

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments and in-substance fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate will be used.

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, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

o. Retirement benefits

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

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

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

p. Taxation

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

1) Current tax

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

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

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

2) Deferred tax

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

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carry forward and unused tax credits for purchases of machinery, equipment and technology and research and development expenditures, and personnel training expenditures to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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

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

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

3) Current and deferred taxes 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 also recognized in other comprehensive income or directly in equity, respectively.

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

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

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

6. CASH AND CASH EQUIVALENTS

	December 31	
	2022	**2021**
Checking accounts and demand deposits	$ 1,461,100	$ 1,490,722
Cash equivalents (investments with original maturities of 3 months or less)		
Time deposits	616,537	588,211
Cash on hand	594	754
	$ 2,078,231	$ 2,079,687

As of December 31, 2022 and 2021, time deposits with original maturities of more than 3 months were $2,083,673 thousand and $2,051,481 thousand, respectively, which were classified as other financial assets - current. As of December 31, 2022 and 2021, the interest rates of the time deposits with original maturities more than 3 months were 0.76%-5.20% and 0.22%-2.85%, respectively.

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2022	**2021**
Financial assets - current		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Mutual funds	$ 45	$ 45

8. NOTES AND ACCOUNTS RECEIVABLE

	December 31 2022	December 31 2021
Notes receivable - operating	$ 82,484	$ 117,710
Accounts receivable		
At amortized cost		
Gross carrying amount	2,579,737	3,384,975
Less: Allowance for impairment loss	(3,754)	(2,570)
	2,575,983	3,382,405
Total accounts receivable at amortized cost	$ 2,658,467	$ 3,500,115

The average credit period of sales of goods was 60-180 days. No interest is charged on unpaid accounts receivable.

In order to mitigate credit risk, the management of the Group has delegated qualified personnel in accordance with the segregation of duties principle to be responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the year to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on accounts receivable are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

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

The following table details the loss allowance of notes and accounts receivable based on the Group's provision matrix.

December 31, 2022

		Past Due				
	Not Past Due	Less than 90 Days	91 to 120 Days	121 to 150 Days	Over 150 Days	Total
Expected credit loss rate	0.01%	0.17%	-	-	100%	
Gross carrying amount	$ 2,645,119	$ 13,585	$ 10	$ -	$ 3,507	$ 2,662,221
Allowance for impairment loss (Lifetime ECL)	(224)	(23)	-	-	(3,507)	(3,754)
Amortized cost	$ 2,644,895	$ 13,562	$ 10	$ -	$ -	$ 2,658,467

December 31, 2021

	Not Past Due	Past Due: Less than 90 Days	Past Due: 91 to 120 Days	Past Due: 121 to 150 Days	Past Due: Over 150 Days	Total
Expected credit loss rate	-	5%	20%	50%	100%	
Gross carrying amount	$ 3,490,887	$ 4,597	$ 4,331	$ 2,744	$ 126	$ 3,502,685
Allowance for impairment loss (Lifetime ECL)	-	(228)	(866)	(1,350)	(126)	(2,570)
Amortized cost	$ 3,490,887	$ 4,369	$ 3,465	$ 1,394	$ -	$ 3,500,115

The movements of the allowance for impairment loss of notes and accounts receivable were as follows:

	For the Year Ended December 31 2022	2021
Balance at January 1	$ 2,570	$ 2,704
Add: Impairment loss recognized	1,150	2,270
Less: Amount written off	-	(2,390)
Effect of exchange rate differences	34	(14)
Balance at December 31	$ 3,754	$ 2,570

9. INVENTORIES

	December 31 2022	2021
Finished goods	$ 218,829	$ 215,123
Work in progress	74,617	106,625
Raw materials	103,883	202,253
	$ 397,329	$ 524,001

The cost of goods sold included the following:

	For the Year Ended December 31 2022	2021
Cost of inventories sold	$ 6,163,174	$ 6,706,564
Inventory write-downs	4,406	9,070
Impairment loss on mold (Note 22)	-	1,569
	$ 6,167,580	$ 6,717,203

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31 2022	December 31 2021
Non-current		
Domestic investments		
Unlisted ordinary shares		
Chimei Motor Electronics Co., Ltd.	$ 16,500	$ 8,696
Top Taiwan XIII Venture Capital Co., Ltd.	39,079	-
WK Technology Fund IX Ltd.	136,403	155,386
	$ 191,982	$ 164,082

These investments in equity instruments are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

11. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%) December 31 2022	Proportion of Ownership (%) December 31 2021	Remark
The Corporation	CHIA CORPORATION	Investment activities	100.00	100.00	-
	GOLDSKY ENTERPRISES LIMITED	International trade	100.00	100.00	-
	Chia Development Co., Ltd.	New business development and investment	100.00	100.00	-
CHIA CORPORATION	TARCOOLA TRADING LIMITED	Investment activities	100.00	100.00	-
	HUGE LINE INTERNATIONAL LIMITED	Investment activities	100.00	100.00	-
	CHIAPEX HOLDING LIMITED	Investment activities	100.00	100.00	-
	CHIA-RUI HOLDING LIMITED	Investment activities	-	100.00	2)
TARCOOLA TRADING LIMITED	Chia Chang Technology (Suzhou) Co., Ltd.	Manufacturing and selling of IT and optronics components stamped	100.00	100.00	-
HUGE LINE INTERNATION AL LIMITED	Ningbo Chia Chang Electronics Hardware Co., Ltd.	Manufacturing and selling of IT and optronics components stamped	100.00	100.00	-
	Nanjing Chia-Chan Precious Electronics Co., Ltd.	Manufacturing and selling of IT and optronics components stamped	100.00	100.00	-
CHIA-RUI HOLDING LIMITED	Quan Rui (Dong Guan) Industrial Co., Ltd.	Manufacturing and selling of IT and optronics components stamped	-	100.00	1)
Chia Development Co., Ltd.	Energy Magic Co., Ltd.	Manufacturing of electronic components	50.00	50.00	-
	EIDEAL Company Limited	Manufacturing of electronic components	80.00	-	3)
Chia Chang Technology (Suzhou) Co., Ltd.	Chia Chang Technology (Chong Qing) Co., Ltd.	Manufacturing and selling of IT and optronics components stamped	100.00	100.00	-

1) On June 3, 2020, the Corporation's board of directors approved the disposal of the equipment and the termination of the operation of Quan Rui (Dong Guan) Industrial Co., Ltd., a subsidiary in China, in order to improve production efficiency and to save both fixed expenses and management costs through the integration of production plants in China. The tax clearance certificate was obtained on February 18, 2022, and the remaining share capital were refunded to CHIA-RUI HOLDING LIMITED on April 14, 2022.

2) It was deregistered and divested in April 2022.

3) It was established in July 2022.

b. Subsidiaries excluded from the consolidated financial statements: None.

c. Details of subsidiaries that have material non-controlling interests: None.

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2022	**2021**
Investment in associates		
Associate that is not individually material	$ 124,317	$ 302,808

	For the Year Ended December 31	
	2022	**2021**
The Group's share of:		
Net income (loss) and comprehensive income (loss)	$ (82,051)	$ 109,821

The Group held an interest in Top Taiwan XIII Venture Capital Co., Ltd. and it was accounted for as an associate. On May 17, 2022, three additional directors were elected by the Corporation through the resolution of the shareholders in their meeting and the Group ceased to have significant influence over Top Taiwan XIII Venture Capital Co., Ltd. The Group accounted for the remaining interests as financial assets at FVTOCI rather than using the equity method. This transaction resulted in the recognition of a loss on disposal, which was calculated as follows:

Proceeds from disposal	$ -
Plus: Fair value of retained investment	44,752
Less: Carrying amount of investment on the date of loss of significant influence	(48,669)
Loss recognized	$ (3,917)

When the Group's share of loss of an associate equals or exceeds its interest in that associate, the Group discontinues recognizing its share of further loss, if any. The amounts of unrecognized share of losses of Zen Material Technology Inc. and Chia Chain Precious Hardware & Electronics (Suzhou) Co., Ltd. from the relevant financial statements of the associates, both for the year and cumulatively, were as follows:

	For the Year Ended December 31	
	2022	**2021**
Unrecognized share of losses of the associates for the year	$ (10,127)	$ (4,475)
Accumulated unrecognized share of losses of the associates	$ (17,194)	$ (7,067)

13. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Miscellaneous Equipment	Total
Cost					
Balance at January 1, 2021	$ 326,047	$ 824,859	$ 1,908,841	$ 298,817	$ 3,358,564
Additions	-	975	108,515	38,426	147,916
Disposals	-	(630)	(46,335)	(12,697)	(59,662)
Effect of exchange rate differences	-	(3,573)	(8,637)	(1,393)	(13,603)
Reclassification	-	-	69,122	22,760	91,882
Balance at December 31, 2021	$ 326,047	$ 821,631	$ 2,031,506	$ 345,913	$ 3,525,097
Accumulated depreciation and impairment					
Balance at January 1, 2021	$ -	$ 417,897	$ 1,212,796	$ 204,739	$ 1,835,432
Disposals	-	(630)	(36,539)	(11,969)	(49,138)
Depreciation expense	-	32,810	136,088	42,214	211,112
Effect of exchange rate differences	-	(1,910)	(5,285)	(902)	(8,097)
Balance at December 31, 2021	$ -	$ 448,167	$ 1,307,060	$ 234,082	$ 1,989,309
Carrying amount at December 31, 2021	$ 326,047	$ 373,464	$ 724,446	$ 111,831	$ 1,535,788
Cost					
Balance at January 1, 2022	$ 326,047	$ 821,631	$ 2,031,506	$ 345,913	$ 3,525,097
Additions	-	10,146	80,962	20,626	111,734
Disposals	-	(963)	(46,752)	(2,921)	(50,636)
Effect of exchange rate differences	-	10,415	26,708	4,644	41,767
Reclassification	-	-	36,749	14,733	51,482
Balance at December 31, 2022	$ 326,047	$ 841,229	$ 2,129,173	$ 382,995	$ 3,679,444
Accumulated depreciation and impairment					
Balance at January 1, 2022	$ -	$ 448,167	$ 1,307,060	$ 234,082	$ 1,989,309
Disposals	-	(590)	(43,037)	(2,580)	(46,207)
Depreciation expense	-	32,685	135,307	45,947	213,939
Effect of exchange rate differences	-	5,861	16,319	2,917	25,097
Balance at December 31, 2022	$ -	$ 486,123	$ 1,415,649	$ 280,366	$ 2,182,138
Carrying amount at December 31, 2022	$ 326,047	$ 355,106	$ 713,524	$ 102,629	$ 1,497,306

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

Buildings	
Main buildings	20-45 years
Elevators	15-20 years
Engineering system	10-20 years
Others	5-8 years
Machinery and equipment	2-10 years
Miscellaneous equipment	2-10 years

Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 28.

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2022	2021
Carrying amount		
Land	$ 119,632	$ 121,877
Buildings	27,527	33,441
	$ 147,159	$ 155,318

	For the Year Ended December 31	
	2022	2021
Additions to right-of-use assets	$ 28,695	$ 101,108
Depreciation charge for right-of-use assets		
Land	4,175	$ 3,137
Buildings	30,112	25,944
	$ 34,287	$ 29,081

Right-of-use assets pledged as collateral for bank borrowings were set out in Note 28.

b. Lease liabilities

	December 31	
	2022	2021
Carrying amount		
Current	$ 17,889	$ 18,463
Non-current	$ -	$ 5,940

Range of discount rates for lease liabilities was as follows:

	December 31	
	2022	2021
Buildings	0.9%	0.9%

c. Material leasing activities and terms

The Group leases certain land, plant and office with lease terms from 2019 to 2025. These arrangements do not contain renewal or purchase options.

The Group also leases land for producing products in China with lease terms of 44 to 50 years. The Group does not have bargain purchase options to acquire the leasehold land at the end of lease terms.

d. Other lease information

	For the Year Ended December 31	
	2022	2021
Expenses relating to short-term leases	$ 11,505	$ 12,072
Total cash outflow for leases	$ 42,268	$ 108,924

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

15. INVESTMENT PROPERTIES

Except for depreciation recognized during the year, the Group did not have significant addition, disposal, or impairment of investment properties for the years ended December 31, 2022 and 2021. Investment properties are depreciated on a straight-line basis over the estimated useful life of 45 years.

Management was unable to reliably measure the fair value of investment properties located at Dafeng St., Luzhu District, Taoyuan City 338028, Taiwan (ROC) because of the remote location. The market for comparable properties is inactive and alternative reliable measurements of fair value are not available; therefore, the Corporation determined that the fair value of the investment properties is not reliably measurable.

The investment properties of the Group were held under freehold interests. The investment properties pledged as collateral for bank borrowings are set out in Note 28.

16. BORROWINGS

a. Short-term borrowings

	December 31	
	2022	2021
Secured borrowings		
Bank loans	$ 140,000	$ 190,000
Unsecured borrowings		
Line of credit borrowings	50,000	280,000
	$ 190,000	$ 470,000
Annual interest rate	1.65%-1.73%	0.86%

b. Long-term borrowings

	December 31	
	2022	2021
Secured borrowings		
Bank loans	$ 4,409	$ -
Less: Current portion	-	-
Long-term borrowings	$ 4,409	$ -
Annual interest rate	3.95%	-

The secured borrowings were secured by the Group's land, buildings and the investment properties. Refer to Note 28 for details.

17. NOTES PAYABLE AND ACCOUNTS PAYABLE

Accounts payable are not bearing interest. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

18. OTHER PAYABLES

	December 31	
	2022	2021
Payable for salaries and bonuses	$ 270,095	$ 315,717
Compensation payable to directors and employees	49,944	49,694
Payable for transportation	49,396	75,565
Payable for purchase of equipment	31,653	32,814
Others	173,617	174,871
	$ 574,705	$ 648,661

19. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

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

The subsidiaries in China are subject to relevant local pension insurance system and annually appropriate a fixed percentage of the salary as the pension cost deposited in designated responsible institution.

b. Defined benefit plans

The Corporation adopted the defined benefit plan under the Labor Standards Act, under which pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The Corporation contribute amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, The Corporation assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, The Corporation is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor ("the Bureau"). The Corporation has no right to influence the investment policy and strategy.

All the employees of the Corporation who are under the defined benefit plan have been converted to defined contribution plan in 2014. The Corporation no longer recognized cost of defined benefit since 2015.

For the years ended December 31, 2022 and 2021, the Corporation contributed $67 thousand and $66 thousand, respectively, to the retirement fund deposited in the Bank of Taiwan. The fair value of plan assets increased by $447 thousand and $91 thousand respectively, because of the interest on the deposits.

20. EQUITY

a. Share capital

	December 31	
	2022	2021
Authorized shares (in thousands)	180,000	180,000
Authorized capital	$ 1,800,000	$ 1,800,000
Issued and paid shares (in thousands)	142,368	142,368
Issued capital	$ 1,423,676	$ 1,423,676

The authorized shares include 600 thousand shares reserved for the exercise of employee stock options.

b. Capital surplus

	December 31	
	2022	2021
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Additional paid-in capital	$ 2,784,898	$ 2,784,898
Expired employee share options	14,311	14,311
May only be used to offset a deficit		
Changes in percentage of ownership interests in subsidiaries (2)	21,588	21,559
	$ 2,820,797	$ 2,820,768

1) Such capital surplus may be used to offset a deficit; when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Corporation's capital surplus and to once a year).

2) Such capital surplus arises from the effects of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions or from changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividends policy

The amendments to Articles of Incorporation were resolved by the shareholders in their meeting on June 22, 2022. Under the dividends policy as set forth in the amended Articles, where the Corporation made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Corporation's board of directors as the basis for proposing a distribution plan, which should be resolved by the shareholders in their meeting for the distribution of dividends and bonuses to shareholders. In the preceding paragraph, the board of directors is authorized to adopt a resolution to distribute dividends and bonuses in cash, and a report should be submitted in the shareholders' meeting. For the policies on the distribution of compensation of employees and remuneration of directors after the amendment, refer to compensation of employees and remuneration of directors in Note 22-(e).

The Corporation distributes dividends after taking into consideration its future capital needs and long-term financial plans. Where the Corporation made a profit in a fiscal year, the Corporation could propose cash dividends between 10% and 100% of distributable earnings. The shareholders may adjust the ratio of dividends to reflect the profit and the adequacy of capital.

Appropriations of earnings to legal reserve shall be made until the legal reserve equals the Corporation's paid-in capital. The legal reserve may be used to offset deficits. If the Corporation has no deficit and the legal reserve has exceeded 25% of the Corporation's paid-in capital, the excess may be transferred to capital or distributed in cash. In the preceding paragraph, the board of directors is authorized to adopt a resolution to capital or distributed in cash, and a report should be submitted in the shareholders' meeting.

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

The appropriations of earnings for 2021 and 2020 that had been resolved by the shareholders in their meetings on June 22, 2022 and July 30, 2021, respectively, were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2021	**2020**
Legal reserve	$ 90,881	$ 67,706
Special reserve (reversal)	$ 73,247	$ (63,837)
Cash dividends	$ 427,103	$ 355,919
Cash dividends per share (NT$)	$ 3.0	$ 2.5

The appropriations of earnings for 2022 were as follows:

	For the Year Ended December 31, 2022
Legal reserve	$ 64,491
Special reserve (reversal)	$ (162,728)
Cash dividends	$ 355,919
Cash dividends per share (NT$)	$ 2.5

The above cash dividends have been resolved by the board of directors on February 23, 2023 and the rest are pending the resolution of the shareholder meeting scheduled to be held on May 29, 2023.

d. Special reserve

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ 524,565	$ 588,402
Appropriations (reversals) in respect of		
Debits (reversal of the debit) to other equity items	73,247	(63,837)
Balance at December 31	$ 597,812	$ 524,565

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

e. Non-controlling interests

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ 5,558	$ 6,266
Non-controlling interests from acquisition of subsidiaries	1,000	-
Attributable to non-controlling interests		
Net income for the year	(1,205)	(708)
Balance at December 31	$ 5,353	$ 5,558

21. REVENUE

	For the Year Ended December 31	
	2022	2021
Revenue from contracts with customers		
Revenue from the sale of goods	$ 7,838,687	$ 8,718,498

a. Contract information

The goods are sold at the fair value of the consideration received or receivable. The Group eliminates the estimated customer returns, discounts and other similar discounts from the amount of goods sold to determine the revenue from sale of goods.

b. Contract balances

	December 31, 2022	December 31, 2021	January 1, 2021
Notes and accounts receivable (Note 8)	$ 2,662,221	$ 3,502,685	$ 3,079,126

c. Disaggregation of revenue

Refer to Note 31 for information on disaggregation of revenue.

22. INCOME BEFORE INCOME TAX

a. Other gains and losses

	For the Year Ended December 31	
	2022	2021
Government subsidy income	$ 28,953	$ 6,510
Dividend income	15,995	13,073
Gain on disposal and retirement of property, plant and equipment, net	9,675	2,604
Loss on disposal of investment	(3,917)	-
Others	8,131	5,823
	$ 58,837	$ 28,010

b. Impairment losses

As a result of the decline in sales of some products, the estimated future cash flows expected to arise from the related mold (recognized as other current assets) and equipment decreased. Therefore, the Group recognized impairment losses of $1,569 thousand for the years ended December 31, 2021 The Group determined the recoverable amounts of the relevant assets on the basis of their value in use. Since there was no value in use after consideration, the Group recognized the impairment losses in cost of goods sold in the consolidated statements of comprehensive income.

c. Depreciation and amortization

	For the Year Ended December 31	
	2022	2021
Property, plant and equipment	$ 213,939	$ 211,112
Intangible assets and others	199,082	146,304
Right-of-use assets	34,287	29,081
Investment properties	777	777
	$ 448,085	$ 387,274

(Continued)

	For the Year Ended December 31	
	2022	2021
An analysis of depreciation by function		
Operating costs	$ 208,169	$ 198,146
Operating expenses	40,057	42,047
Non-operating expenses	777	777
	$ 249,003	$ 240,970
An analysis of amortization by function		
Operating costs	$ 194,793	$ 143,857
Operating expenses	4,289	2,447
	$ 199,082	$ 146,304

(Concluded)

d. Employee benefits expense

	For the Year Ended December 31	
	2022	2021
Payroll expense	$ 1,234,792	$ 1,334,988
Post-employment benefits		
Defined contribution plans	50,295	43,691
Other employee benefits	114,477	115,678
Total employee benefits expense	$ 1,399,564	$ 1,494,357
An analysis of employee benefits expense by function		
Operating costs	$ 962,668	$ 1,071,422
Operating expenses	436,896	422,935
	$ 1,399,564	$ 1,494,357

e. Compensation of employees and remuneration of directors

The Corporation accrued compensation of employees at rates of no less than 1% and no higher than 15%, and remuneration of directors at rates of no higher than 5%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and the remuneration of directors for the years ended December 31, 2022 and 2021, which were approved by the Corporation’s board of directors on February 23, 2023 and March 22, 2022, respectively, are as follows:

Accrual rate

	For the Year Ended December 31	
	2022	2021
Compensation of employees	3.86%	3.11%
Remuneration of directors	1.51%	1.34%

Amount

	For the Year Ended December 31	
	2022	**2021**
Compensation of employees	$ 35,944	$ 34,694
Remuneration of directors	$ 14,000	$ 15,000

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

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

Information on the compensation of employees and remuneration of directors resolved by the Corporation's Board of Directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

23. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense were as follows:

	For the Year Ended December 31	
	2022	**2021**
Current tax		
In respect of the current year	$ 429,786	$ 388,079
Income tax on unappropriated earnings	18,307	15,334
Adjustments for prior year	(633)	1,732
	447,460	405,145
Deferred tax		
In respect of the current year	(7,183)	(557)
Income tax expense recognized in profit or loss	$ 440,277	$ 404,588

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

	For the Year Ended December 31	
	2022	**2021**
Income tax expense calculated at the statutory rate	$ 364,458	$ 497,600
Deferred tax effect of earnings of subsidiaries	25,500	(52,197)
Tax-exempt income	23,357	(51,406)
Nondeductible expenses in determining taxable income	9,174	9,414
Deduction for tax incentives	(7,493)	(8,143)
Unrecognized loss carryforwards	7,607	(7,746)
Adjustments for prior years' tax	(633)	1,732
Income tax on unappropriated earnings	18,307	15,334
Income tax expense recognized in profit or loss	$ 440,277	$ 404,588

b. Current tax assets and liabilities

	December 31 2022	December 31 2021
Current tax assets		
Prepaid tax - withholding dividends	$ 142,249	$ 137,822
Other	10	8,293
	$ 142,259	$ 146,115
Current tax liabilities		
Income tax payable	$ 141,754	$ 116,788

c. Deferred tax assets and liabilities

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

For the year ended December 31, 2022

Temporary Differences	Beginning Balance	Recognized in Profit or Loss	Exchange Differences	Ending Balance
Deferred tax assets				
Unrealized amortization expense	$ 22,136	$ 4,585	$ 312	$ 27,033
Unrealized inventory write-down	1,645	262	13	1,920
Unrealized exchange loss	117	2,265	-	2,382
	$ 23,898	$ 7,112	$ 325	$ 31,335
Deferred tax liabilities				
Unappropriated earnings of subsidiaries	$ (200,000)	$ -	$ -	$ (200,000)
Defined benefit obligations	(322)	(13)	-	(335)
Property, plant and equipment	(825)	84	(13)	(754)
	$ (201,147)	$ 71	$ (13)	$ (201,089)

For the year ended December 31, 2021

Temporary Differences	Beginning Balance	Recognized in Profit or Loss	Exchange Differences	Ending Balance
Deferred tax assets				
Unrealized amortization expense	$ 21,198	$ 1,038	$ (100)	$ 22,136
Unrealized inventory write-down	1,280	367	(2)	1,645
Unrealized exchange loss	890	(773)	-	117
	$ 23,368	$ 632	$ (102)	$ 23,898
Deferred tax liabilities				
Unappropriated earnings of subsidiaries	$ (200,000)	$ -	$ -	$ (200,000)
Defined benefit obligations	(308)	(14)	-	(322)
Property, plant and equipment	(767)	(61)	3	(825)
	$ (201,075)	$ (75)	$ 3	$ (201,147)

d. Unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2022	2021
Loss carryforwards		
Expiry in 2022	$ -	$ 40,111
Expiry in 2023	40,764	66,901
Expiry in 2024	16,312	54,376
Expiry in 2025	5,659	76,371
Expiry in 2026	111	580
Expiry in 2027	115	115
Expiry in 2028	88	88
Expiry in 2029	1,174	1,174
Expiry in 2030	1,537	1,537
Expiry in 2031	1,656	1,656
Expiry in 2032	3,665	-
	$ 71,081	$ 242,909

e. Income tax examination

Income tax returns of the following companies have been examined by the tax authorities:

1) Chia Chang Co., Ltd - though 2020

2) Energy Magic Co., Ltd. - through 2020

3) Chia Development Co., Ltd. - through 2020

24. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net Income for the Year

	For the Year Ended December 31	
	2022	**2021**
Earnings used in the computation of basic and diluted earnings per share	$ 644,914	$ 908,801

Weighted Average Number of Ordinary Shares Outstanding (In Thousand Shares)

	For the Year Ended December 31	
	2022	**2021**
Weighted average number of ordinary shares used in the computation of basic earnings per share	142,368	142,368
Effect of potentially dilutive ordinary shares:		
Employee share options	1,990	1,635
Weighted average number of ordinary shares used in the computation of diluted earnings per share	144,358	144,003

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

25. CAPITAL MANAGEMENT

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

The capital structure of the Group consists of net debt (borrowing offset by cash and cash equivalents) and equity attributable to owners of the Corporation (comprising issued capital, reserves, retained earnings and other equity).

Key management personnel of the Group review the capital structure on an annual basis. In order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, or the number of new shares issued or repurchased.

26. FINANCIAL INSTRUMENTS

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

The disclosures of fair value are not required for financial instruments that are not measured at fair value but with carrying value approximating fair value such as cash and cash equivalents, notes and accounts receivable, other financial assets-current, refundable deposits, short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings, and guarantee deposits.

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

1) Fair value hierarchy

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 45	$ -	$ -	$ 45
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic unlisted shares	$ -	$ -	$ 191,982	$ 191,982

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 45	$ -	$ -	$ 45
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic unlisted shares	$ -	$ -	$ 164,082	$ 164,082

There were no transfers between Levels 1 and 2 in 2022 and 2021.

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

For the year ended December 31, 2022

	Financial Assets at FVTOCI
Balance at January 1, 2022	$ 164,082
Reclassification from investments accounted for using the equity method	44,752
Recognized in other comprehensive income or loss	(16,852)
Balance at December 31, 2022	$ 191,982

For the year ended December 31, 2021

	Financial Assets at FVTOCI
Balance at January 1, 2021	$ 177,779
Recognized in other comprehensive income or loss	(13,697)
Balance at December 31, 2021	$ 164,082

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

For the domestic non-listed stocks held by the Group and measured at fair value, such fair value is determined by market approach and asset-based approach. The market approach is referring to the observable market price or to the comparable company. The asset-based approach is evaluating the total value of the individual assets and individual liabilities covered by evaluation target to measure its fair value.

c. Categories of financial instruments

	December 31	
	2022	**2021**
Financial assets		
FVTPL		
Mandatorily classified as at FVTPL	$ 45	$ 45
Financial assets at amortized cost (1)	6,869,645	7,684,871
Financial assets at FVTOCI	191,982	164,082
Financial liabilities		
Financial liabilities at amortized cost (2)	1,942,064	2,874,407

1) The balances included financial assets measured at amortized cost, which comprise cash and cash equivalents, notes and accounts receivable, other financial assets - current, other receivables, and refundable deposits.

2) The balances included financial liabilities measured at amortized cost, which comprise short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings, and guarantee deposits.

d. Financial risk management objectives and policies

The Group’s major financial instruments include equity investments, accounts receivable, accounts payable, borrowings and lease liabilities. The Group’s corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provided written principles on foreign currency risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The Corporation's treasury function reports quarterly to the Corporation's board of directors.

1) Market risk

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

There has been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Group has foreign currency denominated sales and purchases, which expose the Group to foreign currency risk. Parts of the Group's sales are denominated in currencies other than the functional currency of the entity in the Group making the sale, whilst parts of costs are denominated in currencies other than the functional currency of the entity in the Group. Exchange rate exposures are managed within approved policy parameters utilizing foreign exchange forward contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (excluding those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the year are set out in Note 29.

The Group was mainly exposed to the U.S. dollar.

The following table details the Group's sensitivity to a 1% increase and decrease in the New Taiwan dollar (i.e., the functional currency) against the U.S. dollar. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the year for a 1% change in foreign currency rates. A positive number below indicates a decrease in pre-tax profit associated with the New Taiwan dollar strengthening 1% against the U.S. dollar. For a 1% weakening of the New Taiwan dollar against the U.S. dollar, there would be an equal and opposite impact on pre-tax profit, and the balances below would be negative.

	U.S. Dollar Impact	
	For the Year Ended December 31	
	2022	**2021**
Profit or loss*	$ 27,831	$ 27,810

* The result was mainly attributable to the exposure on outstanding receivables and payables in U.S. dollar which were not hedged at the end of the reporting period.

b) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group borrow funds at fixed interest rates.

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

	December 31	
	2022	2021
Fair value interest rate risk		
Financial assets	$ 2,185,723	$ 2,322,308
Financial liabilities	212,298	494,403
Cash flow interest rate risk		
Financial assets	1,975,587	1,808,106

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate assets, the analysis was prepared assuming the amount of the asset outstanding at the end of the reporting period was outstanding for the whole year.

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2022 and 2021 would have increased/decreased by $4,730 thousand and $4,077 thousand, respectively.

c) Other price risk

The Group was exposed to equity price risk through its investments in equity securities. Equity investments are held for strategic rather than trading purposes. The Group does not actively trade these investments.

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period. If equity prices had been 1% higher/lower, the pre-tax other comprehensive income for the years ended December 31, 2022 and 2021 would have increased/decreased by $1,920 thousand and $1,641 thousand, respectively, as a result of the changes in financial assets at FVTOCI.

2) Credit risk

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

In order to mitigate credit risk, the management of the Group has delegated qualified personnel in accordance with the segregation of duties principle to be responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the year to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

Since the counterparty of current funds and derivative financial instruments is a financial institution with a good credit rating, the Group does not expect any material credit risk.

The Group's concentration of credit risk of 50% and 53% of total accounts receivable as of December 31, 2022 and 2021, respectively, was attributable to the Group's three largest customers.

3) Liquidity risk

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

	December 31	
	2022	**2021**
Unsecured bank loan facilities*		
Amount used	$ 50,000	$ 280,000
Amount unused	950,000	670,000
	$ 1,000,000	$ 950,000
Secured bank loan facilities*		
Amount used	$ 144,409	$ 190,000
Amount unused	1,859,351	150,000
	$ 2,003,760	$ 340,000

* Including the amount signed by the Group and the bank.

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

December 31, 2022

	On Demand or Less than 1 Month	**1-3 Months**	**3 Months-1 Year**	**1+ Years**
Non-derivative financial liabilities				
Non-interest bearing liabilities	$ 572,059	$ 1,172,120	$ -	$ 830
Lease liabilities	2,638	-	15,348	-
Fixed interest rate borrowings	190,204	-	-	4,778
	$ 764,901	$ 1,172,120	$ 15,348	$ 5,608

December 31, 2021

	On Demand or Less than 1 Month	1-3 Months	3 Months-1 Year	1+ Years
Non-derivative financial liabilities				
Non-interest bearing liabilities	$ 648,661	$ 1,754,916	$ -	$ 830
Lease liabilities	-	1,150	17,500	5,967
Fixed interest rate borrowings	470,243	-	-	-
	$ 1,118,904	$ 1,756,066	$ 17,500	$ 6,797

27. RELATED PARTY TRANSACTIONS

Balances and transactions between the Corporation and its subsidiaries, which are related parties of the Corporation, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed as follows:

Remuneration of key management personnel

	For the Year Ended December 31	
	2022	2021
Short-term employee benefits	$ 103,047	$ 100,238
Post-employment benefits	860	940
	$ 103,907	$ 101,178

28. PLEDGED ASSETS

The following assets were provided as collateral or guarantee for bank financing, amount of endorsement and guarantee, and for issuing commercial paper:

	December 31	
	2022	2021
Property, plant and equipment		
Land	$ 185,000	$ 185,000
Buildings	98,025	92,548
Right-of-use assets	65,857	-
Investment properties	53,991	54,768
	$ 402,873	$ 332,316

29. SIGNIFICANT FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	US$ 26,477	30.710 (USD:NTD)	$ 813,103
USD	US$ 75,260	6.9646 (USD:RMB)	2,311,982
RMB	RMB 33,358	0.1436 (RMB:USD)	147,091
Financial liabilities			
Monetary items			
USD	US$ 1,662	30.710 (USD:NTD)	51,042
USD	US$ 14,262	6.9646 (USD:RMB)	438,002

December 31, 2021

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	US$ 27,410	27.680 (USD:NTD)	$ 758,701
USD	US$ 98,155	6.3757 (USD:RMB)	2,716,972
RMB	RMB 32,517	0.1568 (RMB:USD)	141,173
Financial liabilities			
Monetary items			
USD	US$ 7,037	27.680 (USD:NTD)	194,771
USD	US$ 23,160	6.3757 (USD:RMB)	641,075

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

	For the Year Ended December 31			
	2022		2021	
Functional Currency	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
USD	29.803 (USD:NTD)	$ 74,493	28.009 (USD:NTD)	$ (12,209)
USD	6.7212 (USD:RMB)	134,546	6.4514 (USD:RMB)	(44,314)
RMB	4.4342 (RMB:NTD)	(146)	4.3415 (RMB:NTD)	(287)
RMB	0.1488 (RMB:USD)	(13,100)	0.1550 (RMB:USD)	3,253
		$ 195,793		$ (53,557)

30. ADDITIONAL DISCLOSURES

a. Information on significant transactions:

1) Financing provided to others. (Table 1)

2) Endorsements/guarantees provided. (Table 2)

3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures). (Table 3)

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

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

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

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital. (None)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital. (None)

9) Trading in derivative instruments. (None)

10) Intercompany relationships and significant transactions. (Table 4)

b. Information on investees. (Table 5)

c. Information on investments in mainland China

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

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year. (None)

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year. (None)

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

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

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

f) 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)

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

31. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group's reportable segments are stamping department and others.

a. Segment revenue and results

The following was an analysis of the Group's revenue and results from continuing operations by reportable segments:

	For the Year Ended December 31, 2022		
	Stamping Business	**Others**	**Total**
Revenue from external customers	$ 7,838,343	$ 344	$ 7,838,687
Segment income	$ 855,155	$ (3,897)	$ 851,258
Share of profit or loss of associate for using the equity method	(969)	(81,082)	(82,051)
Interest income	64,373	215	64,588
Exchange gains and losses	195,793	-	195,793
Interest expense	(4,439)	-	(4,439)
Other gains and losses	42,842	15,995	58,837
Income (loss) before income tax	$ 1,152,755	$ (68,769)	$ 1,083,986

	For the Year Ended December 31, 2021		
	Stamping Business	**Others**	**Total**
Revenue from external customers	$ 8,718,498	$ -	$ 8,718,498
Segment income	$ 1,176,937	$ (1,665)	$ 1,175,272
Share of profit or loss of associate for using the equity method	(559)	110,380	109,821
Interest income	57,886	104	57,990
Exchange gains and losses	(53,557)	-	(53,557)
Interest expense	(4,855)	-	(4,855)
Other gains and losses	14,937	13,073	28,010
Income before income tax	$ 1,190,789	$ 121,892	$ 1,312,681

Segment profit represented the profit before tax earned by each segment without the allocation of central administration costs and directors' salaries, share of profit of associates, gains on disposal of interests in associates, lease income, interest income, gains or losses on disposal of property, plant and equipment, gains or losses on disposal of financial instruments, exchange gains or losses, valuation gains or losses on financial instruments, interest expense and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Segment assets and liabilities

	December 31	
	2022	**2021**
Segment assets		
Stamping business segment	$ 10,470,686	$ 10,887,824
Others	297,469	423,326
Consolidated total assets	$ 10,768,155	$ 11,311,150
Segment liabilities		
Stamping business segment	$ 2,409,953	$ 3,337,302
Others	4,804	813
Consolidated total liabilities	$ 2,414,757	$ 3,338,115

For the purpose of monitoring segment performance and allocating resources between segments:

1) All assets were allocated to reportable segments other than interests in associates accounted for using the equity method, other financial assets, and current and deferred tax assets. Goodwill was allocated to the reportable segments. Assets used jointly by reportable segments were allocated on the basis of the revenue earned by individual reportable segments; and

2) All liabilities were allocated to reportable segments other than borrowings, other financial liabilities, current and deferred tax liabilities. Liabilities for which reportable segments are jointly liable were allocated in proportion to segment assets.

c. Revenue from major products

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

	For the Year Ended December 31	
	2022	**2021**
Metal stamped display back cover parts	$ 4,664,840	$ 5,203,120
Metal stamped display front frame parts	866,754	1,533,658
Metal stamped server parts	842,293	865,048
Others	1,464,800	1,116,672
	$ 7,838,687	$ 8,718,498

d. Geographical information

The Group operates in two principal geographical areas: Taiwan and China.

The Group’s revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

	Revenue from External Customers		**Non-current Assets**	
	For the Year Ended December 31		**December 31**	
	2022	**2021**	**2022**	**2021**
China	$ 5,719,647	$ 6,910,941	$ 2,257,516	$ 1,592,940
Taiwan	2,080,689	1,779,283	569,153	549,701
Others	38,351	28,274	-	-
	$ 7,838,687	$ 8,718,498	$ 2,826,669	$ 2,142,641

Non-current assets excluded financial instruments, deferred tax assets and defined benefit assets.

e. Information about major customers

Major customers’ that contributed 10% or more to the sales revenue for both 2022 and 2021.

	For the Year Ended December 31	
	2022	**2021**
Customer A	$ 1,703,456	$ 2,118,955
Customer B	1,223,217	1,212,257
Customer C	812,310	917,139
	$ 3,738,983	$ 4,248,351

CHIA CHANG CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance for the Period (Foreign Currencies in Thousands)	Ending Balance (Foreign Currencies in Thousands)	Amount Actually Drawn (Foreign Currencies in Thousands)	Interest Rate	Nature for Financing	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company (Foreign Currencies in Thousands) (Note 1)	Financing Company's Total Financing Amount Limits (Foreign Currencies in Thousands) (Note 2)
													Item	Value		
1	GOLDSKY ENTERPRISES LIMITED	Chia Chang Co., Ltd.	Other receivables	Yes	$ 61,420 (US$ 2,000)	$ 61,420 (US$ 2,000)	$ -	-	Short-term financing	Not applicable	Operating capital	$ -	-	-	$ 152,168 (US$ 4,955)	$ 304,367 (US$ 9,911)
2	CHIA CORPORATION	Chia Chang Co., Ltd.	Other receivables	Yes	614,200 (US$ 20,000)	614,200 (US$ 20,000)	-	-	Short-term financing	Not applicable	Operating capital	-	-	-	1,282,646 (RMB 290,889)	2,565,292 (RMB 581,778)
		Nanjing Chia-Chan Precious Electronics Co., Ltd.	Other receivables	Yes	61,420 (US$ 2,000)	61,420 (US$ 2,000)	-	-	Short-term financing	Not applicable	Operating capital	-	-	-	1,282,646 (RMB 290,889)	2,565,292 (RMB 581,778)
		Chia Chang Technology (Suzhou) Co., Ltd.	Other receivables	Yes	614,200 (US$ 20,000)	614,200 (US$ 20,000)	-	-	Short-term financing	Not applicable	Operating capital	-	-	-	1,282,646 (RMB 290,889)	2,565,292 (RMB 581,778)
		Chia Chang Technology (Chong Qing) Co., Ltd.	Other receivables	Yes	214,970 (US$ 7,000)	214,970 (US$ 7,000)	88,188 (RMB 20,000) Note 3	4.35%	Short-term financing	Not applicable	Operating capital	-	-	-	1,282,646 (RMB 290,889)	2,565,292 (RMB 581,778)
3	Chia Chang Technology (Suzhou) Co., Ltd.	Chia Chang Technology (Chong Qing) Co., Ltd.	Other receivables	Yes	88,188 (RMB 20,000)	88,188 (RMB 20,000)	-	-	Short-term financing	Not applicable	Operating capital	-	-	-	718,304 (RMB 162,903)	1,436,609 (RMB 325,806)
4	Ningbo Chia Chang Electronics Hardware Co., Ltd.	Chia Chang Technology (Chong Qing) Co., Ltd.	Other receivables	Yes	88,188 (RMB 20,000)	88,188 (RMB 20,000)	44,094 (RMB 10,000) Note 3	4.35%	Short-term financing	Not applicable	Operating capital	-	-	-	69,369 (RMB 15,732)	277,484 (RMB 62,930)
		Chia Chang Technology (Suzhou) Co., Ltd.	Other receivables	Yes	88,188 (RMB 20,000)	88,188 (RMB 20,000)	-	-	Short-term financing	Not applicable	Operating capital	-	-	-	69,369 (RMB 15,732)	277,484 (RMB 62,930)
5	Nanjing Chia-Chan Precious Electronics Co., Ltd.	Chia Chang Technology (Chong Qing) Co., Ltd.	Other receivables	Yes	44,094 (RMB 10,000)	44,094 (RMB 10,000)	22,047 (RMB 5,000) Note 3	4.35%	Short-term financing	Not applicable	Operating capital	-	-	-	42,926 (RMB 9,735)	171,711 (RMB 38,942)
		Chia Chang Technology (Suzhou) Co., Ltd.	Other receivables	Yes	44,094 (RMB 10,000)	44,094 (RMB 10,000)	-	-	Short-term financing	Not applicable	Operating capital	-	-	-	42,926 (RMB 9,735)	171,711 (RMB 38,942)

Note 1: The limit for lending to each borrower is as follows:

a. For companies with transactions and short-term funding needs, the amount for lending to a company shall not exceed 2% of the net equity of the Corporation based on its latest financial statements. The total amount for lending shall not exceed 5% of the net equity of the Corporation based on its latest financial statements.

b. For associates with short-term funding needs, in which the Corporation holds less than 100% of the voting shares of each associate, the amount for lending shall not exceed 10% of the net equity of the associate. For associates with short-term funding needs, in which the Corporation holds 100% of the voting shares of each associate, the amount for lending shall not exceed 20% of the net equity of the associate.

Note 2: The total amount for lending shall not exceed 40% of the net equity of the Corporation based on its latest financial statements.

Note 3: All intercompany transactions have been eliminated upon consolidation.

CHIA CHANG CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period (Foreign Currencies in Thousands)	Outstanding Endorsement/ Guarantee at the End of the Period (Foreign Currencies in Thousands)	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals (Foreign Currencies in Thousands)	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Provided by Parent Company	Endorsement/ Guarantee Provided by Subsidiaries	Endorsement/ Guarantee Provided to Subsidiaries in Mainland China
		Name	Relationship										
0	The Corporation	GOLDSKY ENTERPRISES LIMITED	Note 1	$ 4,174,022	$ 552,780 (US$ 18,000)	$ 552,780 (US$ 18,000)	$ -	$ -	6.62%	$ 4,174,022	Yes	No	No
		CHIA CORPORATION	Note 1		1,535,500 (US$ 50,000)	1,535,500 (US$ 50,000)	-	614,200 (US$ 20,000)	18.39%		Yes	No	No
1	Chia Chang Technology (Suzhou) Co., Ltd.	Chia Chang Technology (Chong Qing) Co., Ltd.	Note 1	4,174,022	88,188 (RMB 20,000)	88,188 (RMB 20,000)	-	-	1.06%	4,174,022	No	No	Yes
2	Ningbo Chia Chang Electronics Hardware Co., Ltd.	Chia Chang Technology (Chong Qing) Co., Ltd.	Note 1	4,174,022	88,188 (RMB 20,000)	88,188 (RMB 20,000)	-	-	1.06%	4,174,022	No	No	Yes

Note 1: Subsidiary in which the Corporation directly or indirectly owns more than 50% of its voting shares.

Note 2: According to the Corporation's endorsement/guarantee operating procedures, the total amount of guarantee provided by the Corporation to any individual entity shall not exceed 2% of the Corporation's net equity based on its latest financial statements, except for the guarantee provided to any entity whose voting shares are 50% owned. The total balance of guarantee shall not exceed 50% of the Corporation's net equity based on its latest financial statements.

TABLE 3

CHIA CHANG CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Number of Shares (Units in Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Chia Chang Co., Ltd.	Ordinary share(s)							
	Chimei Motor Electronics Co., Ltd.	None	Financial assets at FVTOCI - non-current	1,372	$ 16,500	4.65	$ 16,500	Notes 1 and 2
	Top Taiwan XIII Venture Capital Co., Ltd.	The Corporation is its corporate directors	Financial assets at FVTOCI - non-current	5,000	39,079	5.81	39,079	Notes 1 and 2
TARCOOLA TRADING LIMITED	Mutual fund(s)							
	Capital RMB Money Market Fund-RMB	None	Financial assets at FVTPL - current	1	45	-	45	Notes 1 and 2
Chia Development Co., Ltd.	Ordinary share(s)							
	WK Technology Fund IX Ltd.	One of the Corporation's key management personnel is one of its supervisors	Financial assets at FVTOCI - non-current	7,690	136,403	7.69	136,403	Notes 1 and 2

Note 1: The unlisted stocks mentioned above are calculated using a valuation method at fair value, and the mutual fund is calculated at net value on December 31, 2022.

Note 2: The securities held at end of period have not been provided as collateral or pledged for loans.

CHIA CHANG CO., LTD. AND SUBSIDIARIES

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

No.	Transaction Company	Counterparty	Relationship (Note 1)	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% to Total Sales or Assets
0	The Corporation	GOLDSKY ENTERPRISES LIMITED	1	Other current liabilities	$ 18,174	Note 6	-
1	CHIA CORPORATION	Chia Chang Technology (Chong Qing) Co., Ltd.	3	Other receivables	90,034	Note 3, interest rate 4.35%	1
2	GOLDSKY ENTERPRISES LIMITED	Chia Chang Co., Ltd.	2	Accounts receivables	18,174	Note 6	-
3	Chia Chang Technology (Suzhou) Co., Ltd.	Nanjing Chia-Chan Precious Electronics Co., Ltd.	3	Purchase	24,258	Note 2	-
4	Ningbo Chia Chang Electronics Hardware Co., Ltd.	Nanjing Chia-Chan Precious Electronics Co., Ltd.	3	Purchase	34,677	Note 2	-
		Chia Chang Technology (Chong Qing) Co., Ltd.	3	Other receivables	45,112	Note 4, interest rate 4.35%	-
5	Nanjing Chia-Chan Precious Electronics Co., Ltd.	Chia Chang Technology (Suzhou) Co., Ltd.	3	Sales revenue	24,258	Note 2	-
		Ningbo Chia Chang Electronics Hardware Co., Ltd.	3	Sales revenue	34,677	Note 2	-
		Chia Chang Technology (Chong Qing) Co., Ltd.	3	Other receivables	22,082	Note 5, interest rate 4.35%	-
6	Chia Chang Technology (Chong Qing) Co., Ltd.	Nanjing Chia-Chan Precious Electronics Co., Ltd.	3	Other payables	22,082	Note 5, interest rate 4.35%	-
		Ningbo Chia Chang Electronics Hardware Co., Ltd.	3	Other payables	45,112	Note 4, interest rate 4.35%	-
		CHIA CORPORATION	3	Other payables	90,034	Note 3, interest rate 4.35%	1

Note 1: The flow of transactions are identified by the following numbers in the "Relationship" column:

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

Note 2: For the purchase and sales transactions between the Group and its related parties, the collection period is 60-180 days.

Note 3: Other receivables from Chia Chang Technology (Chong Qing) Co., Ltd. recognized by CHIA CORPORATION included loan of $88,188 thousand and interest receivable of $1,846 thousand.

Note 4: Other receivables from Chia Chang Technology (Chong Qing) Co., Ltd. recognized by Ningbo Chia Chang Electronics Hardware Co., Ltd. included loan of $44,094 thousand and interest receivable of $1,018 thousand.

Note 5: Other receivables from Chia Chang Technology (Chong Qing) Co., Ltd. recognized by Nanjing Chia-Chan Precious Electronics Co., Ltd. included loan of $22,047 thousand and interest receivable of $35 thousand.

Note 6: Accounts receivable and accounts payable that resulted from the mold payments on behalf and mold receipts under custody between the Group and the related parties.

Note 7: A transaction is disclosed if it amounts to more than $10,000 thousand.

Note 8: All intercompany transactions have been eliminated upon consolidation.

CHIA CHANG CO., LTD. AND SUBSIDIARIES

NAMES, LOCATIONS AND RELATED INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee (Foreign Currencies in Thousands)	Share of Profit (Loss) (Note 1)	Note
				December 31, 2022 (Foreign Currencies in Thousands)	December 31, 2021 (Foreign Currencies in Thousands)	Number of Shares (Units in Thousands)	Percentage of Ownership	Carrying Amount (Foreign Currencies in Thousands)			
Chia Chang Co., Ltd.	CHIA CORPORATION	Samoa	Investment holdings	$ 1,513,766	$ 1,513,766	46,740	100.00	$ 6,413,235 (Note 2)	RMB 141,939	$ 629,386 (Note 2)	Subsidiary
	GOLDSKY ENTERPRISES LIMITED	Samoa	International trade	33,892	33,892	15	100.00	760,951 (Note 2)	US$ 191	5,703 (Note 2)	Subsidiary
	Chia Development Co., Ltd.	Taoyuan, Taiwan	New business development and investment	263,564	263,564	19,784	100.00	287,456 (Note 2)	(71,165)	(71,165) (Note 2)	Subsidiary
	Zen Material Technology Inc.	Kaohsiung, Taiwan	Electronic components production	92,950	92,950	1,334	46.01	-	(581)	-	Associate
	Top Taiwan XIII Venture Capital Co., Ltd.	Taipei, Taiwan	Investment business	-	50,000	-	-	-	(Note 4)	(969)	Note 4
CHIA CORPORATION	TARCOOLA TRADING LIMITED	British Virgin Islands	Investment holdings	US$ 30,589	US$ 30,589	37,100	100.00	RMB 814,979 (Note 2)	RMB 84,703	Not applicable	Subsidiary
	HUGE LINE INTERNATIONAL LIMITED	Samoa	Investment holdings	US$ 11,400	US$ 11,400	11,601	100.00	RMB 365,104 (Note 2)	RMB 51,044	Not applicable	Subsidiary
	CHIAPEX HOLDING LIMITED	Samoa	Investment holdings	US$ 4,911	US$ 4,911	4,851	100.00	RMB 10,098 (Note 2)	RMB 509	Not applicable	Subsidiary
	CHIA-RUI HOLDING LIMITED	Samoa	Investment holdings	-	US$ 23,807	-	-	- (Note 3)	RMB (126)	Not applicable	Subsidiary
Chia Development Co., Ltd.	Energy Magic Co., Ltd.	Taoyuan, Taiwan	Electronic components production	15,496	15,496	1,500	50.00	5,277 (Note 2)	(1,574)	Not applicable	Subsidiary
	EIDEAL Company Limited	Taoyuan, Taiwan	Electronic components production	4,000	-	400	80.00	2,327 (Note 2)	(2,091)	Not applicable	Subsidiary
	Top Taiwan IX Venture Capital Co., Ltd.	Taipei, Taiwan	Investment business	70,000	100,000	7,000	12.50	124,317	(648,654)	Not applicable	Associate

Note 1: Information on investments in mainland China is referred to Table 6.

Note 2: All intercompany transactions have been eliminated upon consolidation.

Note 3: CHIA-RUI HOLDING LIMITED had liquidated and the remaining share capital had been refunded to CHIA CORPORATION in April 2022.

Note 4: The Corporation held an interest in Top Taiwan XIII Venture Capital Co., Ltd. and it was accounted for as an associate. On May 17, 2022, three additional directors were elected by the Corporation through the resolution of the shareholders in their meeting, and the Group ceased to have significant influence over Top Taiwan XIII Venture Capital Co., Ltd. The Corporation accounted for the remaining interests as financial assets at FVTOCI rather than using the equity method.

CHIA CHANG CO., LTD. AND SUBSIDIARIES

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

Investee Company	Main Businesses and Products	Paid-in Capital (RMB in Thousands)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022 (US$ in Thousands)	Remittance of Funds		Accumulated Outflow of Investment from Taiwan as of December 31, 2022 (US$ in Thousands)	Net Income (Loss) of the Investee (RMB in Thousands)	Ownership of Direct or Indirect Investment	Share of Profits (Losses) (RMB in Thousands)	Carrying Amount as of December 31, 2022 (RMB in Thousands)	Accumulated Inward Remittance of Earnings as of December 31, 2022 (RMB in Thousands)
					Outward	Inward						
Chia Chang Technology (Suzhou) Co., Ltd.	Production and sale of IT and optronics metal stamped components	$ 2,176,087 (RMB 493,511)	Indirect investment in TARCOOLA TRADING LIMITED through CHIA CORPORATION, with the former investing operating funds	$ 925,569 (US$ 30,139)	$ -	$ -	$ 925,569 (US$ 30,139)	$ 375,590 (RMB 84,703)	100.00%	$ 375,590 (RMB 84,703) (Note 2)	$ 3,591,531 (RMB 814,517) (Note 2)	$ 745,550 (RMB 169,082)
Ningbo Chia Chang Electronics Hardware Co., Ltd.	Production and sale of IT and optronics metal stamped components	303,305 (RMB 68,786)	Indirect investment in HUGE LINE INTERNATIONAL LIMITED through CHIA CORPORATION, with the former investing operating funds	196,544 (US$ 6,400)	-	-	196,544 (US$ 6,400)	239,265 (RMB 53,959)	100.00%	239,265 (RMB 53,959) (Note 2)	693,709 (RMB 157,325) (Note 2)	1,515,665 (RMB 343,735)
Quan Rui (Dong Guan) Industrial Co., Ltd.	Production and sale of IT and optronics metal stamped components	-	Indirect investment in CHIA-RUI HOLDING LIMITED through CHIA CORPORATION, with the former investing operating funds	161,228 (US$ 5,250)	-	-	161,228 (US$ 5,250)	239 (RMB 54)	-	239 (RMB 54) (Note 2)	-	80,220 (RMB 18,193)
Nanjing Chia-Chan Precious Electronics Co., Ltd.	Production and sale of IT and optronics metal stamped components	312,957 (RMB 70,975)	Indirect investment in HUGE LINE INTERNATIONAL LIMITED through CHIA CORPORATION, with the former investing operating funds	-	-	-	-	(13,591) (RMB -3,065)	100.00%	(13,591) (RMB -3,065) (Note 2)	429,286 (RMB 97,357) (Note 2)	174,361 (RMB 39,543)
Chia Chang Technology (Chong Qing) Co., Ltd.	Production and sale of IT and optronics metal stamped components	132,282 (RMB 30,000)	Through Chia Chang Technology (Suzhou) Co., Ltd. invest operating funds	-	-	-	-	4,465 (RMB 1,007)	100.00%	4,465 (RMB 1,007) (Note 2)	70,184 (RMB 15,917) (Note 2)	-
Chia Chain Precious Hardware & Electronics (Suzhou) Co., Ltd.	Production and sale of IT and optronics metal stamped components	155,193 (RMB 35,196)	Indirect investment in CHIAPEX HOLDING LIMITED through CHIA CORPORATION, with the former investing operating funds	150,817 (US$ 4,911)	-	-	150,817 (US$ 4,911)	(20,122) (RMB -4,538)	49.00%	-	-	315,422 (RMB 71,534)

Accumulated Investment in Mainland China as of December 31, 2022 (US$ in Thousands)	Investment Amounts Authorized by Investment Commission, MOEA (US$ in Thousands)	Upper Limit on Investment Stipulated by the Investment Commission, MOEA
$ 1,434,158 (US$ 46,700)	$ 4,059,401 (US$ 132,185)	$ 5,008,827 (Note 1)

Note 1: The investment limit is 60% of the Corporation’s net equity.

Note 2: All intercompany transactions have been eliminated upon consolidation.

TABLE 7

CHIA CHANG CO., LTD. AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2022

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Yung Hsiang Investment Co., Ltd.	13,438,441	9.43
Hsin Ho Investment Co., Ltd.	11,904,492	8.36

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