Stock Symbol: 8049

Ampire Co., Ltd.

2022 Annual Report

Published on April 30, 2023

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Company's website: http://www.ampire.com.tw

1. Corporate spokesperson and acting spokesperson

	Spokesperson	Acting spokesperson
Name	Chen, Ke-Hung	Huang, Chiu-Ling
Title	CFO	Project Manager, Finance Department
Contact number	2696-7269	2696-7269
E-mail	tank.chen@ampire.com.tw	carol.huang@ampire.com.tw

2. The address and telephone number of the Company and factories

Unit	Address	Telephone
Head Office	4F., No.116, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City	(02)2696-7269
Fifth Factory	4F., No.110, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City	(02)2696-7269
Xintai Factory	2F., No.94, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City	(02)2696-7269

3. The name, address, website URL, and telephone number of the agency handling shares transfer

Name: SinoPac Securities Limited. Stock Transfer Agency Department
Address: 3F., No.17, Bo'ai Rd., Zhongzheng Dist., Taipei City
Website: http:// www.sinopacsecurities.com.tw
Telephone: (02)2381–6288

4. The names of the certified public accountants who duly audited the annual financial report for the most recent fiscal year, and the name, address, website and telephone number of the accounting firm to which they belong

Auditors: CPAs Lee Tzu-Hui, Kuo Hsin-Yi
Firm: KPMG Taiwan
Address: 68F., No.7, Sec. 5, Xinyi Rd., Taipei City
Website: http://www.kpmg.com.tw
Telephone: (02)8101–6666

5. The name of any exchanges where the Company's securities are traded offshore, and the method by which to access information on said offshore securities: N/A

6. Company website: http://www.ampire.com.tw

Contents

I. Report to the Shareholders

Dear Shareholders,

Since the outbreak of Russia's invasion of Ukraine in February 2022, energy prices were spiralling, coupled with the slow recovery from the pandemic, rampant inflation worldwide, incessant interest rate hikes, a gloomy economic outlook, a spate of layoffs at tech giants, and a gradual loss of consumer confidence, the inflationary effects continue to fester across the world. However, COVID-19 is becoming as mild as a common cold, and with the gradual relaxation of infection controls worldwide, an upturn in the economy is in sight. Despite the ongoing regional geopolitical conflicts, protective measures have been steadily eased in various countries and a shortage of raw materials and the issue of short- and long-term materials have been ironed out. However, the Company still needs to take a step-by-step approach to keep a tight rein on incoming materials and inventory levels. Against all odds, the Company made a strong showing in 2022 due to the deferral of demand from the previous year.

In summary, the Company's revenue in fiscal 2022 increased by NT$396,202 K, or 19.56%, to NT$2,421,679 K from NT$2,025,477 K in fiscal 2021. The gross margin climbed to 29% in fiscal 2022 from 25% in fiscal 2021 due to economies of scale in revenue growth, product mix optimization, more stable raw material prices, the alleviation of strains on freight logistics and the strength of the U.S. dollar. With effective curbs on operating expenses, net operating profit for fiscal 2022 rose by NT$140,007 K, or 41%, to NT$478,594 K as compared to NT$338,587 K in fiscal 2021. Net profit after tax for fiscal 2022 amounted to NT$451,684 K, up NT$142,605 K, or 46%, from NT$309,079 K in fiscal 2021, and earnings per share (EPS) for fiscal 2022 stood at NT$3.82, up NT$1.21 from NT$2.61 in fiscal 2021.

In addition to expanding our sales channels, we will actively provide immediate service to our channel customers and develop direct customers. In view of the extremely wide range of applications for small and medium-sized panels and the intense competition in the industry, the Company is committed to developing its branding business in the years ahead. Going forward, the development of small and medium-sized LCDs will be directed towards the following business policies:

(1) Deepening cooperation in product lines with well-known distributors in Europe and the US to build up Ampire Co’s brand awareness among customers in the industrial control module market.

(2) Maintaining its customer base, providing a stable supply and quotation to bolster customer trust in times of tight market supply.

(3) Increasing the customization of in-house products to enhance its competitive edge and improving in-plant lamination technology.

(4) Optimizing the LCD product line and widening the choice of medium to large-size LCDs.

(5) Developing smart panel products, open frames, external plastic frames and other integrated designs to add value and raise stickiness to products.

The European Union (EU) introduced the Carbon Border Adjustment Mechanism (CBAM) in 2021, which is due to take effect on a trial basis from 2023, with some industries being subject to a carbon emissions fee. During a transitional period from 2023 to 2025, importers will not yet be required to pay a carbon emissions charge or a carbon border tax, but will be expected to file a quarterly report on the direct and indirect carbon emissions of their imports. The US is slated to impose a carbon tariff under the Clean Competition Act (CCA) in 2024 at the earliest. As a result, our manufacturing plants in Taiwan and China will accelerate the adoption of net-zero carbon emission strategies and plans in 2023/2024 ahead of schedule. Albeit with relatively higher expenditure on energy saving and carbon reduction, and related costs, the ESG trend has gained traction and sustainable management and net-zero emissions and carbon reduction are now a matter of great urgency.

Against all odds, the pandemic has finally run its course, leading to a double growth in the Company’s revenue and profitability in 2022 and an upgrade in the market positioning of its products, with an uptick in gross margin, operating margin or net profit margin. Looking forward to the coming year, challenges and tests will always lie ahead, but a journey of 10,000 miles begins with a single step, and we will continue to strive to reach the next milestone.

Finally, I would like to thank all our shareholders for their continued support and love, and I look forward to your continual encouragement and guidance in the coming year. Our management team will work even harder in the future to return the results of our operations to our shareholders.

I wish all shareholders good health and all the best.

Su, Han-Jeh, Chairman of the Board

Chen, Chi-Yong, President

1. 2022 Business plan implementation results

1) The major product-wise revenue achieving situation in 2022 and the comparison with the 2022 business plan, as well as the changes in the revenue of major products in 2021 are detailed in the table below:

In NT$ K

Major products	2022 business plan amount	Amount achieved for 2022	Achievement rate (%)	Actual amount for 2021	Annual change (%)
LCD module	2,154,617	2,421,679	112.39	2,025,477	119.6
Other	—	—	—	—	—
Total	2,154,617	2,421,679	112.39	2,025,477	119.6

2) Budget implementation

The budget implementation for the Company's 2022 payments surplus is as follows:

In NT$ K / K Share / %

Item	Budget	Actual	Discrepancy	Achievement %
Operating revenue	2,154,617	2,421,679	267,062	112.39
Operating cost	1,640,675	1,730,567	89,892	105.48
Gross profit	513,941	691,112	177,171	134.47
Gross profit margin (%)	23.85	28.53	4.68	119.62
Operating expenses	177,667	212,518	34,851	119.62
Net operating profit (loss)	336,274	478,594	142,320	142.32
Net non-operating income (expense)	56,472	74,191	17,719	131.38
Net profit before tax	392,745	552,785	160,040	140.75
Net profit after tax	313,426	451,684	138,258	144.11
Ordinary share capital at the end of period (in K share)	118,280	118,280	—	—
Basic EPS (NT$/share)	2.61	3.82	1.21	146.36

3) Analysis of Financial Revenue and Expenditure and Profitability

1. Analysis of financial revenue and expenditure

In NT$ K

Item / Year	Actual figures for 2021	Actual figures for 2022	Increases / decreases
Operating revenue	2,025,477	2,421,679	396,202
Operating costs	1,515,189	1,730,567	215,378
Gross profit	510,288	691,112	180,824
Gross profit margin (%)	25.2	28.53	3.34
Operating expenses	171,701	212,518	40,817
Net non-operating income (expense)	42,452	74,191	31,739
Net profit (loss) before tax	381,039	552,785	171,746
Net profit (loss) after tax	309,079	451,684	142,605

2. Profitability analysis

Item		Year	2021	2022
Profitability	Return on assets (%)		13.50	17.91
	Return on equity (%)		16.76	22.09
	Ratio to paid-in capital (%)	Operating profit	28.62	40.46
		Net profit before tax	32.22	46.74
	Net profit (loss) ratio (%)		14	19
	Earnings per share (NT$)		2.61	3.82

4) Research and Development Status

1. Invested R&D costs each year for the last 5 years

In NT$ K

Item / Year	R&D expenses	Operating revenue	Percentage (%)
2018	31,927	1,945,997	1.64
2019	32,620	1,911,752	1.71
2020	31,831	1,775,122	1.79
2021	30,436	2,025,477	1.50
2022	35,632	2,421,679	1.47

2. Diversified applications of various module products:

1) In order to meet the potential needs of our industrial control channel customers in Europea and US, we offer a single simple interface solution for applications such as industrial control, medical equipment, fuel dispenser systems, measurement equipment, IP phones, automotive systems, POS systems and charging piles to complete the control of the display panel and touch panel to facilitate the use of customer systems.

2) The Company is committed to providing high-brightness LED backlight with brighter film material to increase service life, and maintain power saving, low power consumption, high color saturation, high resolution, ultra wide viewing angles for display modules to differentiate the product; developing a compact system board with STM32 MPU and ARM CPU to furnish customers with more complete system solutions; and combing with TFT LCM and from the perspective of customer service, ensuring niche customers and niche market share, and maintaining product price advantage. Available are now various sizes of products ranging from 2.2" to 21.5".

3) Touch-enabled product applications

Other than resistance-type touch control, Ampire Co. has developed capacitor-type touch control techniques to the matured state for a wide range of applications. They are in G/G, G/F/F or OGS structure subject to the needs of customers. The Company is also actively introducing optical clear adhesive (OCA) lamination process, whether it is sheet OCA or optical clear resin (OCR), we can work on it, and we can laminate cover lens and capacitor-type touch screens as well as capacitor-type touch control screens and LCM modules, to help raise transmittancy, visibility and reliability and therefore provide more complete full surface touch control program.

4) Ultra-wide-view R&D applications

The Company has actively developed ultra-wide viewing angle TFT modules with IPS or EVA wide viewing angle technology to satisfy customers' requirements for higher display quality.

5) Sunlight readable technology development

To address the problem of the outdoor use of LCD vulnerable to sunlight interference, we have developed ATR, SRF polarizers, high brightness backlight, nano-lamination, touch panel full lamination and other technologies, which can be tailored to suit the needs of customers to provide an appropriate solution.

6) The development of various signal transfer boards such as HDMI, USB, MIPI and eDP is no longer limited to TFT panels, making the LCD source more flexible and providing customers with different interface options, and a new generation of smart touch panels is being developed to provide a library of complete fonts, graphics and animations, shortening the time of product development.

7) To cater to customers' needs for prolonged outdoor use, we have developed materials that can withstand Q sun testing, such as ceramic ink cover lens and UV resistant materials. We also offer physically strengthened, chemically strengthened or Gorilla glass covers, customized covers with thicknesses from 1 to 8 mm, and various surface treatments such as AR, AG, AF and antibacterial.

8) To cope with the problems of shortage of raw materials and price hikes, the Company is now actively negotiating with the suppliers, especially over such major materials as LCD and IC, providing forecasts and advance order preparation. We are also seeking to bring in more suppliers to facilitate material deployment and shorten lead times to mitigate the impact of material price rises.

2. 2022 Business plan summary

1) Management policy

1. Enhance the cooperation with well-known channels over the product lines in Europe and the United States to raise Ampire brand awareness in the industrial control module market.

2. Retain present customers and actively pursue new opportunities as the supply market becomes more stable.

3. Increase the degree of customization of our in-house products, raise the competitive advantage, and improve the in-plant lamination technology.

4. Optimize the LCD product line and add medium to large sized LCD options.

5. Develop smart panel products, open frames, plastic frames, and other integrated designs to raise the added value of products and increase product stickiness.

2) A sales volume forecast and the basis thereof:

1. The Company's projected sales for fiscal 2023 are as follows:

In K pieces

Product	Projected sales volume
LCD module	3,025
Total	3,025

2. The Company's expected sales volume is based on projected market changes and overall supply and demand for the current year and in consideration of the Company's own strategy and sales generated by new product launches.

3) Key production and marketing policies:

While the global political and economic landscape still looks bleak and demand for TFT-LCDs in 2023 may not return to the peak levels seen during the pandemic, the market is poised for quarter-on-quarter growth as supply stabilizes and costs fall. In 2023, we are focusing on maintaining stable supply, eliminating inventories and further optimizing costs in order to sustain our brand competitiveness and capture business opportunities.

The head office in Xizhi, Taiwan is the base for research and development. Its factory in South China has production lines for TFT-LCD back-end processes and LCM processes, while the head office also has production lines for TFT-LCD back-end processes and capacitive TP lamination processes, which support each other to offer production services to customers.

In addition to expanding the original sales channels, the Company will seek to increase its market share by providing immediate service to channel customers and developing direct clientele by deploying staff. The Company is committed to developing its branding business due to the extremely wide range of small and medium sized panel product applications and fierce industry competition. Going forward, the development of small and medium-size LCDs will be directed towards the following areas:

1. Positioning the Ampire brand as a brandcharacterized by high added value and stable supply, providing medium to high level of customization services, and optimizing LCD products to enhance its brand image and added value and build up competitive advantage.
2. Integrating capacitive touch applications to improve lamination technology and reduce costs and providing one-stop shopping services, expanding the product line to 21.5" to increase customer stickiness to products.
3. Providing open frames, HDMI Interface LCM, smart panels, as well as appearance design services.
4. Increasing the depth and breadth of TFT LCM products to provide larger sizes up to 32".
5. Stepping up cooperation with agents in market surveys and marketing research in order to effectively understand market demand.

3. The Company's future development strategy, and the effect of external competition, the legal environment, and the overall business landscape

1) Corporate development strategy

1. Strengthening branding business: Positioning Ampire as a brand with high added values and stable supply, providing medium and high-level tailor-made service and optimizing LCD products as well as deepening cooperation with renowned channels in Europe and America over product lines to increase the visibility and market share of Admire in the industrial control module market.
2. Integrating capacitive touch applications to bolster lamination technology and lower costs and providing one-stop shopping services to increase customer stickiness to products.
3. In the medium to long term, offering a one-stop shopping solution including open frames, HDMI Interface LCM, smart panel solutions, as well as appearance design services.
4. Increasing the depth and breadth of TFT LCM products to provide larger sizes up to 32".

2) The effect of external competition, the regulatory environment, and the overall business landscape

The Company continues to keep a close eye on the impact of variations in overall economic data and the proposed amendments to various relevant regional regulations, which are currently considered normal.

II. Company Profile

1. Date of incorporation: March 17, 1998
2. Company history

The Company was incorporated on March 17, 1998, with a registered capital of NT$360 million and paid-in capital of NT$180 million, mainly engaged in the R&D and manufacturing of LCD modules.

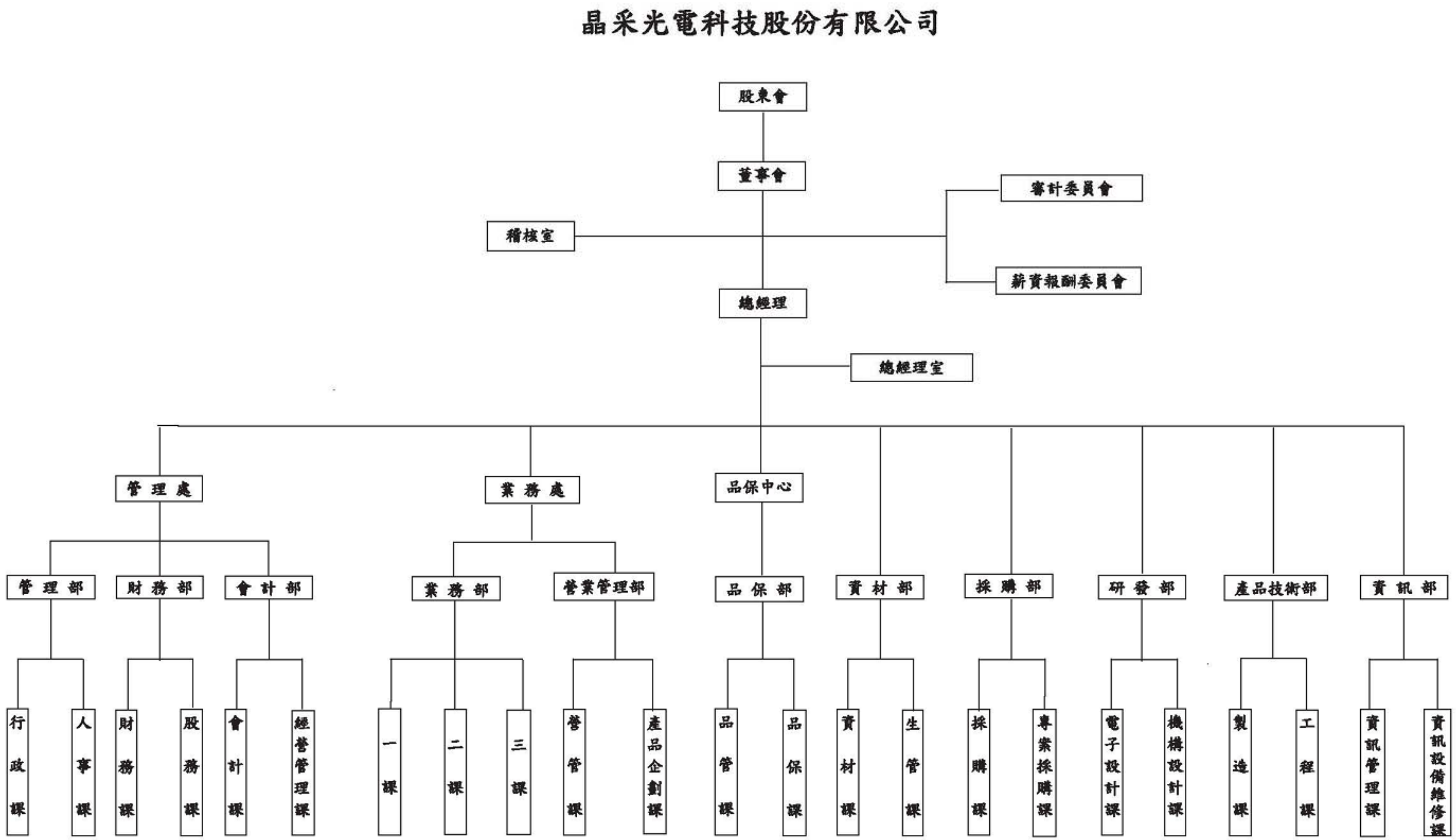
Year	Description
2001	■ As a result of a fire in the Oriental Science Park, the buildings of Nos. 114 and 116, equipment and inventories located in the park were damaged, resulting in a net disaster loss of NT$39,064 K. ■ Due to the fire damage, the original premises could not be used for business. The Company immediately rented a business site and changed its business address to 2F., No.86, Sec. 1, Xintai 5th Rd., Xizhi City, Taipei County on June 11 of the same year
2002	■The Ministry of Economic Affairs (MOEA) entered into a technical cooperation contract with the Company for the "Development of Flexible PCB Technology for Flat Panel Display COF Modules without Adhesive PI Duplex Connection" for the period from July 1, 2002 to Dec 31, 2003. ■Capital was reduced by NT$100,080,000 to cover the loss and the paid-in capital after the capital reduction was NT$259,920,000.
2003	■On Jan 15, the Company was listed for trading in the emerging market. ■On Sept 25, the Company increased its capital in cash by NT$100,080,000 on Sept 25 and the paid-in capital after the increase was NT$360,000,000. ■On Nov 25, the Company boosted its capital by NT$71,027,000 by distributing surplus profit in the form of new shares and the paid-in capital after the increase was NT$431,027,000.
2004	■On Feb 2, the Company was officially traded over the counter. ■The domestic unsecured convertible corporate bonds were issued the first time on May 24, with a total issue amount of NT$360,000,000, for the period from May 24, 2004 to May 23, 2009. ■On Aug 6, the Company hiked its capital by NT$41,973,00 by distributing surplus profit in the form of new shares and the paid-in capital after the increase was NT$473,000,000.
2005	■The Company increased its capital by NT$36,113,680 by distributing surplus profit in the form of new shares, with a capital of NT$509,113,680 following the hike.
2007	■Obtained ISO 14001 environmental certification in Jan. ■Issued domestic unsecured convertible corporate bonds the second time in the aggregate amount of NT$280,000,000 for the period from Aug 7, 2007 to Aug 7, 2012. ■The convertible bonds and capital increase of NT$117,888,970 by distributing

Year	Description
	surplus profit in the form of new shares, with the paid-in capital of NT$627,002,650 after the hike.
2008	■Acquired ISO9001 certification. ■Issued a private placement of common share capital of NT$100,000,000 and paid-in capital of NT$727,002,650 after the capital hike.
2009	■Acquired ISO9001 certification. ■Cash capital increase of NT$150,000,000 and paid-in capital of NT$877,002,650 after the capital boost.
2010	■Secured ISO9001 certification. ■On April 29, convertible bonds were increased by NT$29,591,770, with paid-in capital of NT$906,594,420 after the capital increase. ■ On Aug 11, the Company was presented the 7th "Information Disclosure Assessment" Progress Award by the Securities and Futures Institute. ■On Sept 20, convertible bonds were increased by NT$32,003,660, with paid-in capital of NT$938,598,080 after the capital increase. ■On Oct 20, the Company increased its cash capital by NT$150,000,000 with paid-in capital of NT$1,088,598,080 after the capital hike.
2011	■Obtained ISO9001:2011 Quality Certification. ■On Nov 7, issued the domestic secured convertible corporate bonds the third time with a total amount of NT$300,000,000 for the period from Nov 7, 2011 to Nov 7, 2014. ■The Company moved back to its former premises, which had been renovated to its original condition after a fire, and in the same year changed its business address to 4F., No.116, Sec. 1, Xintai 5th Rd., Xizhi District, New Taipei City.
2012	■Obtained ISO9001: 2012 Quality Certification.
2014	■Public offering of privately placed common shares in 2008. ■With a capital increase by distributing domestic secured convertible corporate bonds the third time and stock repurchase, the resulting share capital was NT$1,314,443,080.
2015	■With stock repurchase, the paid-in capital after capital reduction amounted to NT$1,215,343,080.
2016	■With stock repurchase and employee stock options, the paid-in capital after capital increase/reduction amounted to NT$1,182,343,080.
2017	■Earned ISO9001:2015 Quality Certification. ■Obtained ISO14001: 2015 Environmental Certification.
2018	■Exercised employee stock options, with the paid-in capital after the capital increase being NT$1,182,798,080.
2019	■Maintained ISO9001: 2015 Quality Certification. ■Maintained ISO14001: 2015 Environmental Certification.
2020	■Maintained ISO9001 2015 Quality Certification ■Maintained ISO14001 2015 Environment Certification
2021	■Maintained ISO9001 2015 Quality Certification ■Maintained ISO14001 2015 Environment Certification ■The Company posted a record profit, with EPS of NT$2.61
2022	■Established an Audit Committee ■The Company posted another record profit, with EPS of NT$3.82

III. Corporate Governance Report

1. Organizational system

1) Company organization chart



2. Main department business activities

Department	Functions
President Office	Develops operational management strategies, deals with investments, and supervises and manages matters.
Audit Office	Establishes and implements the Company's internal control system, carries out routine audits and makes recommendations for improvement.
Management Office	Fund management and deployment, capital budget control, various kinds of vouchers, financial statement preparation and analysis, various kinds of expenditure control, fixed asset management and insurance coverage, personnel payroll operations, personnel management rules and regulations drafting and implementation, employee insurance, shareholder services work, etc.
Business Office	Manages the sales and expansion of LCD module products both domestically and internationally and cooperates with various subsidiaries in the sales of the Company's products.
Quality Assurance Center	Increases competitiveness and satisfies customers' quality requirements to ensure the quality of the Company's products meets the established specifications.
R&D Department	Product development, business and production technical support.
Product Technology Department	Improves product manufacturing and production technology to increase production efficiency.
Information Department	Information system management, information equipment management, internal control computer loop execution and information security management, etc.
Materials Department	Handles and improves production control, material control, inventory, etc.
Procurement Department	Implements the Company's major purchases and price negotiations and material cost reduction schemes

2. Directors and supervisors

1) Information on directors, supervisors and managers

1. Information on directors' shareholdings and major academic credentials and work experience

March 31, 2023

Title	Nationality or place of registration	Name	Gender / age	Commencement date of term	Duration of term	Commencement date of first term	Shares held during term		Shares held currently		Shares held currently by spouse, children of minor age		Shares held through nominees		Academic credentials and work experience	Position(s) held concurrently in the Company and/or in any other company	Any other officer, director or supervisor who is a spouse or relative within the second degree of kinship			Note
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Share holding ratio	Number of shares	Shareholding ratio			Title	Name	Relation	
Chairman	ROC	Su, Han-Jeh	Male/ 91-100	2022 05 31	3 yrs	2013 06 27	3,503,146	2.96	3,503,146	2.96	0	0	2,700,783	2.28	B.S. in Economics, National Taiwan University Chairman of Data International Co	Corporate rep of affiliate ASIA AMPIRE (HK) Chairman of Weikuan Investment Co	Nil	Nil	Nil	Nil
Director & President	ROC	Chen, Chi-Yong	Male/ 61-70	2022 05 31	3 yrs	1998 02 26	2,737,900	2.31	2,737,900	2.31	0	0	0	0	B.S. in Electrical Engineering, Tamkang University R&D Manager of Data International Co	Ampire Co President Chairman of affiliate Tangyu Electronics (Dongguan) Co Independent Director/Audit Committee member / Remuneration Committee member of IBASE Gaming Inc Independent Director/Audit Committee member / Remuneration Committee member of Argosy Research Inc Top Taiwan VIII Venture Capital Co Rep of Corporate Director Top Taiwan IX Venture Capital Co Rep of Corporate Director Top Taiwan XI Venture Capital Co Rep of Corporate Director Top Taiwan XII Venture Capital Co Rep of Corporate Director Top Taiwan XIV Venture Capital Co Rep of Corporate Director	Nil	Nil	Nil	Nil
Director & Vice President of Business	ROC	Liu, Tung-Cheng	Male/ 51-60	2022 05 31	3 yrs	2013 06 27	707,981	0.60	707,981	0.60	0	0	2,990,000	2.53	B.A. in international business, Tunghai University Business Chief of Data International Co	VP of Business of Ampire Co Chairman of Beijia Investment Co	Nil	Nil	Nil	Nil

Title	Nationality or place of registration	Name	Gender / age	Commencement date of term	Duration of term	Commencement date of first term	Shares held during term		Shares held currently		Shares held currently by spouse, children of minor age		Shares held through nominees		Academic credentials and work experience	Position(s) held concurrently in the Company and/or in any other company	Any other officer, director or supervisor who is a spouse or relative within the second degree of kinship			Note
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Share holding ratio	Number of shares	Shareholding ratio			Title	Name	Relation	
Director	ROC	Top Taiwan XII Venture Capital Co. representative: Chang, Qing-Fu	Male/ 51-60	2022 05 31	3 yrs	2019 06 25	2,000,000 5,809	1.69 0	2,000,000 5,809	1.69 0	0	0	0	0	M.B.A., National Chengchi University (NCCU) VP of Top Taiwan XII Venture Capital Co	Chairman of Top Ten XI Venture Capital Co VP of Top Ten XI Venture Capital Management Consulting Co Sysjust Co Independent Director Taiwan Allied Container Terminal Corp. Director Rep Brim Biotechnology, Inc Rep of Corporate Director Xuecan Energy Co Chairman	Nil	Nil	Nil	Nil
Independent director	ROC	Lin, Chin-Miao	Male/ 61-70	2022 05 31	3 yrs	2010 06 18	177,552	0.15	177,552	0.15	0	0	0	0	M.B.A., NCCU President of CTBC Life Insurance Co President of Taiwan Life Insurance Co	CTBC Insurance Co Chairman Taiwan Life Insurance Corp. Director Supervisor of Hanbo Livestock & Farming Products Co	Nil	Nil	Nil	Nil
Independent director	ROC	He, He	Male/ 71-80	2022 05 31	3 yrs	2010 06 18	11,278	0.01	11,278	0.01	0	0	0	0	B.S. in physics, Chung Yuan Christian University President of UB Union Technologies, Inc President of K&C Technologies, Ltd	UB Union Technologies, Inc Supervisor Chairman of Transhigh Technology Corp	Nil	Nil	Nil	Nil
Independent director	ROC	Liu, Xuen-Da	Male/ 51-60	2022 05 31	3 yrs	2022 05 31	0	0	0	0	0	0	0	0	M.B.A., NCCU Shihua International United Law Firm Attorney GIO Optoelectronics Corp President Deloitte & Touche Taiwan Accountant	PanelSemi Corp Director Cho Pharma Inc Independent Director Neoton Optronics Corp Chairman	Nil	Nil	Nil	Nil

Note 1: Where the chairman and the president or a person of an equivalent post (the highest-level manager) of the Company are the same person, spouses, or relatives within the first degree of kinship, an explanation should be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (such as increasing the number of independent directorships and having a majority of directors who are not employees or managers).

Note 2: For a corporate shareholder that is not organized as a company, the names of shareholders and shareholding ratio shall be disclosed in the preceding paragraphs: None.

Note 3: The Company underwent a general re-election on May 31, 2022 and switched from a supervisory system to an audit committee.

Table 1 Substantial corporate shareholders

March 31, 2023

Corporate shareholder	Substantial corporate shareholders	Shareholding ratio
Top Taiwan XII Venture Capital Co	Elan Microelectronics Corp	18.52%
	Taiwan Fire & Marine Insurance Company, Ltd.	14.82%
	SINBON Electronics Co	11.11%
	Farglory Life Insurance Inc.	11.11%
	Chicony Electronics Co	7.41%
	Chicony Power Technology Co	7.41%
	Lee, Tzu-Ching	7.41%
	Ampire Co	7.41%
	Argosy Research Inc	3.70%
	Taiming Assurance Broker Co	3.70%

Table 2 Substantial shareholders among those as corporations in Table 1

Top Taiwan XII Venture Capital Co	Substantial corporate shareholders	Shareholding ratio
Elan Microelectronics Corp	Elan Investment Co	4.09%
	Nan Shan Life Insurance Co	3.74%
	Yuanta Taiwan Dividend Plus ETF	3.34%
	Yulong Investment Co	2.33%
	New Labor Pension Fund	2.29%
	Yeh, Yi-Hao	1.97%
	Standard Chartered Custodian Swedbank Robotech	1.81%
	Fubon Taiwan High Dividend 30 ETF Fund Account	1.69%
	JPMorgan Chase Bank in Custody for Vanguard Emerging Markets Stock Index Fund	1.36%
	Yuanta Taiwan High-yield Leading Company Fund	1.33%
Taiwan Fire & Marine Insurance Company, Ltd.	Bank of Taiwan Co	17.84%
	Navigator Investment Co	6.95%
	Yong-Shin Development Co	6.67%
	Qiao-Nong Investment Co	3.04%
	Taichung Commercial Bank Co	2.94%
	Navigator Real Estate Co	2.93%
	Land Bank of Taiwan Co	2.83%
	Jiade Investment Co	2.20%
	Lee, Tai-Hung	2.07%
	Tong Sheng Development Co	1.91%
	Fubon Life Insurance Co	4.46%

Top Taiwan XII Venture Capital Co	Substantial corporate shareholders	Shareholding ratio
SINBON Electronics Co	Standard Chartered Sales entrusted with the custody of the PineBridge Global Fund - PineBridge Asia ex Japan Small Cap Equity Fund	3.82%
	Standard Chartered Sales entrusted with the custody of the Small Cap World Fund Investment Account	3.72%
	Wang, Shao-Xin	3.19%
	Nan Shan Life Insurance Co	2.30%
	Standard Chartered Sales entrusted with the custody of the Schroder Bank Robo Global Fund Investment Account	1.91%
	Standard Chartered Sales entrusted with the custody of the Schroder Bank Robo Technology Investment Account	1.91%
	Taiyi Investment Co	1.78%
	Citi Taiwan in Custody for Aberdeen Standard OEICII-ASI Global Smaller Companies Fund	1.77%
	HSBC entrusted with the custody of BNP Paribas Funds Green Tigers	1.67%
Farglory Life Insurance Inc	Hsinyu Investment Limited	19.00%
	Fareast Land Development Co	12.48%
	Vision Investment Co	8.91%
	Chao Teng-Hsiung	8.49%
	Harvard International Investment Co	6.71%
	Rich International Investment Co	6.43%
	Farglory International Investment Co	6.43%
	Yeh Chun-Yao	5.96%
	Chao Yu-Nu	5.77%
	Tung Yuen Construction Engineering Co	5.63%
Chicony Electronics Co	Hsu Kun-Tai	7.53%
	Yuanta Taiwan High Dividend Fund Account	4.57%
	Unikey Electronics Co	2.82%
	Standard Chartered Sales entrusted with the custody of the Schroder Bank Robo Technology Investment Account	2.66%
	Citibank Taiwan entrusted with the custody of the Singapore Government Investment Account	2.52%
	Chunghwa Post Co	2.37%
	Epoque Corp	2.34%
	Hipro Electronics (Taiwan) Co	2.15%
	Tong Ling Investment Corp	1.49%
	Chin Yuan Investment Corp	1.45%
Chicony Power Technology Co	Chicony Electronics Co	52.28%
	Lee Tzu-Ching	6.16%
	Standard Chartered entrusted with the custody of the Schroder Bank Robo Global Fund	2.71%
	Standard Chartered Sales entrusted with the custody of the PineBridge Global Fund	2.08%
	Lin Yen-Li	2.00%

Top Taiwan XII Venture Capital Co	Substantial corporate shareholders	Shareholding ratio
	Lin I-Ching	1.99%
	Taishin Bank Trust Property Account – Lin Yen-Li	1.26%
	Taishin Bank Trust Property Account - Lin Yi-Ching	1.26%
	Dijia Investment Co	1.04%
	Tseng Kuo-Hua	1.01%
Ampire Co	Amiccom Electronics Corp	5.49%
	HSBC entrusted with the custody of Morgan Stanley Account	3.15%
	IBASE Technology Inc	3.06%
	Su, Han-Jeh	2.96%
	Beijia Investment Co	2.53%
	Chen, Chi-Yong	2.31%
	Weikuang Investment & Development Co	2.28%
	Liu Lai, Fu-Zi	1.96%
	Top Taiwan XII Venture Capital Co	1.69%
	Lee, Chong-Hsien	1.41%
Argosy Research Inc.	Kuan Tse Co	16.39%
	Wang Chao-Liang	6.40%
	Fubon Life Insurance Co	4.00%
	Sinbon Electronics Co	3.52%
	Chen Shu-Chen	2.90%
	New Labor Pension Fund	2.45%
	Taishin Life's Discretionary Taishin Investment Trust Equity Investment Account	1.73%
	UPAMC Great China Fund	1.70%
	Yuan Yi-Ben	1.29%
	Lin Mao-Hsiung	1.13%
Taiming Assurance Broker Co	Taiwan Navigator Asset Investment Co	36.07%
	Lee, Han-Chieh	7.40%
	Ching Song Interior Design Enginerring Co	6.27%
	Taiwan Fire & Marine Insurance Company, Ltd.	5.08%
	Lee, Cheng-Chih	3.57%
	Kao, Chen-Han	2.93%
	Tien, Yuan-Fang	2.49%
	Kuo, Yang-Lung	2.41%
	Kao Chen-Jou	2.22%
	Chen, Chien-An	1.62%

Note: Enter the name of the substantial corporate shareholders (with their shareholding percentage in the top 10) and their shareholding percentage.

2. Information on directors and supervisors

(1) Disclosure of professional qualifications of directors and supervisors and independence of independent directors:

Qualifications / Name / Title	Professional qualifications and experience	Independence	Number of other public companies where one concurrently serves as independent director
Su, Han-Jeh Chairman	Experience Data International Co Chairman Currently Corporate rep of affiliate ASIA AMPIRE (HK) Weikuan Investment Co Chairman Ampire Co Chairman Has working experience in business, technology, corporate business and is not involved in any of the matters set out in Article 30 of the Company Act.	N/A	None
Chen, Chi-Yong Director	Experience R&D Manager of Data International Co Currently Ampire Co President Chairman of affiliate Tangyu Electronics (Dongguan) Co Independent Director/Audit Committee member /Remuneration Committee member of IBASE Gaming Inc Independent Director/Audit Committee member /Remuneration Committee member of Argosy Research Inc Top Taiwan VIII Venture Capital Co Rep of Corporate Director Top Taiwan IX Venture Capital Co Rep of Corporate Director Top Taiwan XI Venture Capital Co Rep of Corporate Director Top Taiwan XII Venture Capital Co Rep of Corporate Director Top Taiwan XIV Venture Capital Co Rep of Corporate Director Has working experience in business, technology, corporate business and is not involved in any of the matters set out in Article 30 of the Company Act.	N/A	2
Liu, Tung-Cheng Director	Experience Business Chief of Data International Co Currently VP of Business of Ampire Co Chairman of Beijia Investment Co Has working experience in finance, technology, corporate business and is not involved in any of the matters set out in Article 30 of the Company Act.	N/A	None

Qualifications / Name / Title	Professional qualifications and experience	Independence	Number of other public companies where one concurrently serves as independent director
Top Taiwan XII Venture Capital Co Rep: Chang, Qing-Fu Corporate director	Experience VP of Top Taiwan XII Venture Capital Co Currently Chairman of Top Ten XI Venture Capital Co VP of Top Ten XI Venture Capital Management Consulting Co Ampire Co Rep of Corporate Director Sysjust Co Independent Director Taiwan Allied Container Terminal Corp Rep of Corporate Director Brim Biotechnology Inc. Rep of Corporate Director Xuecan Energy Co Chairman Has working experience in finance, technology, corporate business and is not involved in any of the matters set out in Article 30 of the Company Act.	N/A	1
Lin, Chin-Miao Independent director	Experience President of CTBC Life Insurance Co President of Taiwan Life Insurance Co Currently CTBC Insurance Co Chairman Taiwan Life Insurance Corp Director Supervisor of Hanbo Livestock & Farming Products Co Has working experience in finance, insurance, corporate business and is not involved in any of the matters set out in Article 30 of the Company Act.	1. The independent director, his spouse, relatives within the second degree of kinship, etc., do not hold any position as a director, supervisor or employee of the Company or its affiliates. 2. The independent director, his spouse and relatives within the second degree of kinship (or in the name of others) hold 177,552 shares in the Company and the shareholding ratio of 0.15% does not exceed 5% of the total number of the Company's outstanding shares. 3. Not a director, supervisor or employee of a company with which the Company has a specific association. 4. Not rendered business, legal, financial or accounting services to the Company or its affiliates in the last 2 years and got paid therefor.	None
He, He Independent director	Experience President of UB Union Technologies, Inc President of K&C Technologies, Limited Currently UB Union Technologies, Inc Supervisor Chairman of Transhigh Technology Corp Has working experience in business, technology, corporate business and is not involved in any of the matters set out in Article 30 of the Company Act.	1. The independent director, his spouse, relatives within the second degree of kinship, etc., do not hold any position as a director, supervisor or employee of the Company or its affiliates. 2. The independent director, his spouse and relatives within the second degree of kinship (or in the name of others) hold 11,278 shares in the Company and the shareholding ratio of 0.01% does not exceed 5% of the total number of the Company's outstanding shares. 3. Not a director, supervisor or employee of a company with which the Company has a specific association. 4. Not rendered business, legal, financial or accounting services to the Company or its affiliates in the last 2 years and got paid therefor.	None

Qualifications / Name / Title	Professional qualifications and experience	Independence	Number of other public companies where one concurrently serves as independent director
Liu, Xuen-Da Independent director	Experience Shihua International United Law Firm Attorney GIO Optoelectronics Corp President Deloitte & Touche Taiwan Accountant Currently Neoton Optronics Corp Chairman PanelSemi Corp Director Cho Pharma Inc Independent Director Has working experience in business, technology, corporate business and is not involved in any of the matters set out in Article 30 of the Company Act.	1. The independent director, his spouse, relatives within the second degree of kinship, etc., do not hold any position as a director, supervisor or employee of the Company or its affiliates. 2. The independent director, his spouse and relatives within the second degree of kinship (or in the name of others) hold 0 shares in the Company and the shareholding ratio of 0% does not exceed 5% of the total number of the Company's outstanding shares. 3. Not a director, supervisor or employee of a company with which the Company has a specific association. 4. Not rendered business, legal, financial or accounting services to the Company or its affiliates in the last 2 years and got paid therefor.	1

(2) Board diversity and independence:

The Company has specified in the “Procedures for Election of Directors” that the composition of the board of directors should be diverse and not restrictive in terms of gender, race and nationality. However, in addition to the knowledge, skills and qualities necessary to carry out its duties, the board of directors as a whole should have the ability to exercise operational judgement, accounting and finance, operational management, risk management, industry knowledge, leadership and decision-making in order to achieve the desired objectives of corporate governance.

The Company currently has seven directors. The seven directors include three independent directors, and the proportion of independent directors to the total number of directors is 42.9%. Of the seven directors so far, one is aged over 90, one aged 71-80, two 61-70 and three 51-60, which are a fairly even age group and possess the necessary experience in business, finance, accounting, insurance, technology or corporate business to give professional advice from different perspectives, which is of great benefit to the Company.

The board of directors of the Company directs the Company's strategy, supervises the management and is accountable to the Company and its shareholders, while exercising its powers and functions according to the law, the Company’s articles of incorporation or the resolutions of the shareholders' meeting in all operations and arrangements of the corporate governance system. The Company's board of directors emphasizes the function of independent operation and transparency. The directors and independent directors are independent individuals and exercise their powers and functions independently, and the relationship between the directors is not that of a spouse or a relative within the second degree of kinship, nor is there any of the matters specified in Paragraphs 3 and 4, Article 26-3 of the Securities and Exchange Act. The independent directors are all in compliance with the FSC Securities and Futures Bureau's regulations on independent directors. See 1) Information on directors and supervisors under III. Corporate Governance Report with respect to each director's education, gender, professional qualifications, work experience and diversity.

2) Presidents, vice presidents, associate managers, heads of departments and branches:

Information on presidents, vice presidents, associate managers, heads of departments and branches

March 31, 2023

Title	Nationality	Name	Gender	Commencement date of term	Shares held		Shares held currently by spouses, children of minor age		Shares held through nominees		Academic credentials and work experience	Position(s) held concurrently in any other company	Any manager who is a spouse or relative within the second degree of kinship			Note
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relation	
President	ROC	Chen, Chi-Yong	M	2004.03.10	2,737,900	2.31%	0	0	0	0	B.S. in Electrical Engineering, Tamkang University R&D Manager of Data International Co	Chairman of affiliate Tangyu Electronics (Dongguan) Co Top Taiwan VIII Venture Capital Co Rep of Corporate Director Top Taiwan IX Venture Capital Co Rep of Corporate Director Top Taiwan XI Venture Capital Co Rep of Corporate Director Top Taiwan XII Venture Capital Co Rep of Corporate Director Independent Director/Audit Committee member /Remuneration Committee member of IBASE Gaming Inc Independent Director/Audit Committee member /Remuneration Committee member of Argosy Research Inc	Nil	Nil	Nil	Nil
VP of Business	ROC	Liu, Tung-Cheng	M	2007.02.16	707,981	0.60%	0	0	2,990,000	2.41%	B.A. in international business, Tunghai University Business Chief of Data International Co	Chairman of Beijia Investment Co	Nil	Nil	Nil	Nil
CFO of Management Office	ROC	Chen, Ke-Hung	M	2010.10.01	6,000	0.01%	0	0	0	0	EMBA, NCCU B.A. in Accounting, NCCU Associate Manager of Finance of Para Light Electronics Co	Nil	Nil	Nil	Nil	Nil
Chief of Quality Assurance Center	ROC	Tung, Huan-Chun	M	2006.7.01	96,094	0.08%	0	0	0	0	BS in Industrial Engineering and Management, Taipei Tech Chief of Quality Control of Data International Co	Nil	Nil	Nil	Nil	Nil
Manager, R&D and Procurement depts	ROC	Chou, Mei-Ling	F	2003.04.01	388,122	0.33%	0	0	0	0	BS in Industrial Engineering and Management, Taipei Tech R&D Chief of Data International Co	Nil	Nil	Nil	Nil	Nil
Manager, Materials Department	ROC	Lin, Hsiao-Feng	F	2009.02.01	115,535	0.1%	0	0	0	0	B.B.A., Soochow University Data International Co	Nil	Nil	Nil	Nil	Nil
Manager, Information Department	ROC	Ou, Mei-Luan	F	2006.07.01	542	0	0	0	0	0	BS in computing, Sze Hai College of Technology CORE Information Co	Nil	Nil	Nil	Nil	Nil
Manager, Audit Office	ROC	Chen Wen-Ting	F	2018.07.31	0	0	0	0	0	0	Bachelor of Finance and Tax, Aletheia University Audit specialist of Golden Bridge Electech Inc. Audit director of IBASE Gaming Inc	Nil	Nil	Nil	Nil	Nil

Note: Where the chairman and the president or a person of an equivalent post (the highest-level manager) of the Company are the same person, spouses, or relatives within the first degree of kinship, an explanation should be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (such as increasing the number of independent directorships and having a majority of directors who are not employees or managers).

3. Remuneration paid to directors, supervisors, presidents and vice presidents for the most recent fiscal year

1) Directors' remuneration

In NT$ K

Title	Name	Directors' remuneration								Total A, B, C and D and as a percentage of net income (%) (Note 9)		Related remuneration paid to part-time staff								Total A, B, C, D, E, F, and G and as a percentage of net income (%) (Note 9)		Remuneration from investees other than subsidiaries, or the parent company (Note 10)
		Remuneration (A) (Note 1)		Retirement pension (B)		Director's remuneration (C) (Note 2)		Business execution expenses (D) (Note 3)				Salaries, bonuses, special expenses, etc. (E) (Note 4)		Retirement pension (F)		Employee remuneration (G) (Note 5)						
		Ampire	All companies in financial report (Note 6)	Ampire	All companies in financial report (Note 6)	Ampire	All companies in financial report (Note 6)	Ampire	All companies in financial report (Note 6)	Ampire	All companies in financial report (Note 6)	Ampire	All companies in financial report (Note 6)	Ampire	All companies in financial report (Note 6)	Ampire		All companies in financial report (Note 6)		Ampire	All companies in financial report (Note 6)	
																Cash amount	Stock amount	Cash amount	Stock amount			
Chairman	Su, Han-Jeh	3,941	4.267	0	0	18,490	18,490	1,337 (excl. driver's fee of NT$753 K)	1,337 (excl. driver's fee of NT$753 K)	23,768 5.26	24,094 5.33	5,958	7,743	0	0	9,617	0	9,617	0	39,343 8.71	41,454 9.18	55
Director	Chien, Cheng Chih (Note 1)																					
Director & President	Chen, Chi-Yong																					
Director	Top Taiwan Xii Venture Capital Co Chang, Qing-Fu																					
Director & Vice President	Liu, Tung-Cheng																					
Independent director	Lin, Chin-Miao	850	850	0	0	0	0	155	155	1,005 0.22	1,005 0.22	0	0	0	0	0	0	0	0	1.005 0.22	1,055 0.22	0
Independent director	He, He																					
Independent director	Liu, Xuen-Da (Note 2)																					

Note 1: Director Chien, Cheng Chih ceased to hold office on May 31, 2022; Note 2: Liu, Xuen-Da took up the new position as Independent Director on May 31, 2022.

1. Please describe the payment policy, system, standard and structure of the independent directors' remuneration, and their relevance to the amount of remuneration according to their responsibilities, risks and time committed: The Remuneration Committee deliberates the payment of remuneration based on the level of participation and contribution of independent directors to the operation of the Company and by reference to the prevailing standards in the industry and the operating conditions of the Company before submitting a proposal to the Board of Directors for resolution.
2. Except as disclosed in the above table, the remuneration received by the directors of the Company for services rendered to all companies included in the financial report for the most recent fiscal year (e.g., acting as a consultant who is not an employee): NT$770 K.

Compensation ranges

<table>
<tr><td rowspan="3">Compensation ranges for each director of the Company</td><td colspan="4">Name of directors</td></tr>
<tr><td colspan="2">Total of the first four remuneration items (A+B+C+D)</td><td colspan="2">Total of the first seven remuneration items (A+B+C+D+E+F+G)</td></tr>
<tr><td>Ampire Co (Note 7)</td><td>All companies in financial report H (Note 8)</td><td>Ampire Co (Note 7)</td><td>Parent company and all investees I (Note 8)</td></tr>
<tr><td>Below NT$1,000,000</td><td>Independent director: Lin, Chin-Miao
Independent director: He, He
Independent director: Liu, Xuen-Da</td><td>Independent director: Lin, Chin-Miao
Independent director: He, He
Independent director: Liu, Xuen-Da</td><td>Independent director: Lin, Chin-Miao
Independent director: He, He
Independent director: Liu, Xuen-Da</td><td>Independent director: Lin, Chin-Miao
Independent director: He, He
Independent director: Liu, Xuen-Da</td></tr>
<tr><td>NT$1,000,000 (incl.)- NT$2,000,000 (excl.)</td><td>Director: Chien, Cheng Chih</td><td>Director: Chien, Cheng Chih</td><td>Director: Chien, Cheng Chih</td><td>Director: Chien, Cheng Chih</td></tr>
<tr><td>NT$2,000,000 (incl.)-NT$3,500,000 (excl.)</td><td></td><td></td><td></td><td></td></tr>
<tr><td>NT$3,500,000 (incl.)-NT$5,000,000 (excl.)</td><td>Director: Top Taiwan XII Venture Capital
Director: Chen, Chi-Yong
Director: Liu, Tung-Cheng</td><td>Director: Top Taiwan XII Venture Capital
Director: Chen, Chi-Yong
Director: Liu, Tung-Cheng</td><td>Director: Top Taiwan XII Venture Capital</td><td>Director: Top Taiwan XII Venture Capital</td></tr>
<tr><td>NT$5,000,000 (incl.)-NT$10,000,000 (excl.)</td><td>Director: Su, Han-Jeh</td><td>Director: Su, Han-Jeh</td><td>Director: Su, Han-Jeh</td><td>Director: Su, Han-Jeh</td></tr>
<tr><td>NT$10,000,000 (incl.)-NT$15,000,000 (excl.)</td><td></td><td></td><td>Director: Chen, Chi-Yong
Director: Liu, Tung-Cheng</td><td>Director: Chen, Chi-Yong
Director: Liu, Tung-Cheng</td></tr>
<tr><td>NT$15,000,000 (incl.)-NT$30,000,000 (excl.)</td><td></td><td></td><td></td><td></td></tr>
<tr><td>NT$30,000,000 (incl.)-NT$50,000,000 (excl.)</td><td></td><td></td><td></td><td></td></tr>
<tr><td>NT$50,000,000 (incl.)-NT$100,000,000 (excl.)</td><td></td><td></td><td></td><td></td></tr>
<tr><td>NT$100,000,000 or above</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Total</td><td>8 people</td><td>8 people</td><td>8 people</td><td>8 people</td></tr>
</table>

Note 1: Refers to the remuneration of the directors for the most recent fiscal year (including directors' salaries, job allowances, severance pay, various bonuses and incentives, etc.).

Note 2: Compensation NT$18,489,696 to be distributed to the directors as approved by a board meeting in the most recent fiscal year shall be entered. However, if the details are not yet confirmed, this year's proposed allocation shall be calculated at the percentage of last year's actual distribution.

Note 3: Refers to the business execution expenses (including travel expenses, special expenses, various allowances, dormitories, company cars, and other in-kind benefits) reimbursed for the directors in the most recent fiscal year. The nature and cost of the assets provided, actual or fair market rent, fuel and other benefits should be disclosed when providing housing, automobiles and other means of transportation or expenses for the exclusive use of individuals. If a driver is assigned, the Company shall pay the wages to the driver, which is not included in the remuneration.

Note 4: Salaries, job allowances, severance pay, various bonuses, incentives, travel expenses, special expenses, various allowances, dormitories, company cars, and other in-kind benefits received by directors concurrently serving as employees (including as presidents, vice presidents, other managers and staff) in the most recent fiscal year. The nature and cost of the assets provided, actual or fair market rent, fuel and other benefits should be disclosed when providing housing, automobiles and other means of transportation or expenses for the exclusive use of individuals. If a driver is assigned, the Company shall pay the wages to the driver, which is not included in the remuneration. Salary expenses recognized under IFRS 2 "Share-based Payment," including the acquisition of employee stock warrants and new restricted employee shares and participation in cash capital increases and share subscriptions, shall also be included in the compensation.

Note 5: Employee compensation (including shares and cash) NT$54,791,131 in cash to be paid to directors concurrently serving as employees (including as presidents, vice presidents, other managers and staff) as approved by a board meeting in the most recent fiscal year shall be disclosed. However, if the details are not yet confirmed, this year's proposed allocation shall be calculated at the percentage of last year's actual distribution. Where no estimate can be made, this year’s proposed allocation shall be calculated at the percentage of last year's actual distribution, with Table 1-3 to be completed.

Note 6: The total remunerations paid by the Company and by each other company included in the consolidated financial reports to the Company’s directors shall be disclosed.

Note 7: For the total remuneration paid by the Company to each director, the names of the directors shall be disclosed in their respective ranges.

Note 8: The total remunerations paid by the Company and by each other company included in the consolidated financial reports to each director of the Company shall be disclosed, as are the names of the directors in their respective ranges.

Note 9: The net income represents that as stated in the parent company only financial reports or individual financial reports for the most recent fiscal year.

Note 10: a. This field shall clearly indicate the amount of remuneration received by the directors of the Company from investees other than subsidiaries, or the parent company (otherwise enter "None").

b. If the directors of the Company receive compensation from an investee that is not a subsidiary, or the parent company, the compensation received by the directors of the Company therefrom shall be incorporated into column I of the compensation ranges, with the column renamed "Parent Company and All Investees."

c. Compensation refers to the remuneration (including for staff, directors and supervisors), and business execution expenses received by the directors of the Company in their capacity as directors, supervisors, or managers of investees other than subsidiaries.

* The content of the remuneration disclosed in this table is different from the concept of income under the Income Tax Act, therefore, this table is for information disclosure purposes only.

2. Remuneration for supervisors

In NT$ K

Title	Name	Remuneration for supervisors						Total A, B and C and as a percentage of net income (%) (Note 7)		Remuneration from investees other than subsidiaries, or the parent company (Note 8)
		Remuneration (A) (Note 1)		Remuneration (B) (Note 2)		Business execution expenses (C) (Note 3)				
		Ampire	All companies in financial report (Note 4)	Ampire	All companies in financial report (Note 4)	Ampire	All companies in financial report (Note 4)	Ampire	All companies in financial report (Note 4)	
Supervisor	Chang, Ming-Shao	425	425	0	0	35	35	460/0.10	360/0.10	None
Supervisor (Note 9)	Wang, Jung-Kuang	375	375	0	0	0	0	375/0.08	375/0.08	None
Supervisor	Wu, Chin-Chu	425	425	0	0	30	30	455/0.10	455/0.10	None

Note 1: It means the remuneration of the supervisors for the most recent fiscal year (including supervisors' salaries, job allowances, severance pay, various bonuses and incentives, etc.).

Note 2: Compensation NT$18,489,696 to be distributed to the supervisors as approved by a board meeting in the most recent fiscal year shall be entered. However, if the details are not yet confirmed, this year's proposed allocation shall be calculated at the percentage of last year's actual distribution.

Note 3: Refers to the business execution expenses (including travel expenses, special expenses, various allowances, dormitories, company cars, and other in-kind benefits) paid to the supervisors in the most recent fiscal year. The nature and cost of the assets provided, actual or fair market rent, fuel and other benefits should be disclosed when providing housing, automobiles and other means of transportation or expenses for the exclusive use of individuals. If a driver is assigned, please add a note stating the wages paid by the Company to the driver, which is not included in the remuneration.

Note 4: The total remunerations paid by the Company and by each other company included in the consolidated financial reports to the Company's supervisors shall be disclosed.

Note 5: For the total remuneration paid by the Company to each supervisor, the names of the supervisors shall be disclosed in their respective ranges.

Note 6: The total remunerations paid by the Company and by each other company included in the consolidated financial reports to each supervisor of the Company shall be disclosed, as are the names of the supervisors in their respective ranges.

Note 7: Net income after tax represents that as stated in the parent company only financial reports or individual financial reports for the most recent fiscal year.

Note 8: a . This field shall clearly indicate the amount of remuneration received by the supervisors of the Company from investees other than subsidiaries, or the parent company (otherwise enter "None").

b. If the supervisors of the Company receive compensation from an investee that is not a subsidiary, or the parent company, the compensation received by the supervisors of the Company from the investee or the parent company shall be incorporated into column D of the compensation ranges, with the column renamed "Parent Company and All Investees."

c. Compensation refers to the remuneration (including for staff, directors and supervisors), and business execution expenses received by the supervisors of the Company in their capacity as directors, supervisors, or managers of investees other than subsidiaries, or the parent company.

Note 9: Supervisor Wang, Jung-Kuang left his position on March 30, 2022 and the other two followed suit on May 31, 2022 as the Company adopted an audit committee system in lieu of a supervisory system.

*The content of the remuneration disclosed in this table is different from the concept of income under the Income Tax Act, therefore, this table is for information disclosure purposes only, not taxation.

3. Remuneration for the president and vice president

In NT$ K

Title	Name	Remuneration (A) (Note 1)		Retirement pension (B)		Bonuses, special expenses, etc. (C) (Note 2)		Employee remuneration (D) (Note 3)				Total A, B, C and D and as a percentage of net income (%) (Note 7)		Remuneration from investees other than subsidiaries, or the parent company (Note 8)
		Ampire	All companies in financial report (Note 4)	Ampire	All companies in financial report (Note 4)	Ampire	All companies in financial report (Note 4)	Ampire		All companies in financial report (Note 4)		Ampire	All companies in financial report (Note 4)	
								Cash amount	Stock amount	Cash amount	Stock amount			
Director & President	Chen, Chi-Yong	5,731	7,516	0	0	227	227	9,617	0	9,617	0	15,575 /3.45	17,360 /3.84	55
Director & Vice President of Business	Liu, Tung-Cheng													

Compensation ranges

Compensation ranges for each of president and vice president of the Company	Name of president and vice president	
	Ampire Co (Note 5)	Parent company and all investees (Note 6)
Below NT$1,000,000		
NT$1,000,000 (incl.)- NT$2,000,000 (excl.)		
NT$2,000,000 (incl.)-NT$3,500,000 (excl.)		
NT$3,500,000 (incl.)-NT$5,000,000 (excl.)		
NT$5,000,000 (incl.)-NT$10,000,000 (excl.)	Chen, Chi-Yong, Liu, Tung-Cheng	Liu, Tung-Cheng
NT$10,000,000 (incl.)-NT$15,000,000 (excl.)		Chen, Chi-Yong
NT$15,000,000 (incl.)-NT$30,000,000 (excl.)		
NT$30,000,000 (incl.)-NT$50,000,000 (excl.)		
NT$50,000,000 (incl.)-NT$100,000,000 (excl.)		
NT$100,000,000 or more		
Total	2 people	2 people

Note 1: The salary, job allowances and severance pay of the president and vice president in the most recent fiscal year.

Note 2: The bonuses, incentives, travel expenses, special expenses, allowances, dormitories, company cars, and other in-kind benefits and honoraria provided to the president and vice president in the most recent fiscal year. The nature and cost of the assets provided, actual or fair market rent, fuel and other benefits should be disclosed when providing housing, automobiles and other means of transportation or expenses for the exclusive use of individuals. If a driver is assigned, please add a note stating the wages paid by the Company to the driver, which is not included in the remuneration. Salary expenses recognized under IFRS 2 "Share-based Payment," including the acquisition of employee stock warrants and new restricted employee shares and participation in cash capital increases and share subscriptions, shall also be included in the compensation.

Note 3: Compensation for the president and vice president as approved by a board meeting in the most recent fiscal year – NT$54,791,131 in cash shall be disclosed. However, if the details are not yet confirmed, this year's proposed allocation shall be calculated at the percentage of last year's actual distribution, with Table 1-3 to be completed.

Note 4: The total remuneration paid by the Company and by each other company included in the consolidated financial reports to the president and vice president of the Company shall be disclosed.

Note 5: For the total remuneration paid by the Company to the president and vice president, the names of the president and vice president shall be disclosed in their respective ranges.

Note 6: The total remuneration paid by the Company and by each other company included in the consolidated financial reports to the president and vice president of the Company shall be disclosed, as are the names of the president and vice president in their respective ranges.

Note 7: Net income after tax represents that as stated in the parent company only financial reports or individual financial reports for the most recent fiscal year.

Note 8: a. This field shall clearly indicate the amount of remuneration received by the president and vice president of the Company from investees other than subsidiaries, or the parent company (otherwise enter "None").

b. If the president and vice president of the Company receive compensation from an investee that is not a subsidiary, the compensation received by the president and vice president of the Company from the investee or the parent company shall be incorporated into column E of the compensation ranges, with the column renamed "Parent Company and All Investees."

c. Compensation refers to the remuneration (including for staff, directors and supervisors), and business execution expenses received by the president and vice president of the Company in their capacity as directors, supervisors, or managers of investees other than subsidiaries.

Note 9: Refers to the number of new restricted employee shares acquired by the directors concurrently as employees (as well as the president and vice president, other managers and staff) as of the date of publication of the annual report. In addition to filling in this form, it is also required to fill in Table 15-1.

* The content of the remuneration disclosed in this table is different from the concept of income under the Income Tax Act, therefore, this table is for information disclosure purposes only, not taxation.

2) The Company shall disclose the remuneration paid to each individual director and supervisor: Disclosure of the remuneration of individual directors is not applicable, please refer to page 22 of the Annual Report for the circumstances where the supervisors not holding sufficient shares are required to disclose individual remuneration.

3) The Company shall disclose the individual remuneration paid to each of its top five management personnel: N/A

4) Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by the Company and by each other company included in the consolidated financial statements during the past two fiscal years to directors, supervisors, president and vice president, and analyze and describe remuneration policies, standards and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

1. Analysis of total remuneration, as a percentage of net income, as paid to the Company's directors, supervisors, president during the past two fiscal years:

In NT$ K/%

Recipients of remuneration	Total remuneration as a percentage of net income %			
	2021		2022	
	Ampire	All companies in the consolidated statement	Ampire	All companies in the consolidated statement
Directors, supervisors, president and vice president of the Company paid by the Company and all companies in the consolidated statements	11%	12%	9.21%	9.68%

2. Remuneration policies, standards and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

The Company currently pays remuneration to directors, supervisors, president and vice president, including salaries, travel expenses, transportation expenses and distributions, with salaries paid in accordance with the relevant regulations approved by the remuneration committee, and travel expenses subject to the attendance of directors and supervisors at board meetings by reference to industry standards. The remuneration of the president and vice president includes salaries, bonuses, travel expenses, employee compensation, etc., which is based on the position held, the responsibilities assumed, and the future risks posed by the shareholders, suppliers, customers and decisions, as well as the Company's overall operating performance and personal performance rate, and by reference to the standards for similar positions adopted in the industry. Thanks to the efforts of the directors, supervisors, president and vice president, the Company's profit hit a record high despite an increase in the aggregate remuneration in fiscal 2022. As a result, the total remuneration of the directors, supervisors, president and vice president in fiscal 2022 as a percentage of net income was relatively lower.

Name of the managers to whom the employee compensation is allocated and the allocation

March 31,2023

	Title	Name	Stock amount	Cash amount	Total	Total remuneration as a percentage of net income (%)
Manager	President	Chen, Chi-Yong	0	12,333 K	12,333 K	2.73%
	Vice President of Business	Liu, Tung-Cheng				
	CFO of Management Office	Chen, Ke-Hung				
	Chief of Quality Assurance Center	Tung, Huan-Chun				

Note: The 2022 employee compensation proposal was approved by the board meeting for distribution of employee compensation - NT$54,791,131 in cash. If individual amounts have yet to be confirmed, this year's proposed allocation shall be calculated at the percentage of last year's actual distribution.

4. Corporate governance practices:

1) Information on the operation of the board of directors

A total of six (A) meetings of the board of directors were held in the most recent fiscal year. The attendance of directors and independent directors is as follows:

Title	Name	Number of actual attendances (B)	Number of proxy attendances	Actual attendance rate (%) (B/A)	Remarks
Chairman	Su, Han-Jeh	6	0	100	Re-elected on 2022.05.31
Director & President	Chen, Chi-Yong	6	0	100	Re-elected on 2022.05.31
Director	Chien, Cheng-Chih	3	0	100	Discharged on 2022.05.31
Director & Vice President of Business	Liu, Tung-Cheng	6	0	100	Re-elected on 2022.05.31
Director	Top Taiwan XII Venture Capital Rep Chang, Qing-Fu	6	0	100	Re-elected on 2022.05.31
Independent Director	Lin, Chin-Miao	6	0	100	Re-elected on 2022.05.31
Independent Director	He, He	6	0	100	Re-elected on 2022.05.31
Independent Director	Liu, Xuen-Da	3	0	100	Newly elected on 2022.05.31

Other items to be recorded:

1. If any of the following circumstances occurs to the board of directors, the dates of the board meetings, sessions, contents of motions, all independent directors' opinions and the Company's response should be specified: The Company did not have opposition by independent directors or reserve mentionable items of resolution made by the board of directors.
   1) Matters set forth in Article 14-3 of the Securities and Exchange Act.
   2) Other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that require a resolution by the board of directors.
2. For the enforcement of the recusal of directors from motions involving the conflict of interest, the director's names, contents of motion, causes for recusal, and whether he/she voted on the motion should be specified:
   1. Regarding the proposal for the payment of year-end bonuses to the managers and the directors of the Company, directors Su, Han-Jeh, Chen, Chi-Yong, Liu, Tung-Cheng, and Chien, Cheng-Chih did not participate in the voting as they were also a manager and a director executing the business of the Company according to the recusal rule, and Chang Ching-Fu, the representative of corporate director, was appointed to act as chair of the board meeting. This proposal was carried unanimously by all directors present in the board meeting.
   2. Regarding the proposal for a salary rise for the managers of the Company, Director Liu, Tung-Cheng did not participate in the voting in accordance with the principle of avoiding conflicts of interest as he was also a manager. This motion was passed unanimously by all directors in attendance.
   3. Regarding the investment in Top Taiwan XIV Venture Capital Co, corporate director representative Chang, Qing-Fu did not cast a vote as per the principle of recusal because he is vice president of Top Taiwan XII Venture Capital Co. This motion was carried unanimously by all

directors present in the meeting.

4. The 2021 directors and supervisors remuneration distribution proposal was carried unanimously by all directors present in the meeting (The voting was carried out in phases according to the recusal rule).
5. The 2021 employee compensation allocation to managers proposal was passed unanimously by all directors in attendance. (Directors Chen Chi-Yong and Liu Dong-Jeng did not participate in the voting under the rule of recusal as they were concurrently in the capacity of employees).

3. Implementation of evaluation of the board of directors

Evaluation Cycle	Evaluation Period	Scope of Evaluation	Manner of Evaluation	Content of Evaluation	Evaluation Results
Once a year	2022	Board of directors	Self-evaluation of board of directors	1. Level of engagement in the operation of the Company 2. Promotion of quality of decision of board of directors 3. Organization and structure of board of directors 4. Election of directors and continuing education 5. Internal control	With an aggregate score of 97.2063, the evaluation results indicated that the overall operation of the board of directors of the Company was reasonably sound and in line with the spirit of corporate governance.
		Individual directors	Self-evaluation of individual directors	1. Monitoring of goals and missions of the Company 2. Awareness of duties of directors 3. Level of involvement in the operations of the Company 4. Internal relationship management and communication 5. Expertise of directors and continuing education 6. Internal control	With an average score of 98.8313, the evaluation results showed that the directors of the Company had positive opinions on the efficiency and effectiveness of the operation of the various evaluation indicators.
		Remuneration committee	Self-evaluation of remuneration committee members	1. Level of involvement in the Company's operation 2. Awareness of duties of the remuneration committee 3. Promotion of decision quality of the remuneration committee 4. Remuneration committee composition and election of members 5. Internal control	With an average score of 100, the evaluation results revealed that the remuneration committee had a positive opinion on the efficiency and effectiveness of the operation of various assessmentindicators.
		Audit committee	Self-evaluation of audit committee members	1. Level of involvement in the Company's operation 2. Awareness of duties of the audit committee 3. Promotion of decision quality of the audit committee 4. Audit committee composition and election of members 5. Internal control	With an average score of 100, the evaluation results revealed that the audit committee had a positive opinion on the efficiency and effectiveness of the operation of various appraisal indicators.

4. Objectives for strengthening the functionality of the board in the current year and most recent year (i.e. setting up an audit committee and increasing information transparency) and evaluation of execution:
   1) Strengthening the functions of the board of directors: None of the directors and supervisors of the Company are related to each other as spouse or within the second degree of kinship, and an audit committee has been set up following the general re-election at the shareholders' meeting. The Company in 2007 laid down the "Rules of Procedure for Board of Directors Meetings" and amended them as per the relevant laws and regulations, and holds board of directors' meetings regularly in compliance with the Rules, which are audio-recorded and minuted throughout the process. The Company's board of directors in 2020 also resolved to adopt the "Rules for Performance Evaluation of Board of Directors and Committees of Functions," "Corporate Governance Best Practice Principles," "Ethical Corporate Management Best Practice Principles," "Procedures for Ethical Management and Guidelines for Conduct," "Codes of Ethical Conduct" and "Audit Committee Charter" and establish a

corporate governance officer, and has undertaken the performance evaluation of the board of directors, individual members of the board of directors, the compensation committee and the audit committee in order to realize corporate governance and upgrade the functions of the board of directors of the Company.

2) Enhancing information transparency: The Company's financial statements are audited regularly by KPMG Taiwan and are published well in advance of the statutory requirements. All other information required by law to be disclosed is also done correctly and in a timely manner, and a corporate governance officer has been appointed to ensure that all material information is released in a timely and due manner so that shareholders and stakeholders can promptly access relevant information on the Company's financial business on the Market Observation Post System or the Company's website.

Notes: (1) Where a director leaves office before the end of the fiscal year, the date of departure should be indicated in the remarks field. The rate (%) of actual attendance (or as non-voting delegates) is calculated on the basis of the number of board meetings held and the number of actual attendances (or as non-voting delegates) during their term of office.

2) Where there is a re-election of directors before the end of the fiscal year, both old and new directors should be entered, and a note should be made in the remarks field indicating whether the director is old, new or re-elected and the date of re-election. The rate (%) of actual attendance (or as non-voting delegates) is calculated on the basis of the number of board meetings held and the number of actual attendances (or as non-voting delegates) during their term of office.

2) Information on the operation of the audit committee or the participation of the supervisors in the operation of the board of directors: The Company's supervisors served until 2022 and therefore an audit committee was constituted following the re-election in that year.

Information on the operation of the Audit Committee

The Audit Committee met 2 times in the most recent fiscal year (A), with the directors in attendance as follows:

Title	Name	Number of actual attendances (B	Number of proxy attendances	Actual attendance rate (%) (B/A) (Note 1)	Remarks
Independent Director	Lin, Chin-Miao	2	0	100	Newly elected on 2022.05.31
Independent Director	He, He	2	0	100	Newly elected on 2022.05.31
Independent Director	Liu, Xuen-Da	2	0	100	Newly elected on 2022.05.31

Other items to be recorded:

1. If any of the following circumstances occurs to the audit committee, the dates of the audit committee meetings, sessions, contents of motions, all independent directors' objections or expressed reservations or important recommendations, audit committee meeting resolutions, and the Company's handling of the Audit Committee's opinions should be stated: The Company did not have opposition, reservations, important recommendations or audit committee meeting resolutions by audit committee members .
   1) Matters set out in Article 14-5 of the Securities and Exchange Act
   2) Other matters not passed by the Audit Committee but agreed by two-thirds or more of all directors
2. For the enforcement of the recusal of independent directors from motions involving the conflict of interest, the independent director's names, contents of motion, causes for recusal, and whether he/she voted on the motion should be specified: None.
3. Communication between independent directors and internal audit officers and accounts (e.g. significant matters, the manner and results of communication regarding the Company's financial and business conditions):
   1) The independent directors of the Company communicate with the accountant and the internal audit officer in a trilateral meeting at least once a year.
   2) The internal audit officer completes an audit report on a monthly basis and hands it over to independent directors for review in the following month. He/she meets with the independent directors at least once a year to report on the implementation of the internal audit and the operation of internal control of the Company.
   3) Summary of communication between the independent directors and the internal audit officer for 2022 and 2023, which were not done at board meetings:

Date of meeting	Nature	Topic of communication	Suggestion of independent directors	Handling by Company
2022.08.01	Annual communication meeting between CPA and governance entity	1. 2022 Q1 tracking report and Q2 audit report 2. Addition and modification of internal control system and enforcement rules for internal audit.	No objection	Report to Audit Committee and Board of Directors
2023.02.22	Annual communication meeting between CPA and governance entity	1. 2022 Q3 tracking report and Q4 audit report 2.2022 Annual Statement of Internal Control 3. Revision of the Corporate Governance Best Practice Principles	No objection	Report to Audit Committee and Board of Directors

4. The independent directors of the Company were satisfied with the performance, effectiveness and communication of the audit.
5. The Company's independent directors and accounts communicate through meetings at least once a year. A summary of the communications between the independent directors and the accountants for fiscal 2022 is set out below:

Date of meeting	Communication content	Communication results	Opinion of independent directors

(1) 2022/2/24	1. The independence of the financial statement auditors and the firm and their responsibilities. 2. The scope of the financial statement audit, the key matters to be audited and the conclusion of the audit for 2021. 3. Major effects of Statement of Auditing Standards No. 75. 4.Updates to the major securities management legislation.	1. The financial report was submitted to the board of directors and approved, and published and filed as scheduled. 2. The Company was fully cooperating to meet the requirements of the competent authorities.	Nil
(2) 2022/8/1	1. The independence of the financial statement reviewers and the firm and their responsibilities. 2. The scope of the financial statement review, the review findings and the conclusion of the review for Q2 2022. 3. Major effects of Statement of Auditing Standards No. 75. 4. Other matters of note. 5. Important regulatory updates.	1. The financial report was submitted to the audit committee and board of directors and approved, and published and filed as scheduled. 2. The Company was fully cooperating to meet the requirements of the competent authorities.	Nil

Note 1: Where an independent director leaves office before the end of the fiscal year, the date of departure should be indicated in the remarks field. The actual attendance rate (%) is calculated on the basis of the number of audit committee meetings held and the number of actual attendances during their term of office.

Note 2: Where there is a re-election of independent directors before the end of the fiscal year, both old and new independent directors should be entered, and a note should be made in the remarks field indicating whether the independent director is old, new or re-elected and the date of re-election. The actual attendance rate (%) is calculated on the basis of the number of audit committee meetings held and the number of actual attendances during their term of office.

The board of directors met 6 times in the most recent fiscal year (A), with the supervisors in attendance as non-voting delegates as follows:

Title	Name	Number of actual attendances (B)	Actual attendance rate (%) (B/A) (Note 1)	Remarks
Supervisor	Chang, Ming-Shao	3	100	Discharged 2022.05.31
Supervisor	Wang, Jung-Kuang	0	0	Automatically Discharged 2022.03.30
Supervisor	Wu, Chin-Chu	3	100	Discharged 2022.05.31

Other items to be recorded: The Company underwent a general re-election on May 31, 2022 and switched from a supervisory system to an audit committee

1. Composition and responsibility of supervisors:
   1) Communication status between supervisors, Company employees and shareholders (e.g. communication channels and methods):
      The supervisors of the Company may have access at all times to the business and financial position of the Company and may communicate with the Company by telephone, e-mail or in person.
   2) Communication status between supervisors and internal audit officers and CPAs (e.g. the matters, manner and results of communication regarding the Company's financial

and business conditions):

1. The internal audit officer completes an audit report on a monthly basis and hand it in to independent directors and supervisors for review in the following month. He/she meets with the independent directors and supervisors at least once a year to report on the implementation of the internal audit and the operation of internal control of the Company.
2. A summary of the communications between the supervisors and the accountants for fiscal 2022 is as follows:

Date of meeting	Content of communication	Communication Results	Opinion of independent directors / supervisors
2022/2/24	1. The independence of the financial statement auditors and the firm and their responsibilities. 2. The scope of the financial statement audit, the key matters to be audited and the conclusion of the audit for 2021. 3. Major effects of Statement of Auditing Standards No. 75. 4. Updates to the major securities management legislation.	1.The financial report was submitted to the board of directors and approved, and published and filed as scheduled. 2. The Company was fully cooperating to meet the requirements of the competent authorities.	Nil

2. If a supervisor attends a board meeting as a non-voting delegate and makes a presentation, the date and session of the board meeting, the content of the motion, the resolution of the meeting and the Company's handling of the supervisor's opinions shall be indicated: None.

Note 1: Where a director or supervisor leaves office before the end of the fiscal year, the date of departure should be indicated in the remarks field. The rate (%) of actual attendance as non-voting delegates is calculated on the basis of the number of board meetings held and the number of actual attendances as non-voting delegates during their term of office.

Note 2: Where there is a re-election of directors or supervisors before the end of the fiscal year, both old and new directors or supervisors should be entered, and a note should be made in the remarks field indicating whether the director or supervisor is old, new or re-elected and the date of re-election. The rate (%) of actual attendance as non-voting delegates is calculated on the basis of the number of board meetings held and the number of actual attendances as non-voting delegates during their term of office.

3) The state of the Company's implementation of corporate governance, any variance from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance

Evaluation items	Operation			Any variance from the Principles and the reason therefor
	Y	N	Description	
1. Has the Company developed and disclosed its Corporate Governance Best Practice Principles under the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies"?	√		The Company's Corporate Governance Best Practice Principles have been adopted by the board of directors and are available on the Company's website and on the Market Observation Post System.	No significant variances
2. The ownership structure of the Company and shareholder rights.				
1) Are there internal procedures in place to deal with shareholders' suggestions, queries, disputes and litigation matters, and are they implemented in accordance with the procedures?	√		1) The Company has appointed a corporate governance officer and a shareholder services agent to deal with shareholder suggestions, queries and disputes, and to apply the relevant regulations pursuant to its Corporate Governance Best Practice Principles.	No significant variances yet
2) Does the Company have a list of the substantial shareholders who effectively control the Company and the ultimate controllers of the substantial shareholders?	√		2) The Company keeps track of its major shareholders and their ultimate controllers based on the register of shareholders provided by a shareholder services agent, and regularly files reports on changes in insider shareholdings.	No significant variances yet
3) Has the Company established and implemented a risk control and firewall mechanism with its affiliates?	√		3) The Company has formulated "Management of Related Party Transactions" and "Supervision and Management of Subsidiaries" in its internal control practices, and established "Procedures for Related Party, Specified Company and Group Member Transactions" to regulate related matters in an effort to build and execute risk control and firewall mechanisms with its affiliates.	No significant variances yet
4) Does the Company have internal regulations that prohibit insiders from trading securities using information not publicly available in the market?	√		4) The Company has adopted the "Procedures for Handling Material Internal Information," which prohibits insiders or employees from trading securities using information that is not publicly available. From time to time, the directors and all employees are educated on the prevention of insider trading. The relevant laws and regulations are also posted on the Company's website (http://www.ampire.com.tw/tc/p6-shareholder16.asp).	No significant variances yet

<table>
<tr><th rowspan="2">Evaluation items</th><th colspan="3">Operation</th><th rowspan="2">Any variance from the Principles and the reason therefor</th></tr>
<tr><th>Y</th><th>N</th><th>Description</th></tr>
<tr><td>3. Composition and duties of the board of directors
1) Has the board of directors formulated a diversity policy, set specific management objectives and implemented them?</td><td>√</td><td></td><td>1) Under the Company's Corporate Governance Best Practice Principles and Procedures for the Election of Directors, we have laid down guidelines for diversity of board members. The average age range of the board members is between 61 and 70 years old and they have a wide array of professional experience and backgrounds, as well as the knowledge, skills and qualities essential to the performance of their duties, and all directors have signed an ethical management policy statement as part of their commitment to conduct business with honesty and integrity.
Specific management objectives of the Company's diversity policy and the achievement of these objectives:
<table>
<tr><th>Management Objectives</th><th>Achievement Status</th></tr>
<tr><td>The number of directors who are also managers of the Company should not exceed one-third of the total number of directors</td><td>Achieved</td></tr>
<tr><td>At least 3 independent directors</td><td>Achieved</td></tr>
<tr><td>No more than half of the independent directors should serve for more than three consecutive terms</td><td>Not achieved (expected to be achieved by the next general election)</td></tr>
<tr><td>At least one female director</td><td>Not achieved</td></tr>
</table></td><td>No significant variances yet</td></tr>
<tr><td>2) Does the Company voluntarily set up committees of other various functions in addition to the remuneration committee and audit committee as required by law?</td><td></td><td>√</td><td>2) The Company has set up a remuneration committee and an audit committee and has not created committees of other functions.</td><td>No significant variances yet</td></tr>
<tr><td>3) Has the Company drawn up the rules for performance evaluation of board of directors and the manner in which it evaluates the performance of the board, and has it conducted annual and regular performance evaluations and submitted the results of the evaluation to the board</td><td>√</td><td></td><td>3) The Company's board of directors passed the "Rules for Performance Evaluation of Board of Directors and Committees of Functions" on May 7, 2020 and has implemented the annual performance evaluation of the board of directors. In order to continuously increase the</td><td>No significant variances yet</td></tr>
</table>

Evaluation items	Operation			Any variance from the Principles and the reason therefor
	Y	N	Description	
of directors and used them as reference for individual directors' remuneration and nomination for reappointment? 4) Does the Company regularly assess the independence of the auditor?	√		efficiency of the board of directors' operations, the Company will consider the results of the performance evaluation as a reference for individual directors' remuneration and nomination for reappointment in the future. 4) The Company engages KPMG Taiwan for auditing. The Company regularly assesses the independence and suitability of the auditor on an annual basis (once a year) by reference to the Audit Quality Indicators (AQIs) (see note for assessment criteria) and the auditor has issued a statement of independence in relation to the audit exercise entrusted to him/her, the most recent of which was agreed by the Audit Committee and submitted to and approved by the board on February 22, 2023	No significant variances yet
4. Has the Exchange-listed /OTC-listed company assigned an appropriate number of competent corporate governance personnel and designated a corporate governance officer to be responsible for corporate governance matters (including, but not limited to, providing directors and supervisors with information necessary for the execution of their business activities, assisting directors and supervisors in complying with laws and regulations, conducting board and shareholders meeting matters by law, and preparing minutes of board and shareholders meetings, etc.)?	√		The Company has appointed a corporate governance officer and the management office serves as a part-time corporate governance unit responsible for providing real-time information to shareholders on the Market Observation Post System or the Company's website, assisting in the provision of information necessary for directors and supervisors to carry out their business, conducting board and shareholders meeting related matters as required by law, registering companies and registering changes, preparing minutes of board and shareholders meetings, etc.	No significant variances yet
5. Has the Company built up communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers, etc.) and set up a stakeholder section on the Company's website, and responded appropriately to important CSR issues of concern to stakeholders?	√		The Company has a spokesperson system and provides communication channels and updates on important CSR issues through the "ESG Information Disclosure" / "Stakeholder Section" of the Company's website, depending on the target group.	No significant variances yet
6. Does the Company engage a professional shareholder services agency to deal with shareholder meetings?	√		The Company engages the shareholder services agency of SinoPac Securities to conduct its shareholder meetings.	No significant variances yet

Evaluation items	Operation			Any variance from the Principles and the reason therefor
	Y	N	Description	
7. Information disclosure 1) Has the Company set up a website to disclose information on its financial business and corporate governance?	√		1) The Company's website (http://www.ampire.com.tw) has an "Investor Section" where information on financial operations and corporate governance can be found.	No significant variances yet
2) Has the Company adopted other means of information disclosure (e.g. setting up an English-language website, designating a person responsible for the collection and disclosure of Company information, introducing a spokesperson system, posting the proceedings of the investor conferences on the Company's website, etc.)?	√		2) 1. The Company's website has an English version on financial and business information. 2. According to the job description, a person is appointed for the collection and disclosure of information about the Company. 3. A spokesperson system is in place comprising a spokesperson and an acting spokesperson, while a corporate governance officer is appointed. 4. Information on the Company's investor conference in 2022 has been posted on the Company's website.	No significant variances yet
3) Has the Company publicly announced and filed its annual financial statements within two months after the end of the fiscal year, and publicly announced and filed its first, second and third quarterly financial statements and its operations for each month well in advance of the prescribed deadline?	√		3) The Company has publicly announced and filed its annual financial statements within two months after the end of the fiscal year, and publicly announced and filed its financial statements for the first, second and third quarters and its operations for each month well in advance of the prescribed deadline.	No significant variances yet
8. Does the Company have any other material information that would be useful in understanding the operation of corporate governance (including but not limited to employee rights and benefits, employee wellbeing, investor relations, supplier relations, stakeholder rights, director and supervisor continuing education, implementation of risk management policies and risk measurement standards, implementation of customer policies, the Company's liability insurance for directors and supervisors, etc.)?	√		The Company values the right of shareholders to be informed. In order to enhance shareholders' understanding of the "operation of corporate governance," the following information on the operation is provided: 1) Employees' rights and benefits: All regulations and measures regarding labor relations of the Company shall be subject to the Labor Standards Act, which shall constitute the minimum standard for the formulation of the Company's personnel management rules. Any new or amended measures in respect of labor relations will be finalized after thorough communication between employees and management in order to protect the rights and benefits of employees and achieve a win-win situation for both sides.	No significant variances yet

Evaluation items	Operation			Any variance from the Principles and the reason therefor
	Y	N	Description	
			2) Employee wellbeing: The employee welfare committee is established and operates through election to handle various welfare matters, and to set aside and contribute funds to pensions under the Labor Standards Act and the Labor Pension Act. 3) Investor relations: The Company's primary objective is to protect the rights and interests of its shareholders. To facilitate investors' understanding of the Company's operations, the Company not only discloses information on the Market Observation Post System as required, but also sets up an "Investor Section" on the Company's website to update financial information on a regular basis and establishes a spokesperson system to handle shareholders' questions and opinions. 4) Supplier relations: As the Company promotes ISO9001/ISO14001, annual reviews and evaluations are conducted on current suppliers. In addition, the Company maintains a good relationship with its suppliers by communicating in a timely manner when there are changes in product quality, environmental protection and safety and health requirements. 5) Rights of interested parties: 1. The Company maintains smooth communication channels with banks, employees, customers and suppliers, and respects and safeguards their legitimate rights and interests, while setting up a spokesperson system to answer investors' questions, with a view to furnishing investors and stakeholders with highly transparent financial and business information. 2. Enforcement of the recusal of directors from motions involving the conflict of interest: The Company has in place the “Rules of Procedure for Board of Directors Meetings,” which prohibit directors from participating in discussions and voting at board meetings if they have an interest in the motion.	

Evaluation items	Operation			Any variance from the Principles and the reason therefor
	Y	N	Description	
			6) Directors and supervisors continuing education: The Company follows the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies," as set out in the "Continuing Education for Directors and Supervisors of the Company." 7) Implementation of risk management policies and risk measurement standards: The Company has adopted various management rules and regulations, such as the "Procedures for the Acquisition or Disposal of Assets," "Operational Procedures for Endorsements/Guarantees" and "Operational Regulations for Loaning Funds to Others," which serve as the basis for risk control and as the standards for risk measurement for the execution of the above-mentioned operations by the Company's executive and auditing units. 8) Implementation of customer policy: The Company provides a full range of services and protection for customers and communicates with customers immediately to understand their complaints and needs so as to promote the interaction between the Company and customers, and reviews and improves the situation at internal meetings from time to time. 9) Liability insurance for directors and supervisors: The Company takes out liability insurance policies for its directors, supervisors and managers every year and presents the important content of the insurance to the board of directors.	
9. Please provide information on the improvements that have been made to the results of the latest annual corporate governance evaluation issued by the Corporate Governance Center of the Taiwan Stock Exchange Corp and come up with priorities and measures to address those that have not been improved. The results of the Company’s ninth annual corporate governance evaluation for fiscal 2022 were within 21% to 35% of the evaluation range, and there were no improvements required by the competent authorities; the Company has conducted or evaluated improvement measures for the unscored items as follows: 1. The Company has started this year to compile statistics on annual greenhouse gas emissions, water consumption and total weight of waste for the most recent year and expects to introduce ISO 14064-1. 2. The Company's board of directors passed the "Rules for Performance Evaluation of Board of Directors and Committees of Functions" and its approach to evaluation at its board meeting on May 7, 2020 and is scheduled to perform an external performance evaluation this year. 3. The Company aims to adopt ISO 14064-1 and develop greenhouse gas reduction, water consumption reduction or other waste management policies to drive initiatives to achieve the reduction targets.				

Note: Criteria for evaluating the independence and suitability of an auditor

Dimension	Metrics	Y	N	Description
Professionalism	1.1 Audit experience of the accounting firm's staff: Does the senior auditor have sufficient audit experience to perform audits?	v		KPMG Taiwan's audit team, including auditors of the Company's financial statements and senior auditors, have sufficient auditing seniority, education and experience to perform financial statement audits, with an average of 12.5 years’ and 9.8 years’ seniority for auditors and officers at assistant manager level and above respectively in 2021.
	1.2 Number of hours of training in the accounting firm: Do accountants and senior auditors receive adequate annual educational training to continue to acquire specialist knowledge and skills?	v		KPMG Taiwan requires auditors at all levels to complete a certain number of hours of training each year. The average number of training hours for auditors and senior auditors in 2021 was 101.7 hours and 84.1 hours respectively, and the average number of training hours for auditors was higher than that of their peers.
	1.3 Turnover rate in the accounting firm: Does the firm maintain a sufficiently senior workforce?	v		KPMG Taiwan's senior auditor turnover rate of 17% in 2021 was on a par with the industry average, which was reasonable and therefore sufficient to maintain a senior workforce.
	1.4 Professional support from the accounting firm: Does the accounting firm have sufficient specialist staff (e.g. valuation staff) to lend support to the audit team?	v		The proportion of KPMG Taiwan's computer audit and financial valuation specialists supporting the audit department was 7.1% in 2021, which was reasonable compared to 2020.
Quality Control	2.1 Accountant's load: Are the accountants overloaded with work?	v		The Company's financial statement auditors Lee Tzu-Hui and Kuo Hsin-Yi served as lead auditors for 2 and 10 public companies in 2021 respectively, with 44.9% and 74.3% of available work hours committed, which should be able to cope with their workload.
	2.2 Accounting firm audit input: Is the input of the members of the accounting firm's audit team at each stage of the audit appropriate?	v		The proportion of time devoted by the KPMG Taiwan audit team to the planning, field and reporting phases of the financial audit was appropriate and reasonable in comparison to the firm as a whole or to its peers.
	2.3 Engagement quality control review (EQCR) status Does the EQCR accountant devote adequate hours to the review of audit cases?	v		KPMG Taiwan requires EQCR accountants to have certain academic credentials and work experience. The percentage of EQCR accountant review hours in the Company's financial statements was 1.5%, which is considered reasonable.
	2.4 Quality control support capability in the	v		KPMG Taiwan has established a comprehensive sampling inspection mechanism for

Dimension	Metrics	Y	N	Description
	accounting firm: Does the accounting firm have sufficient quality control staff to support the audit team?			audit quality. In 2021, the number of quality control staff in risk management, audit quality, accounting and audit consulting, and staff training was 35.1, and the percentage of staff supporting the audit department was 2.5%, indicating that KPMG has sufficient quality control staff to assist the audit team.
Independence	3.1 Non-audit fees: Does the percentage of non-audit fees have a bearing on independence?	v		The ratio of non-audit fees paid by the Company to KPMG Taiwan and its affiliates to the total audit fees was 22.8% in 2021, which did not exceed 40% and did not affect independence.
	3.2 Familiarity with the Company: Does the cumulative number of years for which the accounting firm has audited the annual financial statements impinge on its independence?	v		The auditors of the Company's financial statements have not performed audits for more than seven consecutive years, in compliance with the TWSE requirements, albeit with auditing by the same accounting firm but by different auditors, so independence is not compromised.
	3.3 Audit fees: Is the accountant's audit fee reasonable? Is there a "contingent fee" agreement?	v		Audit fees are reasonably adjusted annually, considering factors such as human resource input and business volume, and there are no contingent fee agreements.
	3.4 Engagement of auditors: Has the Company retained a person who was an auditor as a senior financial officer or an officer with the authority to influence major decisions?	v		The Company has not engaged an auditor who has worked for an auditing firm as a senior financial officer or an officer with the authority to influence major decisions.
Supervision	4.1 External inspection deficiencies and disciplinary actions: Does the accounting firm carry out quality control and audits in compliance with the relevant laws and standards?	v		The average number of deficiencies of KPMG Taiwan's quality control cases inspected by the FSC in the last three years (2020, 2017 and 2014) was 1, 2 and 2 respectively, and the average number of deficiencies in audit cases was 1, 2 and 0.5 respectively, while the average number of deficiencies of the firm's audit cases inspected by the PCAOB was 1.3, 0.7 and 0 respectively. To address the deficiencies identified during the inspections conducted by the authorities and the PCAOB, KPMG Taiwan has examined the causes of the deficiencies and formulated improvement measures, enhanced the awareness of the deficiencies in the communication platform for auditors and staff, arranged training courses, and re-emphasized the relevant reminders during the mid-term and end-of-term professional knowledge sharing sessions. In addition, the quality of work performed by the team was scrutinized through in-flight review and the annual

Dimension	Metrics	Y	N	Description
				QPR Program, and the results of these examinations were included in the quality appraisal records of the auditors and managers concerned. Based on the measures described above and the ongoing monitoring of the quality of the cases, the foregoing inspection defects were not identified again by subsequent inspections. In 2021, KPMG Taiwan recorded no auditor punishments, and no disciplinary cases under Article 37 of the Securities and Exchange Act, and none of the auditors (Lee Tzu-Hui, Kuo Hsin-Yi) of the Company's financial statements were referred for punishment or disciplinary action.
	4.2 Correspondence from the competent authorities requesting improvements: Are the firm's quality controls and audits performed as required by the relevant laws and standards and have they not been corrected by correspondence from the competent authorities for improvement?	v		The Company's financial statements for the past three years have not been corrected by correspondence from the competent authorities, and the rate of improvement to be made by KPMG Taiwan in the past three years (2021, 2020 and 2019) as requested by correspondence from the competent authorities was 0.3%, 0.9% and 0.3% on average, which was comparable to other accounting firms and had no significant impact on the audit quality of the Company's financial statements.
Innovation Capability	5.1 Innovation planning or initiatives: Does the accounting firm have a commitment to improving audit quality, including the firm's capacity and plans for innovation?	v		Over the past three years, KPMG Taiwan has undertaken or designed initiatives or projects related to the improvement of audit quality, including digital audit platform, digitalization of external confirmations, FileEx file exchange platform, audit analysis tool software development and the introduction of iRADAR financial instruments valuation tool, etc., which are expected to help boost audit quality.

Continuing education for directors, supervisors and corporate governance officers

Title	Name	Course date	Organizer	Course title	Duration
Director/Chairman	Su, Han-Jeh	2022/06/01	Independent Director Association Taiwan	Quickly Interpreting and Preparing for ESG Disclosure Requirements for Corporate Governance 3.0	3 hrs
Director/Chairman	Su, Han-Jeh	2022/11/08	Independent Director Association Taiwan	How the Board Reviews ESG Sustainability Reports	3 hrs
Director/President	Chen, Chi-Yong	2022/05/24	Taiwan Securities Association	Corporate Emerging Risk Management of Ransomware, Trade Secret Protection and Ethical Corporate Management Best Practice Principles	3 hrs
Director/President	Chen, Chi-Yong	2022/06/01	Independent Director Association Taiwan	Quickly Interpreting and Preparing for ESG Disclosure Requirements for Corporate Governance 3.0	3 hrs
Director/President	Chen, Chi-Yong	2022/11/08	Independent Director Association Taiwan	How the Board Reviews ESG Sustainability Reports	3 hrs
Director/President	Chen, Chi-Yong	2022/11/24	Securities and Futures Institute	Case Studies on the Establishment of Directors' and Supervisors' Breach of Trust and Special Breach of Trust	3 hrs
Director/VP of Business	Liu, Tung-Cheng	2022/06/01	Independent Director Association Taiwan	Quickly Interpreting and Preparing for ESG Disclosure Requirements for Corporate Governance 3.0	3 hrs
Director/VP of Business	Liu, Tung-Cheng	2022/11/08	Independent Director Association Taiwan	How the Board Reviews ESG Sustainability Reports	3 hrs
Representative of Corporate Director	Chang, Qing-Fu	2022/06/01	Independent Director Association Taiwan	Quickly Interpreting and Preparing for ESG Disclosure Requirements for Corporate Governance 3.0	3 hrs
Representative of Corporate Director	Chang, Qing-Fu	2022/11/08	Independent Director Association Taiwan	How the Board Reviews ESG Sustainability Reports	3 hrs
Representative of Corporate Director	Chang, Qing-Fu	2022/12/12	Accounting Research and Development Foundation	Financial Audit and Liability for Fraudulent Financial Reporting	3 hrs

Title	Name	Course date	Organizer	Course title	Duration
Independent Director	He, He	2022/06/01	Independent Director Association Taiwan	Quickly Interpreting and Preparing for ESG Disclosure Requirements for Corporate Governance 3.0	3 hrs
Independent Director	He, He	2022/11/08	Independent Director Association Taiwan	How the Board Reviews ESG Sustainability Reports	3 hrs
Independent Director	Lin, Chin-Miao	2022/04/08	Securities and Futures Institute	Global Technology Risk and Information Security Governance Strategies	2 hrs
Independent Director	Lin, Chin-Miao	2022/04/08	Securities and Futures Institute	Practical Observations on Board ESG Decision Making	2 hrs
Independent Director	Lin, Chin-Miao	2022/06/01	Independent Director Association Taiwan	Quickly Interpreting and Preparing for ESG Disclosure Requirements for Corporate Governance 3.0	3 hrs
Independent Director	Lin, Chin-Miao	2022/09/16	Securities and Futures Institute	Directors' Functions and Board Operations	2 hrs
Independent Director	Liu, Xuen-Da	2022/06/01	Independent Director Association Taiwan	Quickly Interpreting and Preparing for ESG Disclosure Requirements for Corporate Governance 3.0	3 hrs
Independent Director	Liu, Xuen-Da	2022/11/08	Independent Director Association Taiwan	How the Board Reviews ESG Sustainability Reports	3 hrs
Corporate Governance Officer	Chen, Ke-Hung	2022/04/01	Accounting Research and Development Foundation	Information Security and Personal Privacy: An Analysis of Legal Compliance and Fraud Prevention Issues	6 hrs
Corporate Governance Officer	Chen, Ke-Hung	2022/06/01	Independent Director Association Taiwan	Quickly Interpreting and Preparing for ESG Disclosure Requirements for Corporate Governance 3.0	3 hrs
Corporate Governance Officer	Chen, Ke-Hung	2022/07/27	Taipei Exchange	Sustainability Route Map Industry Briefing	2 hrs
Corporate Governance Officer	Chen, Ke-Hung	2022/11/08	Independent Director Association Taiwan	How the Board Reviews ESG Sustainability Reports	3 hrs

4) The composition, responsibilities and operations of the compensation committee

(1) Compensation committee member information

Title	Qualifications / Name	Professional qualifications and experience	Independence	Number of other public companies where one concurrently serves as compensation committee member
Independent director Over 30 years of relevant working experience	Lin, Chin-Miao	Experience CTBC Life Insurance Co President Taiwan Life Insurance Co President Currently CTBC Insurance Co Chairman Taiwan Life Insurance Corp Director Hanbo Livestock & Farming Products Co Supervisor Has working experience in finance, insurance, corporate business and is not involved in any of the matters set out in Article 30 of the Company Act.	1.The independent director, his spouse, relatives within the second degree of kinship, etc., do not hold any position as a director, supervisor or employee of the Company or its affiliates. 2.The independent director, his spouse and relatives within the second degree of kinship (or in the name of others) hold 177,552 shares in the Company and the shareholding ratio of 0.15% does not exceed 5% of the total number of the Company's outstanding shares. 3.Not a director, supervisor or employee of a company with which the Company has a specific association. 4.Not rendered business, legal, financial or accounting services to the Company or its affiliates in the last 2 years and got paid therefor.	None
Independent director Over 40 years of relevant working experience	He, He	Experience UB Union Technologies, Inc President K&C Technologies, Limited President Currently UB Union Technologies, Inc Supervisor Transhigh Technology Corp Chairman Has working experience in business, technology, corporate business and is not involved in any of the matters set out in Article 30 of the Company Act.	1.The independent director, his spouse, relatives within the second degree of kinship, etc., do not hold any position as a director, supervisor or employee of the Company or its affiliates. 2. The independent director, his spouse and relatives within the second degree of kinship (or in the name of others) hold 11,278 shares in the Company and the shareholding ratio of 0.01% does not exceed 5% of the total number of the Company's outstanding shares. 3.Not a director, supervisor or employee of a company with which the Company has a specific association. 4.Not rendered business, legal, financial or accounting services to the Company or its affiliates in the last 2 years and got paid therefor.	None

Independent director (Compensation committee convenor) Over 20 years of relevant working experience	Liu, Xuen-Da	Experience Gio Optoelectronics Corp President Currently Shihua International United Law Firm Attorney Deloitte & Touche Taiwan Accountant Neoton Optronics Corp Chairman PanelSemi Corp Director CHO Pharma, Inc Independent Director Has working experience in business, technology, corporate business and is not involved in any of the matters set out in Article 30 of the Company Act.	1. The independent director, his spouse, relatives within the second degree of kinship, etc., do not hold any position as a director, supervisor or employee of the Company or its affiliates. 2. The independent director, his spouse and relatives within the second degree of kinship (or in the name of others) do not hold shares in the Company. 3. Not a director, supervisor or employee of a company with which the Company has a specific association (see Subparagraphs 5-8, Paragraph 1, Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange). 4. Not rendered business, legal, financial or accounting services to the Company or its affiliates in the last 2 years and got paid therefor.	—

(2) Information on the duties and operations of the compensation committee

1. The Company's compensation committee consists of three members, all of whom meet the professional and independent qualifications required by law and are professionally and objectively qualified to evaluate the remuneration policies and systems of the directors, supervisors and managers of the Company and to make recommendations to the board of directors for their reference in making decisions.
2. Term of office for the current members: May 31, 2022 to May 30, 2025. The Compensation Committee met 3 times (A) in the most recent year and the qualifications and attendance of the members are as follows:

Title	Name	Number of actual attendances (B)	Number of proxy attendances	Actual attendance rate (%) (B/A) (Note 1)	Remarks
Convenor	Liu, Xuen-Da	3	0	100%	Re-elected 2022.05.31
Member	He, He	3	0	100%	Re-elected 2022.05.31
Member	Lin, Chin-Miao	3	0	100%	Re-elected 2022.05.31

Other items to be recorded:

1. Where the board does not adopt or amend the recommendations of the compensation committee, it should state the date and session of the board meeting, the content of the motion, the outcome of the board meeting resolution and the Company's handling of the compensation committee's opinions (if the board has approved a remuneration better than what the compensation committee has recommended, it should state the difference and the reasons for it): None.
2. Where a member had objections or reservations to a motion at the compensation committee meeting, which are recorded or stated in writing, the meeting date, session and content of the motion, the opinions of all members and the treatment of their opinions shall be stated: None.
3. The outcome of the motions and resolutions of the compensation committee meetings held in the most recent fiscal year and the handling of members' opinions by the Company:

Meeting date	Motion	Resolution	Company's handling of committee opinions
2021.01.27 1st session in 2021	Manager's year-end bonus payment for 2021	This motion was carried by all members in attendance without objection	This motion was put to the board for discussion and approved by all directors present, with no objection to the content thereof.
	Manager's salary raise	This motion was carried by all members in attendance without objection	This motion was put to the board for discussion and approved by all directors present, with no objection to the content thereof.
2022.02.16 2nd session in 2022	Remuneration allocation for directors, supervisors and employees for 2021	This motion was carried by all members in attendance without objection	This motion was put to the board for discussion and approved by all directors present, with no objection to the content thereof.
2022.08.01 3rd session in 2022	Distribution of directors' and supervisors' remuneration for 2021	This motion was carried by all members in attendance without objection	This motion was put to the board for discussion and approved by all directors present, with no objection to the content thereof.
	Distribution of employees' remuneration for 2021	This motion was carried by all members in attendance without objection	This motion was put to the board for discussion and approved by all directors present, with no objection to the content thereof.
	Salary increase for chairman and managers	This motion was carried by all members in attendance without objection	This motion was put to the board for discussion and approved by all directors present, with no objection to the content thereof.

Note 1: Where a remuneration committee member leaves office before the end of the fiscal year, the date of departure should be indicated in the remarks field. The rate (%) of actual attendance is calculated on the basis of the number of committee meetings held and the number of actual attendances during their term of office.

Note 2: Where there is a re-election of remuneration committee members before the end of the fiscal year, both old and new members should be entered, and a note should be made in the remarks field indicating whether the member is old, new or re-elected and the date of re-election. The rate (%) of actual attendance is calculated on the basis of the number of committee meetings held and the number of actual attendances during their term of office.

5) The state of the Company's promotion of sustainable development, any variance from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance:

Evaluation items	Operation			Any variance from the Principles and the reason for any such variance
	Y	N	Description	
1. Has the Company established a governance structure to promote sustainable development and set up a dedicated/part-time unit to push for sustainability, which is delegated to senior management by the board of directors, and is supervised by the board of directors?	√		1. The Company has not yet set up a dedicated/part-time unit to promote sustainable development. For the time being, the Management Office is responsible for pushing forward sustainability governance, while senior management occasionally attends awareness-raising courses to understand the spirit of sustainability governance and plans to incorporate sustainability governance into the Company's operational planning in due course. 2. Regarding the spirit of sustainability, we have adopted ISO 9001 and ISO 14001, and have started to introduce ISO 14064-1 for greenhouse gases in sustainable development, and have included the progress of the guidance and verification in a report for the board meeting on Feb 22, 2023.	The establishment of a dedicated/part-time unit for sustainable development will be considered, depending on demand.
2. Does the Company conduct risk assessment on environmental, social and corporate governance issues associated with its operations under the concept of materiality, and has it formulated relevant risk management policies or strategies?	√		The Company has not yet established a risk management policy or strategy. Although it has not conducted a risk assessment on environmental, social and corporate governance issues related to the Company's operations as per the materiality principle, it has made every effort to comply with the relevant risk evaluation on environmental, social and corporate governance: 1) Environmental protection: As an LCD module assembly manufacturer, we recognize the importance of environmental sustainability and have minimized the risk of non-compliance by obtaining environmental system ISO 14001 and ISO 9001 certifications and introducing ISO 14064-1. 2) Product liability: We require our suppliers to obtain the necessary environmental permits and to identify and manage chemicals and other substances that are hazardous when released into the environment and to comply with RoHS and REACH standards. 3) Labor relations: Each department of the Company carries out annual planning for its staffing, and through a variety of recruitment channels, searches for talented people who share the Company's core values and	Relevant policies or strategies will be discussed and developed.

Evaluation items	Operation			Any variance from the Principles and the reason for any such variance
	Y	N	Description	
			increases employee identification with and loyalty to the Company through an internal labor relations committee. 4) Customer privacy: The Company strictly protects trade secrets and shall not inquire into or collect trade secrets, trademarks, patents, works of authorship or other intellectual property of suppliers and customers not relevant to its duties, and shall not disclose to others the confidentiality agreement inked with customers and original manufacturers. 5) Social and economic regulations compliance: We observe the Fair-Trade Act, the Foreign Trade Act and relevant US and European trade and export regulations. 6) The main risks outside the organization are product competition and market strategy, while within the organization the focus is on cyber security management and supply chain response. The management of risks outside the organization involves the continued customization of products, the production of small quantities of diverse products for customers and the change of production sites to build up our competitive edge and create benefits for the Company. The management of risks within the organization involves the continual strengthening of the Company's information security control measures and the management of the supply chain.	
3. Environmental issues 1) Has the Company established an appropriate environmental management system according to its industrial characteristics?	 √		We have gained ISO 14001 and ISO 9001 certifications under the relevant regulations, and to ensure that our environmental management system operates properly and to pay attention to the effects of the environment on our Company, we plan to step up our management and improve our operations by: 1. conforming to governmental environmental safety and health regulations and stakeholder requirements; 2. recycling resources and saving energy and cutting carbon emissions for the benefit of the environment and corporate sustainability; 3. mitigating environmental impacts and employee safety and health risks,	No significant variances yet

Evaluation items	Operation			Any variance from the Principles and the reason for any such variance
	Y	N	Description	
			and reinforcing pollution prevention and risk management systems; and 4. conducting regular audits to ensure the enforcement of environmental safety and health policies.	
2) Is the Company committed to boosting energy efficiency and using recycled materials that have a low impact on the environment?	√		As part of the Group's initiatives to improve energy efficiency, the Company has taken practical measures to minimize the impact on the environment, such as giving priority to the procurement of electrical appliances with Class 1 energy saving labels, sorting rubbish, recycling resources, setting annual reduction targets for water, electricity and paper consumption. In addition, we are fully dedicated to the use of ROHS compliant materials and the recycling and reuse of scraps, and are promoting the relevant projects and procedures specified in ISO14001.	No significant variances yet
3) Does the Company assess the potential risks and opportunities of climate change for its business now and in the future, and take measures to address climate related issues?	√		Our Company is ISO 14001 certified in terms of environmental safety system and all raw materials and components purchased are in compliance with the relevant EU environmental directives, requiring suppliers to provide test reports and self-declarations. In terms of risk management, the Company has also taken into account the impact of the environment on the industry and aims to reduce operating costs by improving resource efficiency and cutting water and electricity consumption as a response.	No significant variances yet
4) Has the Company compiled statistics on greenhouse gas emissions, water consumption and total weight of waste for the past two years, and developed policies to save energy and reduce carbon, greenhouse gas emissions, and water consumption or other waste management?	√		1. The Company is not a gas-emitting or water-intensive industry, but in response to global climate change, it still adheres strictly to the regulations on waste sorting and waste reduction promulgated by the management committee of the factory. The Company also carries out energy saving programs regarding air-conditioning, lighting and other electricity consumption, and regularly reviews the energy-consuming equipment for replacement, as well as examining the operation and effectiveness of the carbon reduction policy and GHG reduction from time to time. 2. GHG emissions, water consumption and total weight of waste for the past two years are as follows GHG emissions:	No significant variances yet

Evaluation items	Operation			Any variance from the Principles and the reason for any such variance
	Y	N	Description	
			2021 Scope 1: Not available / Scope 2: 563.8804 tonnes CO2e 2022 Scope 1: 14.2871 tonnes CO2e / Scope 2: 617.5493 tonnes CO2e Water consumption: 0.2438 tonnes CO2e in 2021 / 0.2807 tonnes CO2e in 2022 Total waste weight: 220.5kgs of hazardous waste and 30,639.5kgs of non-hazardous waste in 2021. 240.5kgs of hazardous waste and 30,949.5kgs of non-hazardous waste in 2022 3. The above data is compiled in-house and has not yet been verified by a third party.	
4. Social issues 1) Has the Company established relevant management policies and procedures in line with relevant laws and regulations and international human rights treaties?	√		By observing the labor-related laws and regulations in each location where it operates, safeguarding the legitimate rights and benefits of its employees, and upholding the spirit and basic principles of human rights protection as enshrined in the UN Universal Declaration of Human Rights and other international human rights conventions, the Company has formulated the "Personnel Management Rules" to govern the rights and obligations of the Company and its employees, in the belief that every employee should be treated fairly, humanely and with respect. The Company has also set up the "Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment at Workplace " and provided channels for complaints to protect the rights of female employees. Moreover, the Company has instituted its labor rights policy so that the principles of social responsibility and labor conditions in relation to labor rights are followed throughout the Company.	No significant variances yet

Evaluation items	Operation			Any variance from the Principles and the reason for any such variance
	Y	N	Description	
2) Has the Company established and implemented reasonable employee benefits measures (including pay, leave and other benefits) and reflected operational performance or results in employee compensation as appropriate?	√		1. The Company has formulated management rules to provide reasonable employee benefits, established a reasonable remuneration scheme and reward and punishment system, and conduct employee performance appraisal to contribute to the "Employee Well-being" in the CSR policy. 2. The Company contributes between 5% and 12% of staff remuneration each year according to the Company's articles of incorporation, which is allocated based on the performance appraisal of staff. 3. The recruitment, salary, promotion and compensation of our employees are based on their job category, education and working experience, expertise and years of service, as well as their individual performance, and do not vary according to age, gender or race. The Company has integrated gender balance into all human resource practices, with an average of 75% of all employees being female and 52.63% of all executives being female in 2022. We believe that having more women at the helm will bolster the Company's culture of inclusiveness, promote gender balance, better decision-making and innovation, and increase employee satisfaction.	No significant variances yet

Evaluation items	Operation			Any variance from the Principles and the reason for any such variance
	Y	N	Description	
3) Does the Company provide a safe and healthy workplace for its employees and conduct regular safety and health education for them?	√		1. Work environment and staff safety protection measures: The office is regularly disinfected, and the air-conditioning cleaned, and specialist technicians are engaged to carry out regular safety checks and maintenance. Staff are required to wear identification badges when entering and leaving the factory and offices. Visitors or guests are directed by the counter staff and are not allowed to enter without permission. A 24-hour surveillance system is in place at all entrances and exits to maintain the security of the factory and offices. 2. Health protection: The Company attaches great importance to the health of its employees and has entered into a contract with the Ho Chung Clinic to have its registered nurses and doctors come to the Company every week offering staff health consultation, as well as furnishing staff health maintenance services and advocacy. In addition, the Company performs regular health checks on its employees, and from time to time disseminates health and safety information and conveys relevant precautions and health management knowledge to employees over the intranet. 3. We commission Gong An Enterprise Co (a certified service provider) to conduct noise, chemical and carbon dioxide measurements in the workplace on a regular basis every six months. 4. Annual staff awareness sessions on safety and health work rules. 5. The contents and statistics of occupational accidents are uploaded to the labor inspection authorities on a monthly basis. The Company experienced no occupational accidents in fiscal 2022.	No significant variances yet
4) Does the Company have an effective career development program for its employees?	√		The Company has established the "Employee Education and Training Program" and designed relevant training courses in line with the competency and professional requirements in order to build up employees' competence and improve their overall quality and operational performance.	No significant variances yet

<table>
<tr><th rowspan="2">Evaluation items</th><th colspan="3">Operation</th><th rowspan="2">Any variance from the Principles and the reason for any such variance</th></tr>
<tr><th>Y</th><th>N</th><th>Description</th></tr>
<tr><td>5) Does the Company conform to relevant laws and international standards, and has a policy and complaint procedure in place to protect the rights of consumers or customers in relation to issues such as customer health and safety, customer privacy, marketing and labeling of products and services?</td><td>√</td><td></td><td>In response to global marketing, we are actively involved in the safety certification of our products and have secured a number of international safety certifications, such as EU RoHS and REACH standards. To ensure high quality, safety and reliability in the use of our products, we have set up a comprehensive complaint channel and after-sales service system available to our customers.</td><td>No significant variances yet</td></tr>
<tr><td>6) Does the Company have a supplier management policy that requires suppliers to comply with relevant regulations on environmental protection, occupational safety and health or labor human rights issues, and its implementation thereof?</td><td>√</td><td></td><td>The Company has established relevant supplier management procedures and requires suppliers to undergo an evaluation prior to cooperation. Our relevant units of procurement, R&D, and quality assurance centers collect data, and by means of the supplier’s self-evaluation, our auditing and counseling, performance evaluation, and trial production review, confirm the appraisal of supplier services, supply quality and credit rating, and examine whether the supplier has obtained relevant quality certifications and conforms to environmental protection labels, legal registration, and social responsibility issues such as environmental ecology, occupational safety and health, and labor human rights, in order to determine whether the supplier has made it to the list of qualified suppliers. The relevant contracts specify the parameters of integrity and environmental protection, and the review of suppliers' performance at prescribed times and on a regular basis at quality meetings to enhance corporate responsibility.</td><td>No significant variances yet</td></tr>
<tr><td>5. Does the Company prepare sustainability reports that disclose non-financial information about the Company by making reference to internationally accepted standards or guidelines for the preparation of reports? Have the reports been certified or guaranteed by a third party?</td><td></td><td>√</td><td>The Company has not yet prepared sustainability reports that disclose non-financial information about the Company, and therefore has not yet obtained certification or guarantees from a third party, but senior managers are becoming aware of the importance of sustainability and will therefore plan to prepare CSR reports and other reports that reveal non-financial information about the Company in the future.</td><td>The Company will deliberate on its preparation, depending on the scale of its operations.</td></tr>
<tr><td colspan="5">6. Where the Company has its <u>Sustainable Development</u> Best Practice Principles under the “<u>Sustainable Development</u> Best Practice Principles for TWSE/TPEx Listed Companies,” describe the differences between its operation and the principles stipulated.
The Company has not yet formulated its sustainable development best practice principles, but it still complies with the relevant laws and charters, as well as the contract</td></tr>
</table>

Evaluation items	Operation			Any variance from the Principles and the reason for any such variance
	Y	N	Description	
signed with the Taipei Exchange and related regulations. There is no significant difference with the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" as the Company promotes various sustainability initiatives, in consideration of domestic and international trends in sustainability and its own and the Group's overall corporate activities.				
7. Other important information to help understand the implementation of sustainable development: 1) The main systems and measures adopted by the Company for environmental protection and the implementation thereof are: 1. Promoting ISO 9001, ISO 14001 14064-1 and green campaigns. 2. Enforcing the Waste Electrical and Electronic Equipment (WEEE) Directive and recycling materials. 3. Using materials that comply with the EU RoHS Directive and REACH requirements, and not using any environmentally hazardous substances. 2) Placing a premium on social welfare by lending timely assistance and support to disadvantaged groups. 3) Promoting safety and health in the workplace and enhancing staff training. 4) Establishing the "Corporate Governance Best Practice Principles," "Ethical Corporate Management Best Practice Principles," "Procedures for Ethical Management and Guidelines for Conduct" and "Codes of Ethical Conduct" and setting up an effective governance structure and related ethical standards for sound corporate governance.				

6) The state of the Company's performance of ethical corporate management, any variance from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such variance:

Evaluation items	Operation			Any variance from the Principles and the reason for any such variance
	Y	N	Description	
1. Establishing an ethical corporate management policy and program 1) Is the Company's policy and practice of ethical corporate management stated in its bylaws and external documents, and is the board of directors and senior management committed to actively carrying out the policy?	✓		1) The Company's board of directors on Nov 6, 2020 adopted the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct," and has published the same on the Company's website to facilitate investors' understanding and fulfill ethical management policy. The directors of the Company have signed the "Declaration of Compliance with the Ethical Management Policy" and have recused themselves from any motions concerning their interests at meetings to carry out ethical management.	No significant variances yet

Evaluation items	Operation			Any variance from the Principles and the reason for any such variance
	Y	N	Description	
2) Has the Company established a mechanism to assess the risk of unethical conduct, regularly analyze and evaluate the business activities within the scope of business that pose a higher risk of unethical conduct, and accordingly formulated a plan to prevent unethical conduct, covering at least the preventive measures for each of the behaviors as set out in all subparagraphes, Paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”?	✓		2) The “Procedures for Ethical Management and Guidelines for Conduct” developed by the Company set out measures to prevent unethical conduct in order to fulfill its ethical management policy.	No significant variances yet
3) Does the Company have procedures, conduct guidelines, disciplinary and grievance systems in place in its unethical conduct prevention program, and does it implement them and regularly review and revise the aforesaid program?	✓		3) The Company has adopted the “Procedures for Ethical Management and Guidelines for Conduct” and “Codes of Ethical Conduct” to urge employees to report to the board of directors, the corporate governance officer or other appropriate officers if they become aware of any violations of the rules and regulations or the codes of ethical conduct. To encourage staff to report violations of the law, the Company has put in place a mechanism to let staff know that the Company will do its utmost to protect the safety of whistleblowers. The Company reports annually to the board of directors on its ethical corporate management and periodically reviews and revises the foregoing program to bring it up to date.	No significant variances yet
2. Implementing ethical management 1) Does the Company assess the track record of ethical conduct of its counterparties and stipulate the terms of ethical conduct in the contracts it enters into with its counterparties?	✓		1) To ensure the ethical management of the counterparty, the Company will check the current status of the counterparty's operations through its official website or request financial information for proof before making open purchases. In addition, penalties are prescribed in the purchase contract where applicable, and the supplier is liable to pay compensation if it fails to perform the contract.	No significant variances yet

Evaluation items	Operation			Any variance from the Principles and the reason for any such variance
	Y	N	Description	
2) Does the Company have a dedicated unit under the board of directors to promote ethical corporate management and report regularly (at least once a year) to the board of directors on its ethical management policies and unethical conduct prevention program and monitor the implementation thereof?		✓	2) The Company has not yet established a dedicated/part-time unit under the board of directors to promote ethical corporate management. At present, the corporate governance officer is responsible for setting, promoting and disseminating the relevant ethical management concepts of the Group's subsidiaries and reporting to the board of directors on their implementation.	No significant variances yet
3) Does the Company have a conflict of interest prevention policy, provide appropriate channels of representation, and implement it?	✓		3) The Company has laid down explicit rules in the "Corporate Governance Best Practice Principles," "Ethical Corporate Management Best Practice Principles," "Procedures for Ethical Management and Guidelines for Conduct," "Codes of Ethical Conduct" and "Rules of Procedure for Board of Directors Meetings." If there is a conflict of interest that requires recusal, they will recuse themselves from the matter to prevent such conflict.	No significant variances yet
4) Has the Company set up an effective accounting system and internal control system for the implementation of ethical management, and had the internal audit unit prepare an audit plan based on the evaluation of the risk of unethical conduct, and accordingly checked compliance with the unethical conduct prevention program, or appointed a CPA to carry out the audit?	✓		4) The Company has a rigorous accounting system and a dedicated accounting unit. Our financial statements are all audited or reviewed by auditors to ensure their fairness. The Company has established an internal audit system, a self-audit system, a compliance system and a risk management mechanism to maintain an effective and due internal control system. The audit unit performs audits based on the annual audit plan approved by the board of directors, reports on the audit execution at the board of directors and files it with the competent authorities as required.	No significant variances yet
5) Does the Company offer regular internal and external education and training on ethical corporate management?	✓		5) Internal training on ethical management is offered from time to time by our corporate governance officer for staff across all departments.	No significant variances yet

Evaluation items	Operation			Any variance from the Principles and the reason for any such variance
	Y	N	Description	
3. How does the Company's whistleblowing system work? 1) Does the Company have a specific whistleblowing and reward system in place, and has it established convenient channels to facilitate whistleblowing and assigned appropriate staff to deal with the violator?	✓		1) The Company has specified in the "Personnel Management Rules" that employees should comply with the guarantee and service agreement and those who report violations or damage to the Company's interests should be given a merit. There are also confidentiality and non-compete clauses in the employment contract to avoid conflict of interest. If an employee breaches the contract, the Company may terminate the employment relationship and may claim damages if it suffers loss as a result. The Company has adopted "Corporate Governance Best Practice Principles," "Ethical Corporate Management Best Practice Principles," "Procedures for Ethical Management and Guidelines for Conduct," and "Codes of Ethical Conduct," which specify the whistleblowing and reward system. If any of our employees are involved in an illegal activity in the course of a transaction, reporting can be done through the email box on the Stakeholder Section of the Company's website, and we assume full responsibility for confidentiality and will investigate the matter under the law.	No significant variances yet
2) Does the Company have standard operating procedures for the investigation of whistleblowing cases, follow-up measures to be taken after the completion of the investigation and the relevant confidentiality mechanism?	✓		2) Article 23 of the Company's Ethical Corporate Management Best Practice Principles provides for a whistleblowing system.	No significant variances yet
3) Does the Company take measures to protect whistleblowers from improper treatment as a result of their reports?	✓		3) The Company has established the "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct," which stipulate measures to protect whistleblowers from being improperly treated as a result of their complaints. During the investigation of a complaint, the privacy of the whistleblower should be protected, and the	No significant variances yet

Evaluation items	Operation			Any variance from the Principles and the reason for any such variance
	Y	N	Description	
			contents of the complaint should be kept confidential to protect the whistleblower from being subjected to improper treatment on account of the complaint.	
4. Enhancing information disclosure Does the Company disclose the content and effectiveness of its Ethical Corporate Management Best Practice Principles on its website and on the Market Observation Post System?	✓		The Company's website, www.ampire.com.tw, contains an "Investor Section" and the Market Observation Post System to reveal relevant and reliable information about the Company, including annual reports, financial reports and operating rules.	No significant variances yet
5. Where the Company has its own ethical management rules pursuant to the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, please describe the differences between its operation and the principles: The Company has established its Ethical Corporate Management Best Practice Principles and has constantly promoted the principles to raise awareness among its management staff, with no considerable difference between the contents and operation of its principles and the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.				
6. Other important information for understanding the Company's ethical management practices: (e.g. the Company's review of and amendments to its Ethical Corporate Management Best Practice Principles). 1. The Company abides by the rules and regulations governing exchange-listed and OTC-listed companies and other business practices as a basic requirement for conducting ethical management. 2. The Corporate Governance Best Practice Principles and the Rules of Procedure for Board of Directors Meetings of the Company provide for the recusal of directors from motions involving a conflict of interest. A director may make representations and give answers to questions on motions tabled at the board of directors' meetings in which he or she or the legal entity he or she represents has an interest that may be prejudicial to the interests of the Company, and shall recuse himself or herself from the discussion and shall not cast a vote on behalf of another director. The directors of the Company have duly signed the "Declaration of Compliance with the Ethical Management Policy."				

7) If the Company has adopted corporate governance best-practice principles or related bylaws, please disclose how these are to be searched.

1. The Company has adopted at the board of directors' meetings the “Corporate Governance Best Practice Principles,” “Codes of Ethical Conduct,” “Ethical Corporate Management Best Practice Principles,” and “Procedures for Ethical Management and Guidelines for Conduct.”
2. The disclosure of information regarding the corporate governance best practice principles and related bylaws is filed on a timely basis in the Market

Observation Post System (MOPS) Electronic Certification Reporting System as required by the competent authorities.

3. Information on the Company's corporate governance and management rules is also available on the Company's website (http://www.ampire.com.tw).

8) Other material information that will provide a better understanding of the state of the Company's corporate governance: The Company values the right of shareholders to be informed. In order to enhance shareholders' understanding of the "operation of corporate governance," the following information on the operation is provided:

1. Strengthening the functions of the board of directors: The board of directors shall direct the operations of the Company based on the responsibilities conferred on it by the shareholders and shall keep a close watch on the functioning of the management with a view to maximizing the shareholders' wealth
2. To upgrade corporate governance, the Company communicates with its CPAs, independent directors and supervisors, chief audit officer and chief financial officer from time to time, with details of such communication being available on the Company's website.
3. Investor relations: To strengthen corporate governance, the Company discloses information on the MOPS on a regular and occasional basis, and has set up an "Investor Section" on the Company's website, so that material information is released simultaneously on the Company's website, thereby gaining a clearer picture of the Company's operations and furnishing investors and stakeholders with immediate access to material information about the Company. In addition to disclosing information on the MOPS as required, the Company also regularly updates financial information and board resolutions, and has a spokesperson system in place to handle shareholders' questions and opinions.
4. Supplier relations: As the Company is promoting ISO 9001/ISO 14001, we conduct annual audits and evaluations of our suppliers. In addition, we maintain good relations with our suppliers by communicating with them in a timely manner in the event of changes in our product quality, environmental protection and safety and health requirements.
5. Employee wellbeing: Through a comprehensive benefit system and a good training system, we have built up a trusting and reliable relationship with our employees.

9) The section on the state of implementation of the Company's internal control system shall furnish the following:

1. A Statement on Internal Control: Please refer to the following table.
2. Where a CPA has been hired to carry out a special audit of the internal control system, please furnish an auditor’s report: The Company has not engaged a CPA to audit its internal control system.

Ampire Co., Ltd.

Statement on Internal Control

Date: Feb 22, 2023

Based on the results of the Company's self-evaluation of internal control system for fiscal 2022, a statement is hereby made as follows:

1. The Company recognizes that it is the responsibility of its board of directors and managers to establish, implement and maintain a system of internal control. We have set up this system to provide reasonable assurance of the effectiveness and efficiency of its operations (including profitability, performance and safeguarding of assets), reporting reliability, timeliness, transparency, compliance with relevant rules and regulations.
2. Internal control systems have inherent limitations and no matter how well designed; an effective system of internal control can only provide reasonable assurance that the above three objectives are being achieved. Furthermore, the effectiveness of the internal control system may vary due to changes in circumstances and conditions, but the Company has a self-monitoring mechanism for its internal control system and will take corrective action once deficiencies are identified.
3. The Company determines the effectiveness of the design and implementation of its internal control system in accordance with the criteria for judging the effectiveness of an internal control system set forth in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (the "Regulations"). The criteria for the internal control system applied under the Regulations are based on the management control process, with the system comprising five constituent elements: 1. control environment, 2. risk assessment, 3. control activities, 4. information and communications, and 5. monitoring activities, each of which is subdivided into several items. Please refer to the Regulations for the aforementioned items.
4. The Company has adopted the criteria for internal control system above to evaluate the effectiveness of the design and implementation of the system.
5. Based on the results of the assessment, the Company concluded that the design and implementation of its internal control system (including the supervision and management of subsidiaries) as at Dec 31, 2022, including the understanding of the extent to which operational effectiveness and efficiency objectives have been achieved, that reporting was reliable, timely, transparent and in compliance with relevant regulations, was effective and was reasonably capable of ensuring the achievement of such objectives.
6. This statement will constitute the essential content of the Company's annual report and prospectus and will be made available to the public. If any of the foregoing is disclosed in a false or concealed manner, the Company will be subject to liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.
7. This statement was approved by the board of directors of the Company at its meeting held on Feb 22, 2023. Of the seven directors present, 0 director(s) held opposing views and the rest agreed to the contents of this statement.

Ampire Co., Ltd.

Chairman of the Board: Su, Han-Jeh (Signature)

President: Chen, Chi-Yong (Signature)

10) Any legal penalty against the Company or its internal personnel, or any disciplinary penalty by the Company against its internal personnel for violation of the internal control system, during the most recent fiscal year or during the current fiscal year up to the publication date of the annual report, and the main shortcomings, and condition of improvement: None.

11) Material resolutions of a shareholders meeting or a board of directors meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

1. Implementation of resolutions at the 2022 annual shareholders' meeting:

(1) Ratification of the 2021 annual final accounting books and statements: The number of votes cast in favor of the proposal exceeded the statutory number and the proposal was ratified without objection.

(2) Ratification of of the 2021 surplus earnings distribution: The number of votes cast in favor of the proposal exceeded the statutory number and the proposal was passed without objection. On Aug 1, 2022, the board of directors set Aug 23, 2022 as the ex-dividend date, with payment made in full on Sept 8, 2022 (cash dividend of NT$1.65 per share).

(3) Amendments to certain provisions of the Articles of Incorporation: The number of votes cast in favor of the proposal exceeded the statutory number and the proposal was passed without objection and was published on the Company's website in accordance with the amended procedure.

(4) Amendments to to certain provisions of the "Rules of Procedure for Shareholders Meetings": The number of votes cast in favor of the proposal exceeded the statutory number and the proposal was passed without objection and was published on the Company's website in accordance with the amended procedure.

(5) Amendments to to certain provisions of the "Operational Regulations for Loaning Funds to Others": The number of votes cast in favor of the proposal exceeded the statutory number and the proposal was passed without objection and was published on the Company's website in accordance with the amended procedure.

(6) Amendments to to certain provisions of the "Operational Procedures for Endorsements / Guarantees": The number of votes cast in favor of the proposal exceeded the statutory number and the proposal was passed without objection and was published on the Company's website in accordance with the amended procedure.

(7) Amendments to to certain provisions of the "Procedures Governing the Acquisition and Disposal of Assets": The number of votes cast in favor of the proposal exceeded the statutory number and the proposal was passed without objection and was published on the Company's website in accordance with the amended procedure.

(8) Repeal of the Regulations for the Election of Directors and Supervisors): The number of votes cast in favor of the proposal exceeded the statutory number and the proposal was passed without objection.

(9) Re-election of directors: The seven directors elected were registered on June 17, 2022.

(10) Lifting of the non-compete clause for new directors of the Company: The number of votes cast in favor of the proposal exceeded the statutory number and the proposal was passed without objection

2. Important resolutions of the board of directors for fiscal 2022 and up to the date of publication of the annual report.

Meeting date and session	Material resolutions	Implementation status	Any objection or reservations from independent directors
2022/01/25 8th term Session 16	1. Payment of year-end bonuses to the Company's managers	Directors Su, Han-Jeh, Chen, Chi-Yong, Chien, Cheng-Chih, and Liu, Tung-Cheng recused themselves from voting due to a conflict of interest, with corporate director representative Chang, Qing-Fu acting as chair. This proposal was passed unanimously by all directors present and the year-end bonuses were all distributed on Jan 19, 2023.	Nil
	2. Salary adjustment for the Company's managers	Director Liu, Tung-Cheng recused himself from voting as he was also a manager and had a conflict of interest. This motion was carried unanimously by all directors present.	Nil

Meeting date and session	Material resolutions	Implementation status	Any objection or reservations from independent directors
	3. Setting the Company's budget targets and operating plan for 2022	This motion was carried unanimously by all directors present.	Nil
	4. Addition to the Company's "Audit Committee Organizational Rules"	As proposed by independent director Lin, Chin-Miao and subject to the relevant regulations, the "Audit Committee Organizational Rules" (see the annex regarding the minutes of the meeting) were amended in part and passed by all directors present without objection.	Nil
	5. Amendments to certain provisions of the "Rules of Procedure for Board of Directors Meetings"	This motion was carried unanimously by all directors present and was presented to and approved by the shareholders' meeting on May 31, 2022.	Nil
	6. Amendments to certain provisions of the "Rules of Procedure for Shareholders Meetings"	After the text of Article 2 relating to the supervisors was deleted at the meeting The Rules of Procedure for Shareholders Meetings were carried unanimously by all directors present and was presented to and approved by the shareholders' meeting on May 31, 2022.	Nil
	7. Amendments to the Company's "Remuneration Committee Organizational Rules"	This motion was carried unanimously by all directors present.	Nil
2022/02/24 8th term Session 17	1. Statement on Internal Control System 2021	This motion was passed unanimously by all directors present and was incorporated into the 2022 annual report for shareholders' meetings.	Nil
	2. Director, supervisor and employee compensation contribution 2021	This motion was passed unanimously by all directors present and was presented to the shareholders' meeting on May 31, 2022.	Nil
	3. Re-election of directors	This motion was passed unanimously by all directors present and was registered on June 17, 2022.	Nil
	4. Lifting of the non-compete clause for new directors of the Company	This motion was carried unanimously by all directors present.	Nil
	5. The Company's 2021 business report and final accounting books and statements	This motion was passed unanimously by all directors present and was presented to the shareholders' meeting on May 31, 2022 for ratification.	Nil
	6. The Company's surplus earnings distribution 2021	This motion was passed unanimously by all directors present and was presented to the shareholders' meeting on May 31, 2022 for ratification.	Nil
	7. Assessment of the independence, professionalism and competence of auditors	This motion was carried unanimously by all directors present.	Nil
	8. Audit fee 2022	This motion was carried unanimously by all directors present.	Nil
	9. Amendments to certain provisions of the Articles of Incorporation	This motion was carried unanimously by all directors present and was presented to and approved by the shareholders' meeting on May 31, 2022.	Nil
	10. Amendments to certain provisions of the "Operational Regulations for Loaning Funds to Others"	This motion was carried unanimously by all directors present and was presented to and approved by the shareholders' meeting on May 31, 2022.	Nil
	11. Amendments to some provisions of the "Operational Procedures for Endorsements / Guarantees"	This motion was carried unanimously by all directors present and was presented to and approved by the shareholders' meeting on May 31, 2022.	Nil

Meeting date and session	Material resolutions	Implementation status	Any objection or reservations from independent directors
	12. Amendments to some provisions of the “Procedures Governing the Acquisition and Disposal of Assets”	This motion was carried unanimously by all directors present and was presented to and approved by the shareholders' meeting on May 31, 2022.	Nil
	13. Amendments to the “Codes of Ethical Conduct”	This motion was passed unanimously by all directors present and was presented to the shareholders' meeting on May 31, 2022.	Nil
	14. Amendments to the “Ethical Corporate Management Best Practice Principles” and the “Procedures for Ethical Management and Guidelines for Conduct”	This motion was passed unanimously by all directors present and was presented to the shareholders' meeting on May 31, 2022.	Nil
	15. Amendments to the “Corporate Governance Best Practice Principles”	This motion was carried unanimously by all directors present.	Nil
	16. Repeal of the "Regulations for the Election of Directors and Supervisors"	This motion was carried unanimously by all directors present and was presented to and approved by the shareholders' meeting on May 31, 2022.	Nil
	17. Investment in Top Taiwan XII Venture Capital Co	Corporate director representative Chang, Qing-Fu, recused himself from voting as he served as VP of Top Taiwan XII Venture Capital Co. This proposal was carried unanimously by all directors present.	Nil
	18. Date of the 2022 annual shareholders' meeting and related matters	This proposal was carried unanimously by all directors present, with material information and announcements published on the MOPS, and an annual shareholders' meeting was held on May 31, 2022.	Nil
2022/05/06 8th term Session 18	1. Amendments to the electronic voting period for the 2022 AGM	This motion was carried unanimously by all directors present.	Nil
	2. Amendments to the “Rules for Performance Evaluation of Board of Directors and Committees of Functions”	This motion was carried unanimously by all directors present.	Nil
	3. Amendments to the “Corporate Governance Best Practice Principles”	This motion was carried unanimously by all directors present.	Nil
2022/06/01 9th term Interim Session 1	1. Election of Chairman	All directors in attendance unanimously elected Su, Han-Jeh as Chairman for another term.	Nil
	2. Appointment of the 5th remuneration committee members	This motion was carried unanimously by all directors present, and the three independent directors elected from among themselves Liu, Xuen-Da as the convener of the remuneration committee and chair of the meeting.	Nil
	3. Setting of the Company's "Greenhouse Gas Inventory and Verification Schedule" program	This motion was carried unanimously by all directors present.	Nil
2022/08/01 9th term Session 1	1. Q2 2022 financial report	This proposal was carried unanimously by all directors present and uploaded to the MOPS.	Nil
	2. Breakdown of directors' and supervisors' remuneration distribution 2021	This motion was carried unanimously by all directors present. (All directors present voted on this motion in phases due to the rule of recusal) and the remuneration was all distributed on Aug 5, 2022.	Nil

Meeting date and session	Material resolutions	Implementation status	Any objection or reservations from independent directors
	3. Breakdown of employee compensation distribution to managers 2021	This motion was carried unanimously by all directors present. (Directors Chen, Chi-Yong and Liu, Tung-Cheng recused themselves from voting as they were also a part-time employee)	Nil
	4. Salary adjustment for chairman and managers of the Company	This motion was carried unanimously by all directors present. (Directors Su, Han-Jeh, Chen, Chi-Yong, and Liu, Tung-Cheng recused themselves from voting in the capacity as chairman and mamagers)	Nil
	5. Additions and amendments to the "Internal Control System" and "Enforcement Rules for Internal Auditing" of the Company	This motion was carried unanimously by all directors present.	Nil
	6. Fixing the base date for the Company's cash dividend distribution 2021 and its related activities	This proposal was passed unanimously by all directors present and the cash dividends were all distributed on Sept 8, 2022.	Nil
2022/11/08 9th term Session 2	1. 2023 annual audit plan	This proposal was carried unanimously by all directors present and uploaded to the MOPS.	Nil
	2. Q3 2022 financial report	This proposal was carried unanimously by all directors present and uploaded to the MOPS.	Nil
	3. Amendments to certain provisions of the "Procedures for Handling Material Inside Information"	This motion was carried unanimously by all directors present.	Nil
	4. Amendments to certain provisions of the "Operational Procedures for Applications for Halt and Resumption of Trading"	This motion was carried unanimously by all directors present.	Nil
	5. Additions to the Company's "General Principles for Pre-Approved Non-Assurance Service Policy"	This motion was carried unanimously by all directors present.	Nil
2023/01/16 9th term Session 3	1. Payment of year-end bonuses to managers	Directors Su, Han-Jeh, Chen, Chi-Yong, and Liu, Tung-Cheng recused themselves from voting due to a conflict of interest, with independent director Lin, Chin-Miao acting as chair. This proposal was passed unanimously by all directors present and the year-end bonuses were all distributed on Jan 19, 2023.	Nil
	2. Amendments to the "Corporate Governance Best Practice Principles"	This motion was carried unanimously by all directors present.	Nil
	3. Setting of the Company's budget targets and operating plan for 2023	This motion was carried unanimously by all directors present.	Nil
	4. Salary adjustment for the Company's managers	This motion was carried unanimously by all directors present.	Nil
2023/02/22 9th term Session 4	1. Amendments to the Company's "Greenhouse Gas Inventory and Verification Schedule" program	This motion was carried unanimously by all directors present.	Nil

Meeting date and session	Material resolutions	Implementation status	Any objection or reservations from independent directors
	2. The Company's "Statement on Internal Control System 2022"	This motion was passed unanimously by all directors present and was incorporated into the annual report for shareholders' meetings.	Nil
	3. Amendments to the "Corporate Governance Best Practice Principles"	This motion was carried unanimously by all directors present.	Nil
	4. The Company's 2022 business report and final accounting books and statements	This motion was passed unanimously by all directors present and will be presented to the shareholders' meeting for ratification.	Nil
	5. The Company's Director and employee compensation contribution 2022	This motion was passed unanimously by all directors present and will be presented to the shareholders' meeting.	Nil
	6. The Company's surplus earnings distribution 2022	This motion was passed unanimously by all directors present and will be presented to the shareholders' meeting for ratification.	Nil
	7. The Company's assessment of the independence, professionalism and competence of auditors 2023	This motion was carried unanimously by all directors present.	Nil
	8. Audit fee 2023	This motion was carried unanimously by all directors present.	Nil
	9. Amendments to certain provisions of the "Rules of Procedure for Shareholders Meetings"	This motion was passed unanimously by all directors present and will be presented to the shareholders' meeting for deliberation.	Nil
	10. Date of the 2023 annual shareholders' meeting and related matters	This motion was carried unanimously by all directors present.	Nil

12) The principal content of any dissenting opinion of any director or supervisor regarding any material resolution passed by the board of directors, where there is a record or written statement of such opinion, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

13) A summary of resignations and dismissals of persons concerned with financial statements (including chairman, president, chief accounting officer, chief financial officer, chief internal audit officer, chief corporate governance officer, and chief research and development officer during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

5. Information on audit fees

1) The amounts of the audit fees and non-audit fees paid to the auditors and to the accounting firm to which they belong and to any affiliated enterprises as well as the details of non-audit services are as follows:

In NT$ K

Accounting Firm	Auditor	Auditing Period	Audit Fees	Non-audit Fees	Total	Remarks
KPMG Taiwan	Lee Tzu-Hui	2022.01.01 -2022.12.31	2,105	565	2,670	Non-audit fees: tax audit fee of NT$300 K, transfer pricing report fee of NT$240 K and other fees of NT$50 K.
	Kuo Hsin-Yi					

1. The company changes its accounting firm and the audit fees paid for the fiscal year in which such change takes place are lower than those for the previous fiscal year: None.
2. When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10% or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed: None.

6. Information on replacement of auditor: The company has replaced auditors within the last 2 fiscal years or any subsequent interim period: None.
7. Where the company's chairman, president, or any manager in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its auditors or at an affiliated enterprise of such accounting firm: None.
8. Any transfer of equity interests and/or pledge of or change in equity interests by a director, supervisor, manager, or shareholder with a stake of more than 10% during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:
   1) Changes in shareholdings of directors, supervisors, managers and substantial shareholders holding more than 10% of the shares

Unit: shares

Title (Note 1)	Name	2022		Current year up to March 31, 2023	
		Increase /decrease in number of shares held	Increase /decrease in the number of shares pledged	Increase /decrease in number of shares held	Increase /decrease in the number of shares pledged
Chairman	Su, Han-Jeh	0	0	0	0
Director (Note 2)	Chien, Cheng-Chih	0	0	0	0
Director & President	Chen, Chi-Yong	0	0	0	0
Director & Vice President of Business	Liu, Tung-Cheng	0	0	0	0
Director	Top Taiwan XII Venture Capital Co Rep Chang, Qing-Fu	0	0	0	0
Independent Director	Lin, Chin-Miao	0	0	0	0
Independent Director	He, He	0	0	0	0
Independent Director	Liu, Xuen-Da	0	0	0	0
Supervisor (Note 3)	Wang, Jung-Kuang	(63,000)	0	0	0
Supervisor (Note 4)	Wu, Chin-Chu	0	0	0	0
Supervisor (Note 4)	Chang, Ming-Shao	0	0	0	0
Manager	Chen, Ke-Hung	0	0	0	0
Manager	Tung, Huan-Chun	0	0	0	0

Note 1: The Company has no substantial shareholder holding more than 10% of the shares.
Note 2: Director Chien, Cheng-Chih was discharged on May 31, 2022.
Note 3: Supervisor Wang, Jung-Kuang transferred his shares on March 30, 2022, after which he owned less than one-half of the total number of shares of the Company held by him at the time of his election and was naturally discharged.
Note 4: A general re-election was held at the shareholders' meeting in 2022, the supervisory system was replaced by an audit committee and the supervisors were all discharged.

2) Information about the counterparty in any transfer of equity interests being a related party: None.

3) Information about the counterparty in any pledge of equity interests being a related party: None.

9. Relationship information, if among the 10 largest shareholders any one is a related party, or is the spouse or a relative within the second degree of kinship of another:

Relationship information, if among the 10 largest shareholders any one is a related party

March 31, 2023

Name	Shares held by self		Shares held by spouse, minor child		Total shares held through nominees		Name and relationship information, if among the 10 largest shareholders any one is a related party, or is the spouse or a relative within the second degree of kinship of another		Remarks
	No. of K shares	Ratio	No. of K shares	Ratio	No. of K shares	Ratio	Name	Relationship	
Amiccom Electronics Corp Rep: Tseng San-Tien	6,492 0	5.49% 0	0	0	0	0	Nil	Nil	
HSBC entrusted with the custody of Morgan Stanley Account	3,723	3.15%	0	0	0	0	Nil	Nil	
IBASE Technology Inc Rep: Lin, Chiu-Hsu	3,623 0	3.06% 0	0	0	0	0	Nil	Nil	
Su, Han-Jeh	3,503	2.96%	0	0	2,700	2.28%	Weikuang Co	Chairman of Weikuang Co	
Beijia Investment Co Rep: Liu, Tung-Cheng	2,990 707	2.53% 0.60%	0	0	0	0	Liu, Tung-Cheng	Chairman of Beijia Investment Co	
Chen, Chi-Yong	2,737	2.31%	0	0	0	0	Nil	Nil	
Weikuang Co Rep: Su, Han-Jeh	2,700 3,503	2.28% 2.96%	0	0	0	0	Su, Han-Jeh	Chairman of Weikuang Co	
Liu Lai, Fu-Zi	2,313	1.96%	0	0	0	0	Liu, Tung-Cheng	Mother/child	
Top Taiwan XII Venture Capital Co Rep: Chiu, De-Cheng	2,000 0	1.69% 0	0	0	0	0	Nil	Nil	
Lee, Chong-Hsien	1,665	1.41%	0	0	0	0	Nil	Nil	

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

December 31, 2023

In K Share / %

Investee (Note)	Investments by Company		Investments by directors, supervisors, managers and entities directly or indirectly controlled by the Company		Consolidated investment	
	No. of shares	Ratio	No. of shares	Ratio	No. of shares	Ratio
Asia Ampire (H.K.) Co	674	100%	—	—	674	100%
American Ampire, Inc.	14	100%	—	—	14	100%
Ampire Co (B.V.I.)	23,259	100%	—	—	23,259	100%
Sino Advance Inc.	23,224	100%	—	—	23,224	100%

Note: Long-term investments accounted for using the equity method by the Company.

IV. Information on Capital Raising Activities

1. Capital and shares

1) Source of shares:

1. Formation of capital

In NT$ / Shares

yy.mm	Issue price	Authorized share capital		Paid-up capital		Remarks		
		No. of shares	Amount	No. of shares	Amount	Source of capital	Set-off against share capital by property other than cash	Other
2016.02		200,000,000	2,000,000,000	117,864,308	1,178,643,080	Cancellation of treasury shares	Nil	Note 1
2016.12	4.98	200,000,000	2,000,000,000	118,234,308	1,182,343,080	Employee share options	Nil	Note 2
2018.04	4.64	200,000,000	2,000,000,000	118,279,808	1,182,798,080	Employee share options	Nil	Note 3

Note 1: Date of approval by the competent authority: 2016.02.17; Document Jing-Shou-Shang-Zi No. 10501032500; Cancelled share capital of NT$36,700,000.

Note 2: Date of approval by the competent authority: 2016.12.06; Document Jing-Shou-Shang-Zi No. 10501282740; Employees' exercise of share options to increase capital by NT$3,700,000.

Note 3: Date of approval by the competent authority: 2018.04.20; Document Jing-Shou-Shang-Zi No. 10701039620; Employees' exercise of share options to increase capital by NT$455,000.

2. Types of shares:

Unit: Shares

Types of shares	Authorized share capital				Remarks
	Outstanding shares (over the counter)	Private placement shares	Unissued shares	Total	
Registered common shares	118,279,808	0	81,720,192	200,000,000	

3. Offering and issuing securities by shelf registration: N/A.

2) Shareholder structure

March 31, 2023

Shareholder structure / Qty	Government agencies	Financial institutions	Other legal entities	Individuals	Foreign institutions and foreigners	Total
Number of persons	0	12	207	27,652	86	27,957
Number of shares held	0	733,989	21,518,567	81,395,761	14,631,491	118,279,808
Shareholding ratio	0	0.62%	18.19%	68.82%	12.37%	100.00%

3) Diffusion of ownership

1. Common shares:

March 31, 2023

Shareholdings by class	Number of shareholders	Number of shares held Shareholding ratio	Shareholding ratio
1-999	18,671	346,175	0.29
1,000-5,000	7,017	14,536,578	12.29
5,001-10,000	1,143	9,270,601	7.84
10,001-15,000	316	4,010,321	3.39
15,001-20,000	231	4,335,519	3.67
20,001-30,000	190	4,920,628	4.16
30,001-40,000	87	3,193,807	2.70
40,001-50,000	65	3,035,181	2.57
50,001-100,000	116	8,624,273	7.29
100,001-200,000	55	7,882,552	6.66
200,001-400,000	34	9,654,411	8.16
400,001-600,000	9	4,649,952	3.93
600,001-800,000	4	2,877,981	2.43
800,001-1,000,000	5	4,648,000	3.93
1,000,001 or more	14	36,293,829	30.69
Total	27,957	118,279,808	100.00

2. Preference shares: N/A.

4) List of major shareholders:

March 31, 2023 / Unit: Shares

Shares / Major shareholders	Shares held	Shareholding ration (Note)
Amiccom Electronics Corp	6,492,000	5.49%
HSBC entrusted with the custody of Morgan Stanley Account	3,723,000	3.15%
IBASE Technology Inc	3,623,000	3.06%
Su, Han-Jeh	3,503,146	2.96%
Beijia Investment Co	2,990,000	2.53%
Chen, Chi-Yong	2,737,900	2.31%
Weikuang Co	2,700,783	2.28%
Liu Lai, Fu-Zi	2,313,000	1.96%
Top Taiwan XII Venture Capital Co	2,000,000	1.69%
Lee, Chong-Hsien	1,665,000	1.41%

5) The per share market price, net worth, profit, dividend and relevant information for the past 2 fiscal years

In NT$

<table>
<tr><th colspan="3">Year / Item</th><th>2021</th><th>2022</th><th>Current year up to April 30, 2023 (Note 1)</th></tr>
<tr><td rowspan="3">Market price per share</td><td colspan="2">Highest</td><td>28.20</td><td>32.80</td><td>40.45</td></tr>
<tr><td colspan="2">Lowest</td><td>20.00</td><td>24.00</td><td>29.50</td></tr>
<tr><td colspan="2">Average</td><td>24.28</td><td>28.19</td><td>35.92</td></tr>
<tr><td rowspan="2">Net worth per share</td><td colspan="2">Before dist.</td><td>16.91</td><td>17.67</td><td>19.14</td></tr>
<tr><td colspan="2">After dist.</td><td>14.81</td><td>14.67</td><td></td></tr>
<tr><td rowspan="3">Earnings per share</td><td colspan="2">Weighted average number of shares</td><td>118,280 K shares</td><td>118,280 K shares</td><td>118,280 K shares</td></tr>
<tr><td colspan="2">EPS before retrospective adjustments</td><td>2.61</td><td>3.82</td><td>0.78</td></tr>
<tr><td colspan="2">EPS after retrospective adjustments</td><td>N/A</td><td>N/A</td><td>N/A</td></tr>
<tr><td rowspan="4">Dividend per share</td><td colspan="2">Cash dividends</td><td>2.10</td><td>3.00</td><td>—</td></tr>
<tr><td rowspan="2">Stock dividend distribution</td><td>Stock dividends from retained earnings</td><td>—</td><td>—</td><td>—</td></tr>
<tr><td>Stock Dividends from capital reserve</td><td>—</td><td>—</td><td>—</td></tr>
<tr><td colspan="2">Accumulated unappropriated dividends</td><td>—</td><td>—</td><td>—</td></tr>
<tr><td rowspan="3">Return on investment</td><td colspan="2">Price-earnings (P/E) ratio</td><td>9.30</td><td>7.38</td><td>—</td></tr>
<tr><td colspan="2">Price-dividend (P/D) ratio</td><td>11.56</td><td>13.42</td><td>—</td></tr>
<tr><td colspan="2">Cash dividend yield</td><td>8.65%</td><td>7.45%</td><td>—</td></tr>
</table>

* If shares are distributed in connection with a capital increase out of surplus earnings or capital reserve, further disclose information on market prices and cash dividends retroactively adjusted based on the number of shares after distribution.

Note 1: Net worth per share and earnings per share shall be entered based on information audited (reviewed) by the auditors for the most recent quarter ended on the date of publication of the annual report; the remaining fields shall be completed with information for the current year up to the date of publication of the annual report.

6) The Company's dividend policy and implementation thereof

1. Dividend policy

Where there are surplus earnings in the annual financial statement, the Company shall first pay taxes and make up for accumulated deficits, and then set aside a legal reserve, except when the legal reserve has reached the Company's paid-in capital, and then set aside a special reserve in accordance with the Company's operating needs and laws and regulations. In the event of surplus earnings remaining, the board of directors shall, depending on the operating needs, prepare a proposal for the distribution of the earnings and submit it to the annual shareholders' meeting for approval.

The Company's dividend policy shall be based on the principle of stable and balanced distribution, with consideration given to the profitability of shareholders, the accumulation of the Company's capital and the impact on the Company's operations, and the percentage of distribution shall not be less than 50% of total earnings.

As the Company is now entering a period of steady growth, the distribution of earnings shall be in the form of cash dividends as a priority, and may also be in the form of stock dividends, provided that the percentage of cash dividends distributed shall not be less than 50% of the total dividends.

2. Implementation thereof: The Company's available-for-distribution earnings for fiscal year 2021 amounted to NT$411,891,173, and a cash dividend of NT$2.1 per share, totaling NT$248,387,597, was approved at the 2022 shareholders' meeting and paid to shareholders on Sept 8, 2022. It was proposed at the annual shareholders meeting that a cash dividend of NT$3.0 per share be paid, with the ex-dividend date to be determined by the board of directors after approved at the annual shareholders meeting.

3. Describe any significant changes to the dividend policy: No significant changes are currently under consideration.

7) Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders meeting: N/A.

8) Compensation of employees, directors, and supervisors:

1. The percentages or ranges with respect to employee, director, and supervisor compensation, as set forth in the Company's articles of incorporation.

If the Company makes a profit in a fiscal year, it shall contribute up to 5% to 12% to the remuneration of its employees and a ceiling of 3% to the remuneration of its directors and supervisors from the balance of the profit before taxation for that year, less any accumulated losses.

2. (1) The basis for estimating the amount of employee, director, and supervisor compensation for the current period:

The basis for estimating the amount of employee compensation for the current period was 8.89% of the profit for the year (i.e. pre-tax profit before distribution of remuneration to employees, directors and supervisors), less accumulated losses.

The basis for estimating the amount of directors' and supervisors' compensation for the current period was 3% of the profit for the current year (i.e. pre-tax profit before distribution of remuneration to employees, directors and supervisors), less accumulated losses.

(2) The basis for calculating the number of shares to be distributed as employee

compensation for the current period: No shares distributed as employee compensation for the current period

(3) The accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure: The variance will be adjusted to that expense account in the year of distribution.

3. Information on the distribution of remuneration approved by the board of directors:

(1) The amount of employees' compensation and directors' and supervisors' compensation distributed in cash or shares is as follows:
Compensation in cash to employees: NT$54,791,131.
Compensation in stock to employees: None.
Compensation to directors and supervisors: NT$18,489,696.
The discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, its cause, and the status of treatment: None.

(2) The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee compensation: No employees' compensation distributed in shares during the current period.

4. The actual distribution of employee, director, and supervisor compensation for the previous fiscal year:

(1) In fiscal 2022, the Company actualy distributed compensation NT$40,338,960 to employees and NT$12,998,591 to directors and supervisors for fiscal 2021, all of which were paid in cash.

(2) The discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized: No discrepancy.

9) Status of the Company repurchasing its own shares: None.

2. Corporate bonds: The Company has no corporate bonds outstanding or in process as of now.

3. Preferred shares: None.

4. Overseas depository receipts: None.

5. Employee stock warrants or new restricted employee shares: The Company has no unexpired employee subscription warrants or new restricted employee shares.

6. Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies: N/A.

7. What should be recorded on the implementation of the fund utilization plan: As at the date of publication of the annual report, the Company had no plans for the use of funds that had not been completed or had been completed and the benefits of which had not been demonstrated.

V. Overview of Operations

1. Business description:

1) Scope of business:

1. Main content
(1) Design and manufacture of LCD touch modules.
(2) Processing of surface adhesion of electronic components.
(3) Trading, import and export of the above products and materials.
(4) Sales of electronic components and semiconductors.

2. Business proportion in 2022: In NT$ K

Product	Net sales	Sales ratio (%)
TFT	2,068,544	85.43
TN.STN.FSTN	341,636	14.11
Other	11,207	0.46
Total	2,421,387	100.00

3. Our current products (services)

Design, manufacture and application of LCD modules, including large, medium, small size, and the design, manufacture and application of TN, STN, FSTN, TFT and capacitive TP modules.

4. Developed products (services)

In response to the diversified needs of TFT LCD product applications and to suit the needs of our customers, we are dedicated to the development of new products and the refinement of process capabilities to cater to the demand of the industrial LCD market. In terms of new products, we aim to overtake Japanese and Taiwanese major manufacturers in 2023 with our superior quality, flexibility and reasonable prices, and avoide price cutting competition in the market by focusing on the development of niche TFT smart panels, open frames, HDMI interface LCM and industrial in cell touch solution series.

5. New products to be developed

Since the Company was incorporated, it has centered on the industrial markets in Europe, the United States and Japan, and the major channels in various countries have been rendering comprehensive technical support, pre-sales and after-sales services to industrial target customers. As such, it was expected that in 2023, the Company would continually optimize its niche panels in various sizes featuring high color saturation modules, high resolution, touch solutions, open frames, smart panel modules, and plan to expand its TDDI module product line to serve the industrial control module market and raise the proportion of custom-made products to drive up gross profit.

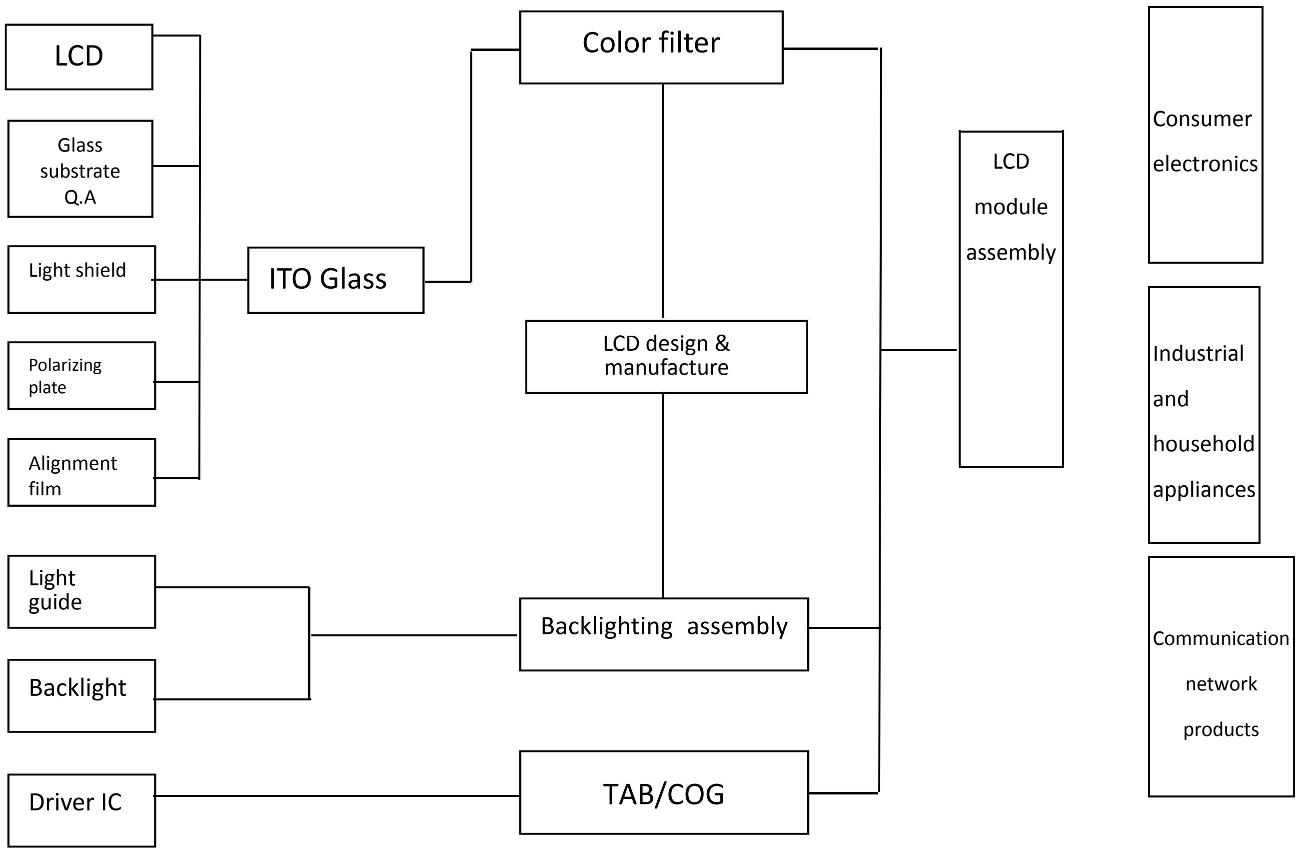
2) An overview of the industry:

1. The current status and development of the industry

Customers are considering color LCDs combined with touch schemes to achieve user-friendly design for new generation products. We have provided touch LCD integration modules to standardize them. On top of in-house product lines, the Company has also deepened cooperation with renowned agents in Europe and the US to increase tailor-made products and speed up sample delivery.

While the pandemic has run its course, the world's political and economic climate is volatile. On balance, end-user demand was cautiously conservative, with long-term orders previously placed by customers in response to material shortages partially offsetting demand in the year ahead. In terms of global small and medium-sized panel market trends, the market is projected to gain momentum quarter-on-quarter in 2023 as supply becomes more stable and costs gradually fall, so the focus in 2023 will be on reducing inventory, optimizing costs, and expanding into niche products to boost brand competitiveness and capture business opportunities.

2. The links between the upstream, midstream, and downstream segments of the industry supply chain:



3. Various product trends and competition: lightness, thinness, high resolution features required

(1) The development of semi-reflective LCD technology

As portable electronics are moving towards lighter, thinner, shorter, smaller and lower power consumption, reflective LCDs are in line with the future development of portable electronics.

(2) Wide viewing-angle TFT/IPS high resolution such as full HD display

Due to the demand for high resolution in consumer products, LCD manufacturers will be releasing more 4K and 2K small and medium sized panels and high-resolution panels will continue to be introduced into industrial control applications.

(3) AMOLED development:

As electronic products move towards lightness, thinness, high resolution, high contrast ratio and low power consumption, AMOLED meets the needs of the next generation of panels, but the unit price is still relatively high compared to TFT, and there are also color degradation problems to be solved.

3) Technology and R&D overview:

1. R&D expenses and technologies or products successfully developed in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report.

(1) R&D expenses incurred in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

In NT$ K

Item / Year	R&D expenses	Operating revenue	Percentage (%)
2021	30,436	2,025,477	1.50
2022	35,632	2,421,679	1.47
March 31, 2023	9,262	599,646	1.54

(2) Technologies or products successfully developed:

Information on product development and technology upgrades in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report is set out below:

Year	R&D projects	R&D results
2021	4001280A1	7.84" upright long IPS panels with onboard polarizers and onboard backlight, -30-+85°C ultra wide temperature range for farming machine applications.
	800600MY-T50	8.4" TFT panels modeled on Mitsubishi's mechanical form and electrical interface, with high color gamut LEDs and capacitive TP to enter a market that Mitsubishi has withdrawn from for medical instrument applications.
	1280800Q8-T30H	12" IPS panels with capacitive TP, ceramic ink cover lens, UV resistant OCA for Q sun testing, for EV charging pile applications.
	1024600DC-T00	6.95" IPS panels with capacitive TP, cover lens open with blue LED indicators, PCB with built-in HDMI scaler and LED control IC for medical device applications.
	1024768Y3-TAA	10.4" IPS panels with resistors, with customized aluminum frames and rubber guide strips for IP65 dust and water resistance for customer France High Speed Rail.
2022	320240NSM	Pay-for-mold-making 5.7" QVGA IPS LCD to substitute the original TN panel and enhance LCD supply autonomy. Cost advantage of using a single IC for fuel dispensers and HMI applications.
	19201080D3-T50	15.6" IPS panels with 1000nits high-brightness backlighting, an automotive FPD Link III adapter board to combine the LCD, backlight and capacitive TP control interfaces into one for EV applications.
	1024768QB	15" IPS panels with 1500nits high-brightness backlighting, using on-board polarizers and backlight material, suitable for ultra wide temperature conditions -30-+85°C for outdoor charging piles.
	8001280G	7" upright screen with MIPI interface, black and white dual-color cover lens, IR infrared window and UV resistant ink design to provide customers with different options and special applications

Year	R&D projects	R&D results
	800600MYV-53H	8.4" panels with wide-viewing angle polarizers, wide-color-gamut LED backlighting, special component configuration to pass EFT electromagnetic pulse test for semiconductor devices

4) Long-term and short-term business development plans

1. Short-term business development plan

(1) Due to the tight supply situation, we have to continue finding ways to stabilize the supply and quotation.

(2) Study the market trend and proactively develop designs to enhance the functions of capacitive touch TFT modules to meet the needs of industrial control customers.

(3) Strengthen the development of AD Board kit, ARM board, open frame, HDMI interface LCM series.

2. Long-term business development plan

(1) Develop niche-size TFT modules to further lead in the industrial control field.

(2) Develop smart panel and industrial in cell touch module products

(3) Develop and integrate panel-related components, including touch, lamination, bezel, AD board, etc., targeting Ampire Co's total solution.

(4) Raise the ratio of customized products to 60%.

2. Market and production overview

1) Market analysis

1. Regions in which the consolidated companies' main products (services) are sold (provided)

In NT$ K

Year / Sales region	2022		2021	
	Amount	%	Amount	%
Oceania	1.949	0.08	759	0.03
Taiwan	78,440	3.24	81,621	4.03
Asia	276,914	11.44	294,086	14.52
Africa	1,862	0.08	1,560	0.08
America	530,125	21.89	460,372	22.73
Europe	1,532,097	63.27	1,187,079	58.61
Total	2,421,387	100.00	2,025,477	100.00

2. Major competitors

We are a specialized LCD module manufacturer, and our main competitors are the module sales departments of STN LCD and TFT manufacturers, Japanese industrial control module manufacturers, United Radiant Technology Corp, Powertip Tech Corp, Emerging Display Technologies Corp and Chinese South China white-box assembly factories.

The following is a list of the business items of the companies:

Competitor	Business Items	Competitive Items
TFT module sales divisions of Kyocera/AUO/Innolux/Tianma /BOE/IVO/HSD	LCD Module	LCD Module
United Radiant Technology Corp	LCD Module	LCD Module
Powertip Technology Corp	LCD Module	LCD Module
Emerging Display Technologies Corp	LCD Module	LCD Module
Chinese South China white-box assembly plant	LCD Module	LCD Module

3. Future market supply and demand and growth

(1) In terms of supply:

The demand for black and white conventional modules has fully matured, and with the gradual dwindling of raw material suppliers, Taiwanese manufacturers must seek reliable suppliers of black and white module materials to face domestic and international competition. On the supply side of TFT, the TFT-LCD panel industry will gradually see a pick-up in supply in the short term as the cost of panels in 2023 is declining and 8.5G capacity and 5.5G and 6G LTPS production lines are coming on stream in China, with the long-term outlook being bearish, while the supply of ICs for industrial control applications is flattening out, and material costs are forecast to continue to drop in 2023.

(2) In terms of demand:

While the pandemic has run its course, the world's political and economic climate is volatile and end-user demand is conservative, with long-term orders placed by customers to cope with material shortages offsetting some of the new year's demand. Boasting technology, flexible manufacturing capabilities and comprehensive product lines, we continue to seek to optimize costs and expand into niche products to tap into new opportunities this year.

4. Competitive edge

(1) Professional management team

Our management team consists of talented people in various professional business fields. Our managerial officers have more than 20-30 years of experience in the electronics and LCD fields, and are able to keep abreast of the market demand and introduce new production technologies, with experienced business teams selling products worldwide.

(2) High quality, technology leadership and continuous development of TFT panels for the industrial control market

Since 1998, we have brought in chip-on film (COF), the most advanced IC flip-chip packaging technology, and introduced it to the booming South Korean mobile phone market, and have been recognized by many major manufacturers for its use and mass production, and its quality has been affirmed by leading industry players such as AUO and Kyocera.

(3) A diverse and comprehensive product line to cater for customer needs

In addition to TFTs of various small and medium sizes and capacitive TFT modules, we’ve further developed larger TFTs with wide viewing angles, high resolution and high brightness, offering AD Board kits, smart panels, open frames, HDMI interface LCM series and integrating panel-related components, aiming at the total solution of Ampire Co, including touch, lamination and bezel.

(4) The Ampire brand is represented by well-known European and American channels, which are steadily expanding.

5. Pros and cons of the development prospect and countermeasures

(1) Traditional modules

Pros	Cons	Countermeasures
1. Provide customized product service to avoid the pressure of price competition. 2. Flexibility in production, can take orders in small quantities and in multiple ways, with great flexibility. 3. Complete product line. 4. Stable and extensive marketing channels.	1. The gross profit of traditional modules has been reduced sharply due to low price competition in China. 2. Fewer choices of suppliers, reduced bargaining power towards suppliers, escalating costs of raw materials that cannot be passed on, lower profits. 3. Small quantities and multiple models make it difficult to reduce costs. 4. Rising labor costs and high turnover of staff in the China-based factory are not conducive to cost management and quality control.	1. Seek a second supplier to address the high cost of raw materials. 2.Centralize procurement in a type-centric manner to overcome the long L/T and cost.

(2) TFT modules

Pros	Cons	Countermeasures
1. Integrate with the peripheral service of total solution for customized products. 2. Complete product line. 3. Standardized/customized TFT capacitive touch modules. 4. In-house lamination technology. 5. Provide niche panels. 6. Stable and extensive marketing channels.	1. High degree of standardization of TFT modules, resulting in rising price. 2. Weak bargaining power over TFT materials and poor inventory cost control. 3. TFT glass has a short lifecycle and it is more expensive to maintain the lifecycle of industrial control module products. 4. The increasing complexity of the total solution makes it more difficult to control the quality in the factory, resulting in a higher defect rate.	1. Use second suppliers to negotiate prices with suppliers. 2. Provide total solution's customized product service to capture niche markets. 3. Consider the design of multiple glass solutions at an early stage of product design. 4. Develop niche products to increase added value.

2) Important applications and production processes

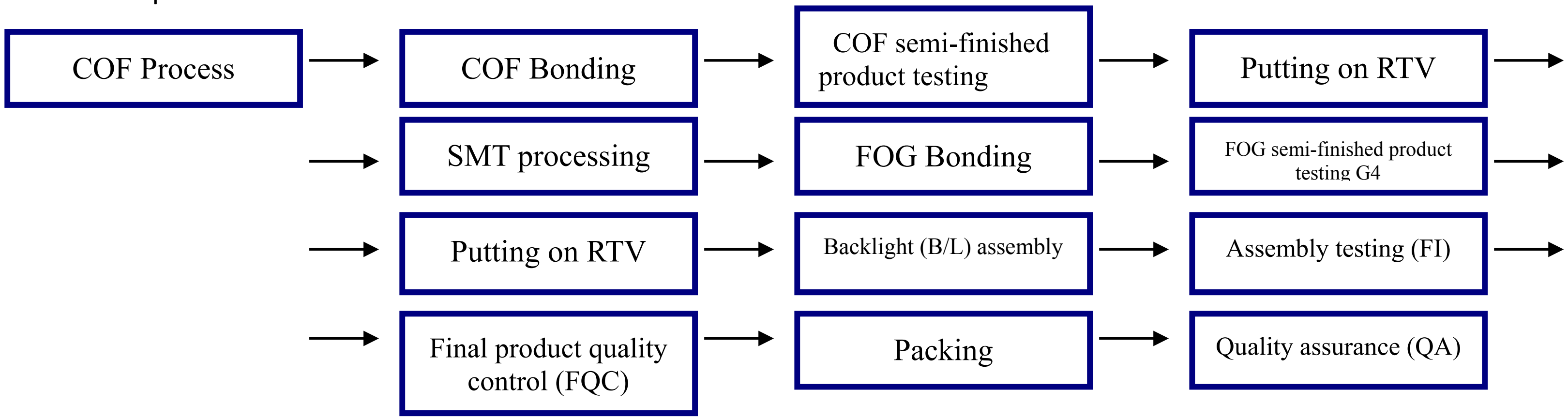
1. Important applications of the main products:

We are currently engaged in the design, manufacture and sales of LCD modules (STN/TFT LCM). Our LCD modules are primarily used in non-consumer application panels such as white goods, HMI, card readers, industrial equipment, medical equipment, special automotive display panels, touch panel PC/monitors, marine information display panels, in-flight entertainment panels, smart home control display panels, kiosks, charging piles and other applications.

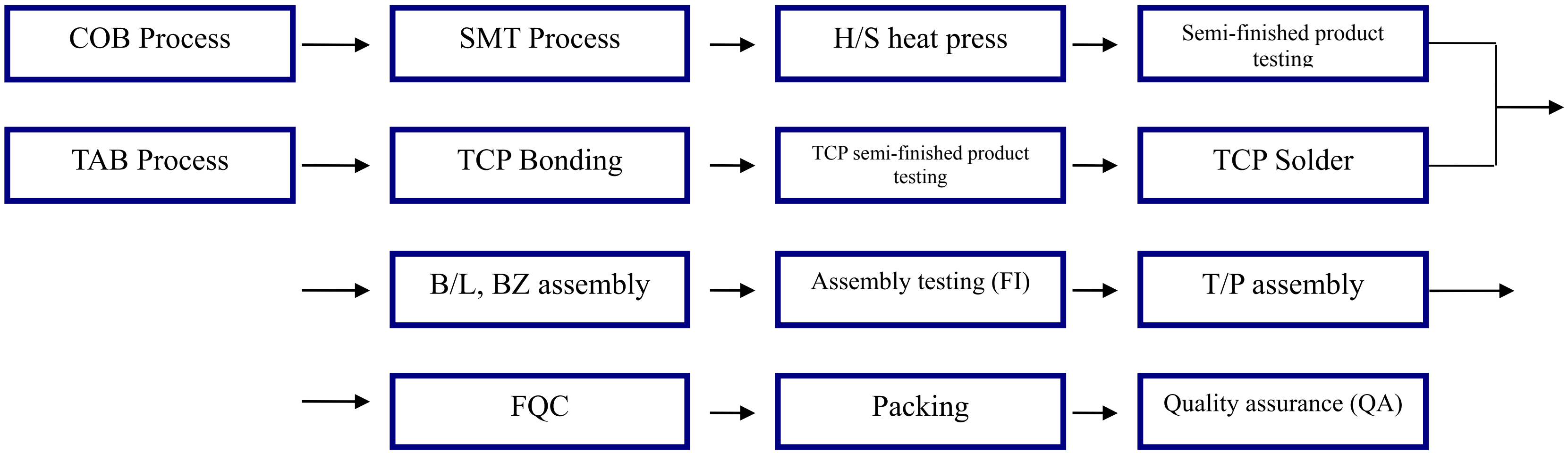
2. The manufacturing process of the main products:

A. The manufacturing process of main STN Module products

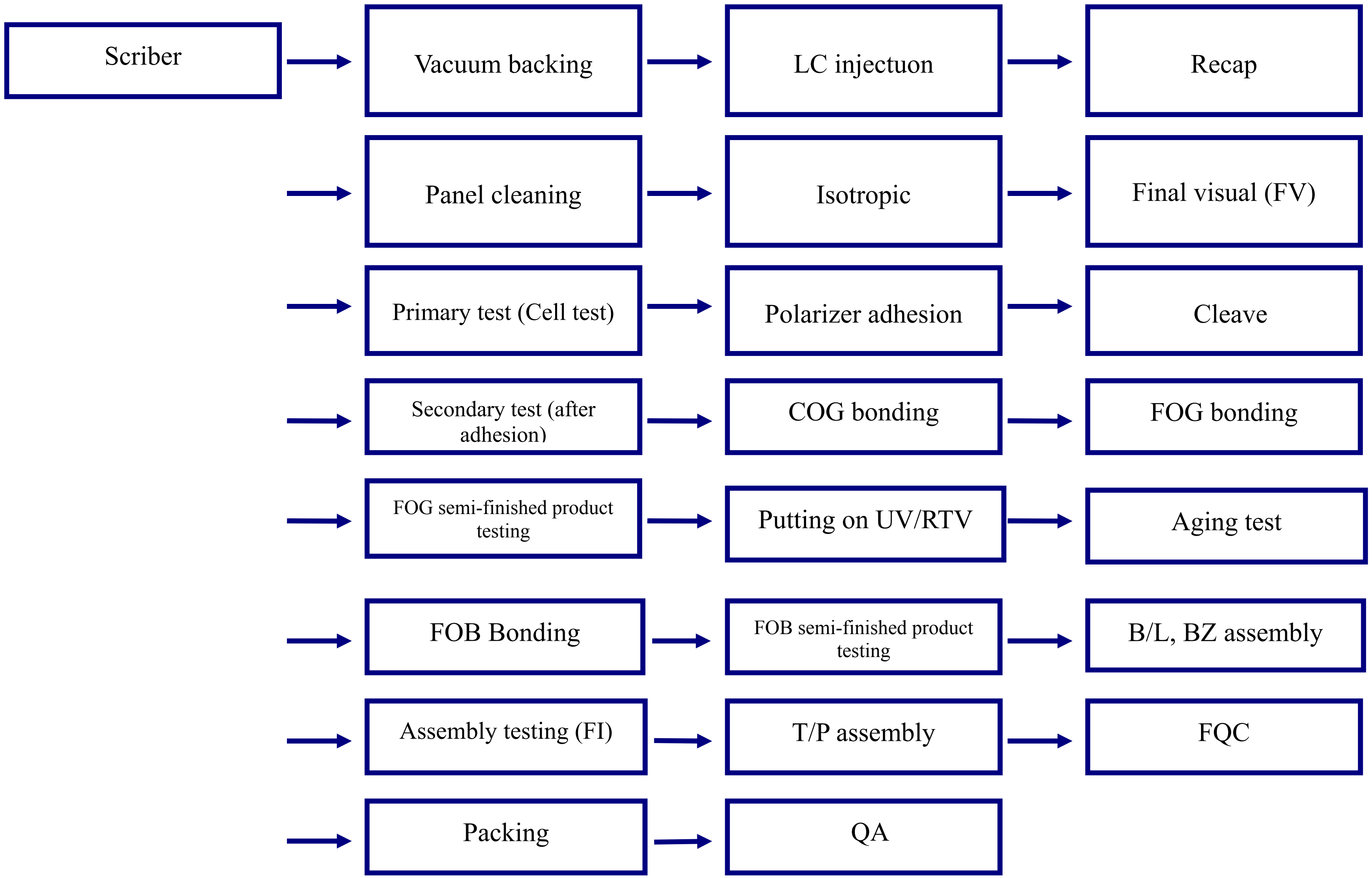
STN Module Tape 1



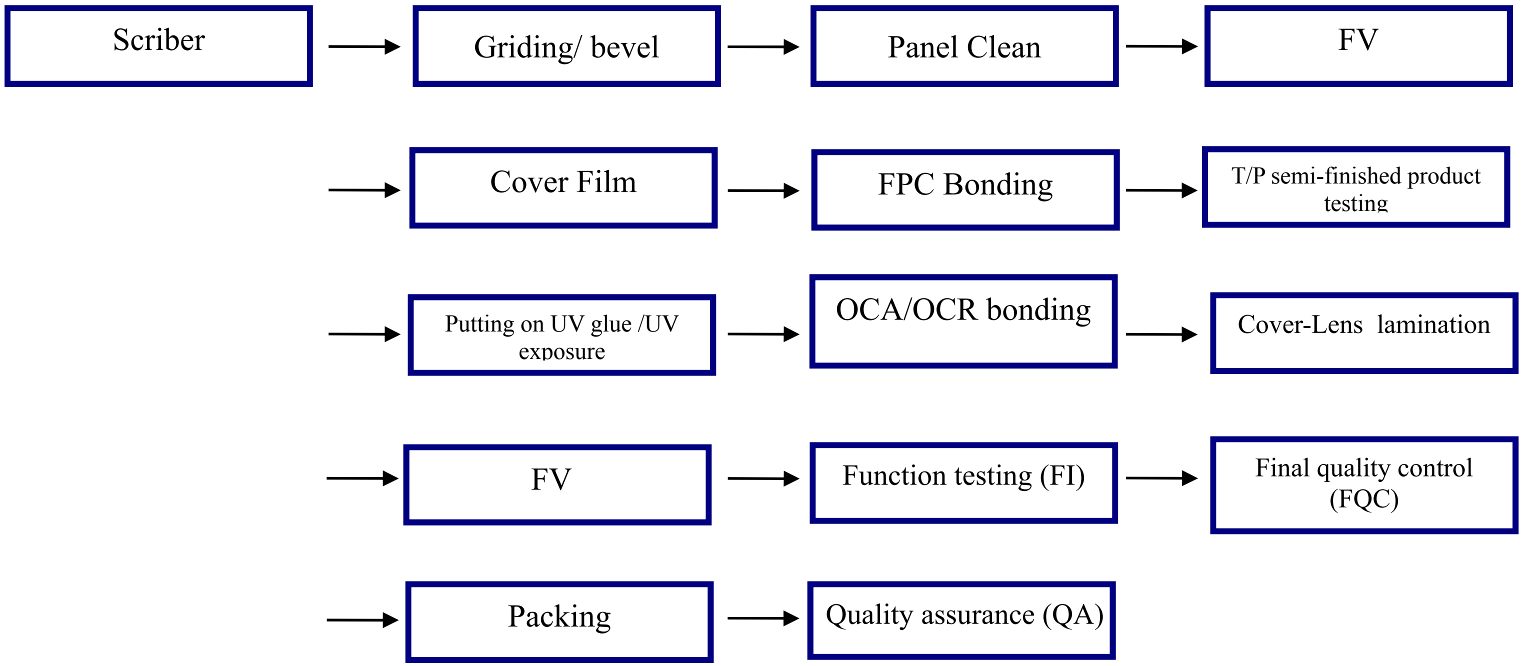
STN Module Tape 2



B. The manufacturing process of main TFT module products:



C. The manufacturing process of main capacitive T/P module products:



3) Supply status of the major raw materials

Major raw materials	Major suppliers	Market situation
LCD	Innolux, AUO, Hannstar, Tianma, Longteng, BOE, Trulyopto, Yeebo, Goldentek, Leybold, Giantpower	Stable quality and supply, long term cooperation, good supply situation
IC	Himax, Sitronix, ILITEK, Epson, eGalax, TI, NXP, Raydium	Stable quality and supply, long term cooperation, good supply situation
LED	Shian Yih, Ledyoung, Huichen, ShiXing, Sanwa	Stable quality and supply, long term cooperation, good supply situation
PCB	Chen Si, Phico, Jeng Chen, Bannsan	Stable quality and supply, long term cooperation, good supply situation
FPC	J&T, Dashun, ActiveTech	Stable quality and supply, long term cooperation, good supply situation
Touch Panel	Young Fast, Transtouch, Nanya, Wanda, Song Tah, Yeebo, Feng Yang, KDTouch, DMC, Topland	Stable quality and supply, long term cooperation, good supply situation

4) List of principal suppliers and customers

1. Information on major suppliers for the most recent two years

In NT$ K

	2021				2022				2023 up to the previous quarter			
No.	Name	Amount	As a percentage of annual net purchases (%)	Relation with issuer	Name	Amount	As a percentage of annual net purchases (%)	Relation with issuer	Name	Amount	As a percentage of net purchases for the year up to previous quarter (%)	Relation with issuer
1	Tianma	111,914	7.43	Nil	Tianma	215,887	14.04	Nil	Tianma	19,177	6.24	Nil
	Other	1,394,008	92.57		Other	1,321,236	85.96		Other	288,316	93.76	
	Net Purchases	1,505,922	100.00		Net Purchases	1,537,123	100.00		Net Purchases	307,493	100.00	

The main raw materials used in the production of LCD modules by the Company are ICs, LCDs, PCBs and COF films, with the changes in the main suppliers described below:

1) Tianma: Tianma Microelectronics Co is one of the Company's major suppliers of LCDs and modules. In fiscal 2022, the Company's sales to customers rose due to the growth in operating revenue and therefore the demand for raw materials for the production of products also went up, resulting in an increase in purchases from Tianma in fiscal 2022 compared to fiscal 2021.

2. Information on major sales customers in the most recent two fiscal years

In NT$ K

	2021				2022				2023 up to the previous quarter			
No.	Name	Amount	As a percentage of annual net sales (%)	Relation with issuer	Name	Amount	As a percentage of annual net sales (%)	Relation with issuer	Name	Amount	As a percentage of net sales for the year up to previous quarter (%)	Relation with issuer
1	Avnet Europe BV	386,974	19.11	Nil	Avnet Europe BV	492,831	20.35	Nil	Avnet Europe BV	171,408	28.58	Nil
2	EUROCOM POSANT	237,025	11.70	Nil	EUROCOM POSANT	352,115	14.54	Nil	EUROCOM POSANT	70,647	11.78	Nil
3	AMP	215,062	10.62	Nil	AMP	232,973	9.62	Nil	AMP	26,722	4.46	Nil
	Other	1,186,416	58.57		Other	1,343,760	55.49		Other	330,869	55.18	
	Net sales	2,025,477	100		Net sales	2,421,679	100		Net sales	599,646	100.00	

The Company's products are mainly LCD modules and the changes in sales to its major customers are described below:

(1) Avnet Europe BV: Avnet Europe BV is the Company's agent in Belgium. The Company sells modules for end-use products, such as medical equipment and industrial equipment. The Company's sales to Avnet rose in 2022 compared to 2021 due to continued sales and growth of the Company's primary products in 2022 and the continuation of small orders for new products in the fourth quarter of 2021 into 2022 with significant shipments.

(2) Eurocomposant: Eurocomposant is the Company's agent based in France. The Company sells modules to end-use products such as medical equipment and industrial equipment. The Company's new product orders from 2021 continued in small quantities into 2022 and were shipped in large quantities, and new orders were also shipped in large quantities in the fourth quarter of 2022, resulting in an increase in sales to Eurocomposant in 2022 compared to 2021.

(3) AMP: AMP is the Company's agent based in the USA. The main sales customer for the year was Gilbarco Inc, a supplier of fuel dispensers, and the Company's sales to Gilbarco rose in 2022 due to its increase in demand.

5) Production volume and value for the most recent two fiscal years

Production volume and value for the most recent two fiscal years

In NT$ K/ K pieces

Year / Production / Major products	2021			2022		
	Capacity	Volume	Value	Capacity	Volume	Value
LCD Module	6,490	3,011	1,404,258	6,490	3,357	1,691,327
Other		0	0		0	0
Total	6,490	3,011	1,404,258	6,490	3,357	1,691,327

6) The sales volume and value for the most recent two fiscal years:

The sales volume and value for the most recent two fiscal years

In NT$ K/ K pieces

Year / Sales / Major products	2021				2022			
	Domestic		Export		Domestic		Export	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
LCD Module	214	78,537	2,844	1,928,327	149	77,876	3,183	2,332,304
Other	35	3,084	241	15,529	7	564	138	10,935
Total	249	81,621	3,085	1,943,856	156	78,440	3,321	2,343,239

3. Employee information for the most recent two fiscal years

March 31, 2023

Year		2021	2022	Current year up to March 31, 2023 (Note)
Number of employees	Dept officer	3	3	3
	Manager	8	8	8
	Assistant manager	8	8	8
	General staff	128	138	140
	Total	147	157	159
Average age		43.35	42.51	42.30
Average length of service		12.21	11.77	11.86
Distribution of education	PhD	0	0	0
	Master	8.16%	8.28%	7.55%
	Bachelor	42.86%	40.76%	40.88%
	High school	36.05%	40.13%	40.88%
	Below high school	12.93%	10.83%	10.69%

Note: Enter the information for the year up to the date of publication of the annual report.

4. Disbursements for environmental protection

Describe the total types of losses and disposition incurred as a result of environmental pollution, the future countermeasures and possible expenses in the most recent fiscal year and up to the annual report publication date: The Company has not been involved in any pollution disputes.

5. Labor relations

1) List the Company’s employee benefit plans, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests:

1. Employee benefit plans and the status of its implementation:

The Company and its staff welfare committee are engaged in the following welfare matters:

(1) Subsidies: Employee marriage subsidy, maternity subsidy, travel subsidy, funeral subsidy for employees and family

(2) Insurance: National Health Insurance, labor insurance, group insurance

(3) Bonuses/gifts: Year-end bonus, three festivals bonus/gifts, Labor Day bonus, birthday cash gifts for employees

(4) Other: Health check-ups

2. Staff continuing education and training system:

The training of employees is planned and implemented annually, and internal training and on-the-job education are offered to employees as per the Company's education and training rules. Classes are held on a regular basis to provide specialist and managerial knowledge for all levels of staff, and to cultivate motivated and innovative people through training programs at all stages of their careers.

In the year 2022, the Company organized training sessions (including internal and external training), with internal training sessions for professional competence enhancement and government and corporate policy dissemination attended by 496 participants and external training sessions attended by 11 participants, for a total of 692.5 training hours.

3. Retirement systems and implementation:

The Labor Retirement Reserve Fund Supervisory Committee was established in 2001 and consists of nine members, three from the employer side and six from the labor side, who are re-elected every two years to review the amount of labor pension contributions, savings and payments to ensure the rights of workers. The Company currently contributes 6% of its monthly payroll to a retirement reserve, which is held in a dedicated account at the Bank of Taiwan (formerly known as the Central Trust of China).

Effective July 1, 2005, the Company has a defined contribution retirement plan under the Labor Pension Act, which is applicable to employees of Taiwan nationality. The Company makes monthly contributions of not less than 6% of salary to the employees' personal accounts with the Bureau of Labor Insurance for employees who opt to be covered by the labor pension scheme under the Labor Pension Act.

4. The labor-management agreements and the measures to protect the rights and interests of employees:

The Company has always attached great importance to the welfare and rights of its employees, and actively fosters a harmonious labor-management relationship. The Company has formulated work rules and various personnel management rules and regulations to set out the rights and obligations of both parties and management matters, so that employees can fully understand and comply with them and protect their rights and interests. To date, the rights of employees have been well safeguarded, and it is expected that with good communication and interaction between the two sides, positive labor relations will continue to be maintained in the future.

5. Protection measures for employees' working environment and personal safety:

We aim to provide a safe, healthy and comfortable workplace for our employees as our priority, promote a friendly working environment with harmonious labor relations and mutual trust, and enforce relevant laws and regulations on environmental protection, safety and health policies.

The Company is committed to the following:

(1) Access control security management

In addition to the security guards stationed in the building, the premises are monitored by a 24-hour access control system, and employees are required to wear identification cards when entering and leaving the factory and offices. Also, a security agreement has been signed with a security company to maintain the security of the office, factory and warehouse.

(2) Regular inspection of equipment and fire-fighting facilities

In compliance with the relevant domestic labor safety and health laws, regular maintenance of all office devices and fire-fighting equipment meets regulatory requirements.

(3) Hazard prevention

A safety and health code of practice has been established for employees to follow in order to prevent occupational hazards and protect the safety and health of employees. We also have a Class A Labour Safety and Health Affair Manager and a Class B Health and Safety Manager, as well as a number of on-site first aiders and fire prevention management personnel and provide relevant training.

(4) Environmental cleaning management

A. The central air-conditioning in the factory and office is regularly maintained and cleaned every year to keep the air in the factory and office clean. An annual environmental disinfection and floor cleaning are carried out regularly to maintain the office clean.

B. Fully automatic coffee machines are cleaned and maintained on a daily basis and filters of water dispensers are replaced and maintained on a regular basis.

(5) Health management

A. Promotes health education from time to time to strengthen employees' self-health and safety management to prevent and reduce the chance of accidents.

B. Regularly carries out annual staff health checks and health management tracking.

C. Provides alcohol disinfectant sprays at the entrance and exit of the lobby, and prepares anti-bacterial hand sanitizers at the toilet sink to prevent epidemics and protect the health of staff.

D. Prohibits smoking throughout the office to ensure a smoke-free working environment for staff.

(6) Training and awareness

A. New employees are required to attend an orientation session to familiarize themselves with the workplace for work safety.

B. Promotes energy saving and carbon saving, reduce waste of resources, launches office environmental awareness activities, encourages from time to time staff to develop the habit of energy saving and carbon reduction, and jointly put into practice the Love the Earth campaign.

(7) Resource recycling applications

A. Recycling of incoming cartons and packaging materials.

B. Promotes e-management of information in the office by printing on both sides of the paper or reusing the blank backs of recycled paper, and adding a photocopier with scanning capabilities to cut down on the use of sheets of paper for printing.

2) Describe any losses suffered by the Company in the most recent two fiscal years and up to the prospectus publication date due to labor disputes, and disclose an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken:

The Company has not experienced any labor disputes in the most recent two fiscal years and up to the prospectus publication date.

6. Cyber security management:

1) Cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management:

1. Cyber security risk management framework: The information department is responsible for coordinating information security and related matters, drawing up relevant internal control procedures for management, and conducting regular internal information security checks.

2. Information security policies:

(1) Purpose: To effectively manage the Company's information processing and security environment, boost the efficiency of software and hardware usage and the security of its files, maintain continued business operations, reduce information operation risks, and protect the rights of information service users, set up an information security management system and standardize this procedure as an overarching guideline in order to achieve the goal of information security management.

(2) Scope: The scope of the Company's information security management includes personnel, management systems, applications, data, documents, media storage,

hardware equipment and network facilities associated with information operations at each of the Company's sites.

(3) Objectives: To prevent malicious attacks on the information system by hackers, improper use or deliberate damage by internal or external personnel, or in case of emergencies such as improper use or deliberate damage already sustained, to be able to respond quickly and resume normal operation within the shortest possible time, thereby mitigating the economic loss and operational disruption that may be caused by such incidents.

(4) Procedures: Management of information rooms, network security, system development and program modification, data security, information confidentiality, intellectual property rights, information outsourcing, etc.

(5) Cyber security audit management: Information security policy formulation, information security organization and responsibility, personnel security and management, asset classification and control, physical and environmental security management, communication and operation management, access control management, system development and maintenance management, sustainable operation management, internal audit and others.

(6) Cyber security audit items: The audit of cyber security shall be conducted item by item, and access to relevant information, field tests or inspection of the use of information software and hardware shall be carried out, and the audited department and personnel shall cooperate in providing the necessary explanations and documents. The auditors shall maintain the confidentiality of the audited documents.

(7) Specific management programs and implementation of cyber security measures by investing in cyber security management resources: building and putting in place relevant equipment and resources, such as firewall protection, advanced network defense system (network-side NGFW), network-side anti-spam service, enterprise anti-hacking gatekeeper (network-side), network-side blocking of Botnet, command-and-control server (C&C), ransomware and other malicious connections, manual uploading of files to the cloud sandbox for testing, DDoS protection service (network-side once a year), anti-virus software, access control management, mail security control, website protection mechanism, data backup mechanism, offsite backup storage, patching records, cyber security promotion, monitoring of irregularities, blocking malicious attacks and risk elimination, operating system updates, regular information security audits to implement information security management policies and ensure information data, system, equipment and network security.

2) List any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

7. Important contracts: (the most recent fiscal year up to the annual report publication date)

April 30, 2023

Nature of lease	Party	Contract term	Content	Restrictive clause
Lease of premises	Liao, Po-Kai	2022.07.01-2023.06.30	Plant leasing	None

VI. Overview of the Company's Financial Status

1. Summary financial data for the most recent five fiscal years

1) Summary balance sheet (under IFRS: Consolidated)

In NT$ K

Item \ Year		Financial data for the most recent 5 fiscal years (Note 1)					Current year up to March 31, 2022 (Note 3)
		2018	2019	2020	2021	2022	
Current assets		1,309,607	1,321,328	1,295,453	1,476,492	1,563,490	1,642,907
Property, plant and equipment (Note 2)		256,575	235,378	315,350	303,975	325,953	322,050
Intangible assets		0	728	516	304	2,580	2,380
Other assets (Note 2)		381,553	414,402	500,997	684,801	686,490	764,887
Total assets		1,947,735	1,971,836	2,112,316	2,465,572	2,578,513	2,732,224
Current liabilities	Before dist.	331,758	289,359	325,081	400,291	445,181	429,079
	After dist.	568,318	502,263	520,243	648,679	800,020	Note 5
Non-current liabilities		40,127	40,955	97,781	65,703	43,566	39,494
Total liabilities	Before dist.	371,885	330,314	422,862	465,994	488,747	468,573
	After dist.	608,445	543,218	618,024	714,382	843,586	Note 5
Equity attributable to owners of parent							
Share capital		1,182,798	1,182,798	1,182,798	1,182,798	1,182,798	1,182,798
Capital reserve		31,451	31,451	31,471	31,471	31,471	31,471
Retained earnings	Before dist.	409,030	437,317	468,307	582,224	791,760	884,374
	After dist.	172,470	224,413	273,145	333,836	436,921	Note 5
Other equity interest		(47,429)	(10,044)	6,878	203,085	83,737	165,008
Treasury stock		0	0	0	0	0	0
Non-controlling interest		0	0	0	0	0	0
Total equity	Before dist.	1,575,850	1,641,522	1,689,454	1,999,578	2,089,766	2,263,651
	After dist.	1,339,290	1,428,618	1,494,292	1,751,190	1,734,927	Note 5

Note 1: The financial data for the most recent five fiscal years has been audited by the CPAs.

Note 2: There has been no revaluation of assets over the last five years.

Note 3: The financial data of the Company for the current year up to March 31, 2023 has been audited by the CPAs.

Note 4: The figures above, after allocation, are based on the resolution of the shareholders' meeting held in the following year.

Note 5: N/A.

Summary balance sheet (under IFRS - Parent Company Only)

In NT$ K

Item \ Year		Financial data for the most recent 5 fiscal years (Note 1)					Current year up to March 31, 2023 (Note 3)
		2018	2019	2020	2021	2022	
Current assets		1,141,115	1,171,413	1,117,265	1,350,404	1,409,091	
Property, plant and equipment (Note 2)		196,273	190,845	288,012	282,575	304,243	
Intangible assets		0	728	516	304	2,580	
Other assets (Note 2)		605,743	654,494	682,743	880,055	956,258	
Total assets		1,943,131	2,017,480	2,088,536	2,513,338	2,672,172	
Current liabilities	Before dist.	327,154	335,003	355,251	489,193	566,668	
	After dist.	563,714	547,907	550,413	737,581	921,507	
Non-current liabilities		40,127	40,955	43,831	24,567	15,738	
Total liabilities	Before dist.	367,281	375,958	399,082	513,760	582,406	
	After dist.	603,841	588,862	594,244	762,148	937,245	
Equity attributable to owners of parent							
Share capital		1,182,798	1,182,798	1,182,798	1,182,798	1,182,798	
Capital reserve		31,451	31,451	31,471	31,471	31,471	
Retained earnings	Before dist.	409,030	437,317	468,307	582,224	791,760	
	After dist.	172,470	224,413	273,145	333,836	436,921	
Other equity interest		(47,429)	(10,044)	6,878	203,085	83,737	
Treasury stock		0	0	0	0	0	
Non-controlling interest		0	0	0	0	0	
Total equity	Before dist.	1,575,850	1,641,522	1,689,454	1,999,578	2,089,766	
	After dist.	1,339,290	1,428,618	1,494,292	1,751,190	1,734,927	

Note 1: The financial data for the most recent five fiscal years has been audited by the CPAs.
Note 2: There has been no revaluation of assets over the last five years.
Note 3: The Company has not prepared parent company only financial information for the current year up to March 31, 2023.
Note 4: The figures above, after allocation, are based on the resolution of the shareholders' meeting held in the following year.

2) Summary consolidated income statement (under IFRS - Consolidated)

In NT$ K

Year / Item	Financial data for the most recent 5 fiscal years (Note 1)					Current year up to March 31, 2023 (Note 2)
	2018	2019	2020	2021	2022	
Operating revenue	1,945,997	1,911,752	1,775,122	2,025,477	2,421,679	599,646
Gross profit	515,809	505,428	466,283	510,288	691,112	165,679
Operating profit and loss	329,275	336,864	304,880	338,587	478,594	118,052
Non-operating income and expenses	35,542	(2,729)	324	42,452	74,191	(549)
Profit before tax	364,817	334,135	305,204	381,039	552,785	117,503
Income from continuing operation	297,563	265,403	243,894	309,079	451,684	92,614
Loss from discontinued operation	0	0	0	0	0	0
Profit (loss) for the period	297,563	265,403	243,894	309,079	451,684	92,614
Other comprehensive income for the period (net of tax)	(67,461)	37,385	16,922	196,207	(119,348)	81,271
Total comprehensive income or the period	230,102	302,788	260,816	505,286	332,336	173,885
Profit attributable to owners of parent	297,563	265,403	243,894	309,079	451,684	92,614
Profit attributable to non-controlling interest	0	0	0	0	0	0
Comprehensive income attributable to owners of parent	230,102	302,788	260,816	505,286	332,336	173,885
Comprehensive income attributable to non-controlling interest	0	0	0	0	0	0
Earnings per share	2.52	2.24	2.06	2.61	3.82	0.78

Note 1: The financial data for the most recent five fiscal years has been audited by the CPA.
Note 2: The financial data of the Company for the current year up to March 31, 2023 has been audited by the CPAs.

Summary consolidated income statement (under IFRS - Parent Company Only)

In NT$ K

Item \ Year	Financial data for the most recent 5 fiscal years (Note 1)					Current year up to March 31, 2023 (Note 2)
	2018	2019	2020	2021	2022	
Operating revenue	1,945,964	1,911,194	1,775,526	2,025,477	2,421,387	
Gross profit	414,956	438,727	424,972	510,288	608,821	
Operating profit and loss	257,096	297,097	290,369	338,587	424,695	
Non-operating income and expenses	91,811	26,102	7,519	42,452	118,347	
Profit before tax	348,907	323,199	297,888	381,039	543,042	
Income from continuing operation	297,563	265,403	243,894	309,079	451,684	
Loss from discontinued operation	0	0	0	0	0	
Profit (loss) for the period	297,563	265,403	243,894	309,079	451,684	
Other comprehensive income for the period (net of tax)	(67,461)	37,385	16,922	196,207	(119,348)	
Total comprehensive income or the period	230,102	302,788	260,816	505,286	332,336	
Profit attributable to owners of parent	297,563	265,403	243,894	309,079	451,684	
Profit attributable to non-controlling interest	0	0	0	0	0	
Comprehensive income attributable to owners of parent	230,102	302,788	260,816	505,286	332,336	
Comprehensive income attributable to non-controlling interest	0	0	0	0	0	
Earnings per share	2.52	2.24	2.06	2.61	3.82	

Note 1: The financial data for the most recent five fiscal years has been audited by the CPAs.
Note 2: The Company has not prepared parent company only financial information for the current year up to March 31, 2023.

3) The name of auditor and audit opinion in the most recent 5 fiscal years:

Year	Auditor	Accounting Firm	Audit Opinion
2022	Lee Tzu-Hui Kuo Hsin-Yi	KPMG Taiwan	Unqualified opinion
2021	Lee Tzu-Hui Kuo Hsin-Yi	KPMG Taiwan	Unqualified opinion
2020	Lee Tzu-Hui Kuo Hsin-Yi	KPMG Taiwan	Unqualified opinion
2019	Lee Tzu-Hui Kuo Hsin-Yi	KPMG Taiwan	Unqualified opinion
2018	Lee Tzu-Hui Kou Hui-Chih	KPMG Taiwan	Unqualified opinion

2. Financial analysis for the most recent five fiscal years

Financial analysis for the most recent five years (under IFRS: Consolidated Financial Statements)

In NT$ K

Items for Analysis	Year (Note 1)	Financial analysis for the most recent 5 fiscal years					Current year up to March 31, 2023 (Note 2)
		2018	2019	2020	2021	2022	
Financial Structure (%)	Debt-asset ratio	19.09	16.75	20.02	18.90	18.95	17.15
	Ratio of long-term capital to property, plant and equipment	629.83	714.80	566.75	679.42	654.49	715.15
Solvency %	Current ratio	394.75	456.64	398.50	368.85	351.20	382.89
	Quick ratio	281.32	332.33	290.77	231.53	224.96	269.93
	Interest coverage ratio	N/A	84,905.84	46,343.03	19,094.97	36,467.43	39,267.67
Operating Ability	Receivables turnover rate (times)	8.17	8.05	8.99	9.59	8.08	8.03
	Average collection days for receivables	44.67	45.34	40.60	38.06	45.17	45.45
	Inventory turnover rate (times)	4.07	3.89	3.81	3.50	3.21	3.41
	Payables turnover rate (times)	7.30	8.23	7.63	7.22	7.69	8.16
	Average days for sale	89.68	93.83	95.80	104.29	113.71	107.04
	Property, plant and equipment turnover rate (times)	7.18	7.77	6.45	6.54	7.69	7.40
	Total asset turnover rate (times)	1.03	0.98	0.87	0.88	0.96	0.90
Profitability	Return on assets (%)	15.68	13.56	11.97	13.57	17.96	3.50
	Return on equity (%)	19.32	16.50	14.64	16.76	22.09	4.25
	Ratio of income before tax to paid-in capital (%)	30.84	28.25	25.80	32.22	46.74	9.93
	Net profit margin (%)	15.29	13.88	13.74	15.26	18.65	15.44
	Earnings per share (NT$)	2.52	2.24	2.06	2.61	3.82	0.78
Cash Flow	Cash flow ratio (%)	78.29	123.44	111.49	42.58	83.73	70.36
	Cash flow adequacy ratio (%)	137.85	119.53	105.80	93.41	82.62	96.45
	Cash reinvestment ratio (%)	3.91	4.98	6.16	(0.91)	4.36	10.01
Leverage	Operating leverage	1.15	1.18	1.19	1.16	1.11	1.12
	Financial leverage	1.00	1.00	1.00	1.01	1.00	1.00

Note 1: The financial data for the most recent five fiscal years has been audited by the CPAs.

Note 2: The financial data of the Company for the current year up to March 31, 2023 has been audited by the CPAs.

The causes of changes in the financial ratios over the past 2 fiscal years:

1. Interest coverage ratio: The higher interest coverage ratio in 2022 than in 2021 primarily reflected the increase in net income before income tax and interest expense in 2022 as compared to 2021.
2. Return on assets: The higher return on assets in 2022 over 2021 was primarily a result of the increase in net profit after tax in 2022 from 2021.

3. Return on equity: The higher return on equity in 2022 as compared to 2021 was mainly attributable to the growth in net profit after tax in 2022 from 2021.
4. Ratio of income before tax to paid-in capital: The higher ratio of income before tax to paid-in capital in 2022 over 2021 primarily reflected the rise in net income before tax in 2022 from 2021.
5. Net profit margin: The higher net profit margin in 2022 as compared to 2021 was primarily attributed to the rise in net profit after tax in 2022 from 2021.
6. Earnings per share: The higher earnings per share in 2022 over 2021 was mainly due to the growth in net profit after tax in 2022 from 2021.
7. Cash flow ratio: The higher cash flow ratio in 2022 compared to 2021 was primarily attributed to the growth in net cash inflow from operating activities in 2022 from 2021.
8. Cash reinvestment ratio: The higher cash reinvestment ratio in 2022 when compared to 2021 was primarily caused by the increase in net cash inflow from operating activities in 2022 from 2021.

Financial analysis for the most recent five fiscal years (IFRS - Parent Company Only Financial Statements)

Items for Analysis	Year (Note 1)	Financial analysis for the most recent 5 fiscal years					Current year up to March 31, 2023(Note 2)
		2018	2019	2020	2021	2022	
Financial Structure (%)	Debt-asset ratio	18.90	18.64	19.11	20.44	21.80	
	Ratio of long-term capital to property, plant and equipment	823.33	881.59	601.81	716.32	692.05	
Solvency %	Current ratio	348.80	349.67	314.50	276.05	248.66	
	Quick ratio	253.14	258.48	226.94	178.41	164.02	
	Interest coverage ratio	N/A	217,012.08	97,131.92	84,345.90	194,738.71	
Operating Ability	Receivables turnover rate (times)	8.11	8.05	8.99	9.59	8.08	
	Average collection days for receivables	45.01	45.34	40.60	38.06	45.17	
	Inventory turnover rate (times)	5.09	4.82	4.44	3.98	3.85	
	Payables turnover rate (times)	8.23	7.06	5.86	5.24	5.08	
	Average days for sale	71.71	75.73	82.21	91.71	94.81	
	Property, plant and equipment turnover rate (times)	9.79	9.87	7.42	7.10	8.25	
	Total asset turnover rate (times)	1.04	0.97	0.86	0.88	0.93	
Profitability	Return on assets (%)	15.89	13.41	11.89	13.45	17.43	
	Return on equity (%)	19.32	16.50	14.64	16.76	22.09	
	Ratio of income before tax to paid-in capital (%)	29.50	27.32	25.19	32.12	45.91	
	Net profit margin (%)	15.29	13.89	13.74	15.26	18.65	
	Earnings per share (NT$)	2.52	2.24	2.06	2.61	3.82	
Cash Flow	Cash flow ratio (%)	77.53	101.99	82.82	47.96	63.27	
	Cash flow adequacy ratio (%)	140.52	118.99	101.86	94.23	90.23	
	Cash reinvestment ratio (%)	4.76	5.47	4.13	1.95	4.66	
Leverage	Operating leverage	1.10	1.11	1.11	1.09	1.08	
	Financial leverage	1.00	1.00	1.00	1.00	1.00	

Note 1: The financial data for the most recent five fiscal years has been audited by the CPA.

Note 2: The Company has not prepared parent company only financial information for the current year up to March 31, 2023.

The causes of changes in the financial ratios:

1. Interest coverage ratio: The higher interest coverage ratio in 2022 than in 2021 primarily reflected the increase in net income before income tax and interest expense in 2022 as compared to 2021.
2. Return on assets: The higher return on assets in 2022 over 2021 was primarily a result of the increase in net profit after tax in 2022 from 2021.
3. Return on equity: The higher return on equity in 2022 as compared to 2021 was mainly attributable to the growth in net profit after tax in 2022 from 2021.
4. Ratio of income before tax to paid-in capital: The higher ratio of income before tax to paid-in capital in 2022 over 2021 primarily reflected the rise in net income before tax in 2022 from 2021.
5. Net profit margin: The higher net profit margin in 2022 as compared to 2021 was primarily attributed to the rise in net profit after tax in 2022 from 2021.
6. Earnings per share: The higher earnings per share in 2022 over 2021 was mainly due to the growth in net profit after tax in 2022 from 2021.
7. Cash flow ratio: The higher cash flow ratio in 2022 compared to 2021 was primarily attributed to the growth in net cash inflow from operating activities in 2022 from 2021.
8. Cash reinvestment ratio: The higher cash reinvestment ratio in 2022 when compared to 2021 was primarily caused by the increase in net cash inflow from operating activities in 2022 from 2021.

The formulas for calculating the financial ratios are as follows:

1. Financial structure
   (1) Debt-asset ratio = total liabilities / total assets
   (2) Ratio of long-term capital to property, plant and equipment = (total equity + non-current liabilities) / net worth of property, plant and equipment
2. Solvency
   (1) Current ratio = current assets / current liabilities
   (2) Quick ratio = (current assets – inventory – prepaid expenses) / current liabilities
   (3) Interest coverage ratio = income before income tax and interest expenses / current interest expenses
3. Operating ability
   (1) Receivables (including accounts receivable and notes receivable arising from business operations) turnover rate = net sales / average balance of receivables (including accounts receivable and notes receivable arising from business operations) for each period
   (2) Average collection days for receivables= 365 / receivables turnover rate
   (3) Inventory turnover rate = cost of sales / average inventory
   (4) Payables (including accounts payable and notes payable arising from business operations) turnover rate = cost of sale / average balance of payables (including accounts payable and notes payable arising from business operations) for each period
   (5) Average days of sale = 365 / inventory turnover rate
   (6) Property, plant and equipment turnover rate = net sales / average net worth of property, plant and equipment
   (7) Total asset turnover rate = net sales / average total assets
4. Profitability
   (1) Return on assets=[net income+interest expense×(1–tax rate)]/average total assets
   (2) Return on equity=net income/average total equity
   (3) Net profit margin=net income/net sales
   (4) Earnings per share=(profit and loss attributable to owners of the parent – dividends on preferred shares) / weighted average number of shares outstanding (Note 1)
5. Cash flow
   (1) Cash flow ratio=net cash flow from operating activity/current liabilities
   (2) Cash flow adequacy ratio= (net cash flow from operating activities in the most recent 5

years/(capital expenditure+inventory increase+cash dividend) in the most recent 5 years

(3) Cash re-investment ratio= (net cash flow from operating activity-cash dividend)/(gross property, plant and equipment+long-term investment+other non-current assets+working capital) (Note 2)

6. Leverage:

(1) Operating leverage=(net operating income- variable operating costs and expenses)/operating income (Note 3)

(2) Financial leverage=operating income/(operating income-interest expense)

Note 1: The above formula for calculating earnings per share should be measured with particular attention to the following:

1. Based on the weighted average number of common shares and not on the number of shares outstanding at the end of the fiscal year.
2. Where there is a cash capital increase or treasury share trading, the weighted average number of shares should be calculated by taking into account the period of their circulation.
3. If shares are distributed for a capital increase out of surplus earnings or capital reserve, the calculation of earnings per share for prior years and half years should be adjusted retrospectively in proportion to the capital increase, irrespective of the period during which the shares are issued for a capital hike.
4. Where the preference shares are non-convertible cumulative preference shares, the dividends for the year, whether or not paid, shall be deducted from the net profit after tax or added to the net loss after tax. In the case of non-cumulative preference shares, dividends on preference shares shall be deducted from net profit after tax if there is a net profit; in the case of losses, no adjustment shall be made.

Note 2: In measuring cash flow, particular attention should be paid to the following:

1. Net cash flow from operating activities is defined as the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditure represents the annual cash outflow from capital investments.
3. Additions to inventories are only included if the ending balance is greater than the beginning balance, or are counted as nil if there is a reduction in inventories at the end of the fiscal year.
4. Cash dividends comprise cash dividends on common and preference shares.
5. Gross property, plant and equipment represents the total amount of property, plant and equipment before accumulated depreciation.

Note 3: Issuers should distinguish between fixed and variable operating costs and operating expenses according to their nature, and where estimates or subjective judgements are involved, be careful to maintain their reasonableness and consistency.

Note 4: In the case of the Company whose shares have no par value or a par value other than NT$10, the foregoing calculation of the ratio to the paid-in capital is instead based on the ratio of equity attributable to owners of the parent as stated in the balance sheet.

3. The audit committee review report for the most recent year's financial statements: See p.98.
4. Financial statements for the most recent fiscal year: See p.114.
5. The parent company only financial statements for the most recent fiscal year audited by CPAs: See p.162.
6. If the Company or its affiliates have experienced financial difficulties in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, the annual report shall explain how said difficulties will affect the Company's financial situation: None.

Ampire Co., Ltd.

Audit Committee Review Report

The board of directors has delivered the Parent Company Only Financial Statements and the Consolidated Financial Statements for fiscal 2022, and an Independent Auditor’s Report has been jointly issued by CPAs Lee Tzu-Hui and Kuo Hsin-Yi of KPMG Taiwan, and our Audit Committee members have examined the aforementioned reports and statements, the business report and the motion for distribution of surplus earnings and are of the opinion that there is no discrepancy between them, and we therefore present this report in accordance with Article 219 of the Company Act and Article 14-4 of the Securities and Exchange Act for your inspection.

To

Annual Shareholders' Meeting of the Company 2023

Convener of the Audit Committee：Lin, Chin-Miao

Member：He, He

Member：Liu, Xuen-Da

Feb 22, 2023

VII. Review and Analysis of the Company's Financial Position and Financial Performance, and Assessment of Risks

1. Financial analysis:

1) Financial position:

In NT$ K

Year / Item	2021	2022	Variance	
			Amount	%
Current assets	1,476,492	1,563,490	86,998	5.89
Property, plant and equipment	303,975	325,953	21,978	7.23
Intangible assets	304	2,580	2,276	748.68
Other assets	684,801	686,490	1,689	0.25
Total assets	2,465,572	2,578,513	112,941	4.58
Current liabilities	400,291	445,181	44,890	11.21
Non-current liabilities	65,703	43,566	(22,137)	(33.69)
Total liabilities	465,994	488,747	22,753	4.88
Share capital	1,182,798	1,182,798	0	0.00
Capital reserve	31,471	31,471	0	0.00
Retained earnings	582,224	791,760	209,536	35.99
Other equity	203,085	83,737	(119,348)	(58.77)
Treasury shares	0	0	0	-
Total equity	1,999,578	2,089,766	90,188	4.51

Description of significant changes:

The reasons for the changes of more than NT$10,000 K and changes of more than 20% are as follows:

1. Non-current liabilities: The decrease in non-current liabilities in 2022 compared to 2021 was primarily due to a drop in lease liabilities and net defined benefit liabilities in 2022 compared to 2021.
2. Retained earnings: The increase in retained earnings in 2022 compared to 2021 was primarily due to a rise in unappropriated earnings in 2022 compared to 2021.
3. Other equity: The increase in other equity in 2022 compared to 2021 was mainly due to a growth in unrealized gain on financial assets at fair value through other comprehensive income in 2022 compared to 2021.

2. Financial performance analysis:

1) Comparative analysis of operating results

In NT$ K

Year / Item	2021	2022	Increase/decrease in amount	Ratio of change (%)
Net operating revenue	2,025,477	2,421,679	396,202	19.56
Operating cost	1,515,189	1,730,567	215,378	14.21
Gross operating profit	510,288	691,112	180,824	35.44
Operating expense	171,701	212,518	40,817	23.77
Net operating profit	338,587	478,594	140,007	41.35
Non-Operating Revenue & Expenditure	42,452	74,191	31,739	74.76
Pre-tax net profit	381,039	552,785	171,746	45.07
Less: Income tax expense	71,960	101,101	29,141	40.50
Net (loss) profit after tax from continuing operations	309,079	451,684	142,605	46.14

The reasons for the change of 20% are as follows:

1. Gross operating profit: The increase in gross operating profit in 2022 as compared to 2021 is primarily due to the fact that operating revenue was higher in 2022 than in 2021 and more high margin products were sold in 2022.
2. Operating expenses: The increase in operating expenses in 2022 as compared to 2021 was primarily attributable to the higher provision for directors' and supervisors' remuneration and employees' remuneration due to the rise in net profit before tax in 2022.
3. Net operating profit: The increase in net operating profit in 2022 as compared to 2021 was mainly the result of the growth in gross operating profit in 2022 as compared to 2021.
4. Non-operating income and expenses: The increase in net income from non-operating income and expenses in 2022 compared to 2021 was primarily caused by the increase in dividends received from financial assets at fair value through other comprehensive income in 2022 compared to 2021.
5. Net profit before tax: The increase in net profit before tax in 2022 as compared to 2021 was mainly due to a higher net operating profit and non-operating net income in 2022 as compared to 2021.
6. Income tax expense: The increase in income tax expense in 2022 as compared to 2021 is mainly due to higher net profit before tax in 2022 as compared to 2021.

7. Net profit after tax from continuing operations: The higher net profit after tax from continuing operations in 2022 than in 2021 was mainly due to higher net profit before tax in 2022 compared to 2021.

2) Analysis of changes in operating margins:

In NT$ K

	Change in increase/decrease in previous and subsequent periods	Variance		
		Price variance	Cost price variance	Volume variance
LCM (LCD Module)	182,331	309,232	(147,195)	20,294
Other	(1,507)	3,200	(4,066)	(641)
Total	180,824	312,432	(151,261)	19,653

1. A higher proportion of LCM product sales during the period were higher unit-price products, resulting in favorable selling price variances. Unfavorable cost-price variances arose due to the greater cost of higher unit-priced products. However, favorable volume variances were recorded due to positive market demand growth.
2. Other products include raw materials and semi-finished products sold. The sale of more higher unit-price raw materials and semi-finished products during the period resulted in favorable selling price variances. Adverse cost price differences arose due to the higher cost of high unit-price raw materials and semi-finished products. In addition, unfavorable volume differences occurred due to lower market demand.

3) A sales volume forecast and the basis therefor, and the effect upon the Company's financial operations as well as measures to be taken in response:

1. The Company’s sales volume forecast and the basis therefor for fiscal 2023:
   The sales volume forecast for fiscal year 2023 is 2,493,189,231 based on demand for old projects in 2022 by region and projected demand for mass production of new designs.
2. Potential effect on the Company's future financial operations and measures to be taken in response: The Company will increase capital expenditure to enhance production capacity as appropriate in line with the operating conditions. The corresponding financial plan will be financed by its own capital and bank borrowings depending on the cash flow requirements.

3. Cash flow analysis:

1) Analysis of cash flow changes in the most recent fiscal year

Item / Year	2021	2022	Percentage increase (decrease)
Cash flow ratio (%)	42.58	83.73	41.15
Cash flow adequacy ratio (%)	93.41	82.62	(10.79)
Cash re-investment ratio (%)	(0.91)	4.36	5.27

Cash flow ratio: The higher cash flow ratio in 2022 than in 2021 was mainly due to the higher net cash flow from operating activities in 2022 compared to 2021.

Cash flow adequacy ratio: The lower cash flow adequacy ratio in 2022 than in 2021 was mainly due to the higher cash dividend payout for the five years ended 2022 as compared to the five years ended 2021.

Cash re-investment ratio: The higher cash reinvestment ratio in 2022 than in 2021 was mainly due to the higher net cash flow from operating activities in 2022 compared to 2021.

2) Cash flow shortage improvement plan:

The Company has no cash flow shortage problem.

3) Cash flow analysis for the coming year

In NT$ K

Cash balance at the beginning of period (A)	Estimated net cash flow from operating activities for entire year (B)	Estimated cash outflow for entire year (C)	Estimated cash balance (insufficiency) amount (A)+(B)+(C)	Remedy for insufficient cash	
				Investment plan	Financing plan
626,759	429,175	(393,163)	662,771	—	—

Analysis of changes in cash flows during the current year (the coming year):

(1) In the current year (the coming year), the Company has constantly improved its operating fundamentals, actively explored the European and American markets and selected high margin orders, therefore, the net cash flow from operating activities was estimated to be NT$429,274 K for the year.

(2) Cash outflows: Net cash outflows of NT$38,324 K and cash dividends of NT$354,839 K were mainly due to the expected purchase of machinery and equipment for the Xizhi Plant in Taiwan and the Tangyu Plant in China to expand its customer base and add new business items.

(3) Financing activities: None.

4. The effect upon financial operations of any major capital expenditures during the most recent fiscal year.

1) Significant capital expenditure and source of funding: The Company will acquire equipment and machinery at its Xizhi plant in Taiwan and its Tangyu plant in China as required by its annual operating plan in order to expand its customer base and add new business items. The relevant sources of funds are mainly own funds, supplemented by bank financing.

2) Potential benefits expected: Increased production capacity to generate reasonable profits.

5. The Company's investment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving investment profitability, and investment plans for the coming year:

In NT$ K

Description / Investee	Investment cost	Policy	Main causes of profit or loss	Improvement plan	Investment plan for coming year
Asia Ampire (H.K.) Co.	3,000	Diversification	Change in the role of agency for order transfer, and the company was not yet in actual operation.	Continued expansion in Asia Pacific markets	Subject to actual conditions
American Ampire, Inc.	452	Diversification	The company had not yet commenced actual operations and was still receiving orders from Taiwan.	Actively tapping into new markets in the US	
Ampire Co (B.V.I.)	734,415	Investment holding	The invested Chinese business entity continued to be profitable.	Taking on high margin orders and tightening cost control	

6. Risks and assessment

1) The effect upon the Company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future:

1. Interest rate fluctuations

As the Company operates debt-free, it has no short or long-term borrowings and some of its own funds are held in New Taiwan dollars and US dollars in fixed deposits. As a result, market interest rates will remain relatively high this year due to inflationary factors, which will benefit rather than harm the Company's profit and loss.

In NT$ K

Year / Item	2022	2021	Current year up to March 31, 2023
Net interest (income) expense	(7,883)	(3,941)	(5,464)
Net operating revenue	2,421,679	2,025,477	599,646
Interest (income) expense/Net operating revenue	(0.33)%	(0.19)%	(0.91)%
Net operating profit (loss)	478,594	338,587	118,052
Interest (income) expense/Net operating profit (loss)	(1.65)%	(1.16)%	(4.63)%

Further, the Company's response to fluctuations in interest rates is as follows:

(1) The Company has sufficient cash in its books and has no need for financing yet. In the future, if there is a need for financing as a result of capital expenditure, the Company will negotiate interest rates with banks or use other financial instruments to diversify the impact of rising interest rates on the Company's profit and loss.

(2) The Company makes reference to the research reports of various domestic and international economic research institutions and banks and the economic outlooks projected thereby, as well as the fluctuations of interest rates in domestic and international indicator markets, in order to keep track of the future direction of interest rates.

(3) Continued good dealings with banks to obtain lower interest rates on short and long-term borrowings.

2. Exchange rate fluctuations

(1) Effect of exchange rate fluctuations on the Company's revenue and profitability

The Company primarily earns US dollars for its export sales. Therefore, fluctuations in the exchange rate of the New Taiwan dollar against the U.S. dollar have a bearing on the Company's profit and loss.

In NT$ K

Item \ Year	2022	2021	Current year up to March 31, 2023
Net foreign exchange gain (loss)	20,306	16,162	(7,819)
Net operating revenue	2,421,679	2,025,477	599,646
Foreign exchange gain (loss)/Net operating revenue	0.84 %	0.80%	(1.30)%
Net operating profit (loss)	478,594	338,587	118,052
Foreign exchange gain (loss)/Net operating profit (loss)	4.24 %	4.77%	(6.62)%

(2) Response measures

The Company has taken the following measures to cushion the impact of exchange rate fluctuations on profitability:

(A) Keep abreast of the latest exchange rate fluctuations, keep a close watch on international financial conditions and seek professional advice from banks to stay on top of exchange rate trends and, depending on actual capital requirements, adopt appropriate diversification of settlement of sales at the right time to mitigate exchange rate risks.

(B) Maintain a balanced position across currencies as far as possible to avoid excessive exchange rate fluctuations affecting profit and loss and consider the timely use of hedging instruments such as forward exchange to hedge against the impact of exchange rate fluctuations.

(C) Adopt a more conservative exchange rate as the basis for a quotation and take into account exchange rate fluctuations when offering quotations to customers. Evaluate the trend of exchange rates in advance to allow room for quotation, and carefully consider the current and future variations in exchange rates while offering prices by readily adjusting the exchange rate for quotation, so as to avoid risks arising from fluctuations in exchange rates when collecting payments.

(3) The effect upon the Company's profits/losses of changes in the inflation rate in the most recent fiscal year, and response measures to be taken in the future:

Inflation in the most recent fiscal year has not had a significant impact on the Company's profits /losses and there is no inflationary pressure for the time being.

2) The Company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements/guarantees, and derivatives transactions in the most recent fiscal year; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future:

1. High-risk, highly leveraged investments: The Company's financial strategy is prudent and conservative, and it has not engaged in any high-risk, highly leveraged investments in the most recent fiscal year.

2. Loans to other parties: The Company has in place the "Operational Procedures for Loaning Funds to Others," which were approved by the annual shareholders' meeting. As at March 31, 2023, there were no loans of funds to others.
3. Endorsements/guarantees: The Company has in place the "Operational Procedures for Endorsements/Guarantees," which were approved by the annual shareholders' meeting. As at March 31, 2023, there were no endorsements/guarantees for others.
4. Derivative transactions: The Company has in place the "Procedures for Handling Derivative Transactions" which were approved by the annual shareholders' meeting. The Company did not engage in derivative transactions for the year ended March 31, 2023.

3) Future research and development projects, and expenditures expected in connection therewith

1. Develop a full range of IPS wide-angle LCD modules to enhance product specifications to avoid price cutting by Chinese rivals.
2. Adopt high color gamut LED backlight to boost the color saturation of the panel, which can increase the unit price and product differentiation.
3. Seek new suppliers that satisfy the quality requirements to meet the lead time and cost in response to the shortage and price hikes of various materials for LCDs and semiconductors.
4. Develop an USB signal adapter board that is distinct from the conventional VGA and HDMI adapter boards, in combination with power supply, touch input and LCD display in one USB signal line, which can be used for digital signature displays for banks/land offices/government agencies/Chunghwa Telecom and other electronic document signature entities.
5. Integrate with all types of capacitive touch panel suppliers, be it glass or film type, single-sided bridge or double-sided ITO process, to meet customer needs and customize various special cover lens requirements, be it anti-fingerprint, anti-reflective, anti-glare or anti-bacterial treatment, to increase product design flexibility.
6. Develop a smart panel display with a built-in controller IC containing a graphic library, accompanied by USB and flash memory, allowing customers to control a TFT LCD with a simple 8-bit microprocessor.
7. Develop Mini LED backlit displays with local dimming technology to achieve high contrast and display.
8. Develop the OCA bonding process and introduce the process of bonding TP and modules with OCR, in addition to the original OCA lamination of cover lenses. Develop OCA dual-lamination technology and related mechanism design to overcome the problem of OCR lamination susceptible to overflow and delay bubbles, in order to improve yield and reduce cost.
9. Introduce materials and processes that are resistant to UV and long term sunlight exposure, and produce Q-SUN-certified samples to create a product line for outdoor use by customers.
10. Develop 15" high-brightness, on-board specification, outdoor-use IPS panels
11. Continuously establish a vertical material supply system, strengthen cooperation with upstream manufacturers, and jointly inject technology and process resources to develop new-generation low-cost and low energy consumption display technology, in order to lay the foundation for sustainable operation.
12. In 2023, we expect to commit NT$22,000 K to research and development.
13. Progress and estimated costs of R&D projects:

Annual project	Current progress	Estimated investment in R&D	Completion time	Key factors influencing R&D
15" high-brightness auto-grade panel	Product design and development	NT$ 1 million	Dec 2023	1. Supplier selection 2. Technical support from suppliers
Q-Sun sunlight test experiment	Material collection	NT$ 1 million	Dec 2023	1. Material supplier selection 2. Process parameter setting
Mini LED backlit display	Product design and development	NT$ 2 million	Dec 2023	1. Tcon and Mini LED driver selection 2. Backlight module design
Other projects	Underway	NT$18 million	Dec 2023	Omitted

4) Effect on the Company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response:

The Company's operations are carried out in accordance with the laws and regulations of the competent authorities, and in the future, the management of the Company will always pay attention to important policies adopted and changes in the legal environment at home and abroad and propose timely and proactive measures to address them. Moreover, in the most recent fiscal year, there were no such policies and changes that had an impact on the Company's finances and operations.

5) Effect on the Company's financial operations of developments in science and technology (including cyber security risks) as well as industrial change, and measures to be taken in response:

(1) As the pandemic evolves, people's lifestyles are quite distinct from those of the past, as they spend more time at home and less time socializing, and therefore relying more on IT products, leading to a boom in remote communication products and electric cars and making LCD panels more widely available for medium and small sized products. To cope with the evolvement in technology and industry, the Company expedites the development of new products and customized products to avoid price competition and to raise the profitability and competitiveness of our products, while actively keeping abreast of the trends in technology and the market. Whether consumer or industrial control products, these are our niche products and we are constantly keeping our staff and technology up to date to rise to technological and industrial challenges.

(2) The Company has a dedicated unit that manages cyber security processes and establish network security systems such as firewalls, anti-virus software and network protection management, which are regularly updated, to monitor the cyber security environment, analyze, determine and report incidents, conduct crisis management and tracking and build up information security controls on an ongoing basis. On top of PC and server anti-virus software endpoint protection, we have installed a firewall to block external users from directly accessing the intranet, using a firewall device to log application events, view the source and purpose, monitor and control forwarding traffic logs, application control logs, view data security threat maps, system events, user events, anti-virus, intrusion prevention logs to shore up the defenses against external attacks The WiFi network management zone is divided into staff intranet and guest

extranet controls. Outbound and inbound email filtering can block instantaneous mass e-mail attacks, save bandwidth, reduce mail server load, isolate malicious e-mails, protect against and intercept spam, issue fraudulent e-mail alerts, screen outgoing mails, have password anti-spoofing mechanism, continued enhancement of backup measures, including data backup and off-site storage, regular recovery tests, awareness of information security and intellectual property-related cyber security prohibitions, information security risk management framework and information security policies and specific management plans, in accordance with information security inspection guidelines. In the event of outsourcing of information services, information security requirements are also considered and proposed in advance and suppliers are required to comply with information security responsibilities and confidentiality. The information management unit keeps abreast of the latest security events regarding cyber threat and attacks on the technical forums.

6) Effect on the Company's crisis management of changes in the Company's corporate image, and measures to be taken in response:

We have always been committed to professional quality and ethical business management, and we value our corporate reputation; no crisis has been foreseen so far.

7) Expected benefits and possible risks associated with any mergers and acquisitions, and mitigation measures being or to be taken:

As at the date of publication of the annual report, the Company has had no plans to make any mergers and acquisitions.

8) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken:

As at the date of publication of the annual report, the Company has had no plans for large-scale expansion of its plant in Taiwan.

9) Risks associated with any consolidation of purchasing or sales activities, and mitigation measures being or to be taken:

(1) Among the raw materials used in our production, LCD panels account for 40-50% of the amount of the total raw materials purchase, and the suppliers of LCD panels are all first-class manufacturers. LCD molding costs are prohibitive, so we are cautiously evaluating the availability of similar alternatives to meet the longer life cycle of our industrial control products at the early stage of development. Considering the market competitiveness of the Company's products we have sought out two to three suppliers to diversify the risk arising from the concentration of raw materials. Due to the high inventory levels of customers and the current oversupply of LCDs, there is a need to keep a tighter rein on purchases and to minimize the Company's risks and losses to guard against the risk of inactive stocks.

(2) The Company's largest sales customer in 2022 represented only 20.35% of the Company's total sales, and the Company's customers are mostly its agents, whose sales constituted the total sales of many end-users. As a result, apart from actively developing new customers, the Company has maintained good long-term relationships with its existing agents and there is no risk of sales concentration to the Company.

10) Effect upon and risk to the Company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10% stake in the Company

has been transferred or has otherwise changed hands, and mitigation measures being or to be taken:

As of the date of publication of the annual report, there has been no significant transfer or change of shareholding of the Company's directors, supervisors or substantial shareholders holding more than 10% of the shares, and therefore there has been no material impact or risk.

11) Effect upon and risk to the Company associated with any change in governance personnel or top management, and mitigation measures being or to be taken:

The Company's management is focused on the Company's operations, with the assistance and support of the directors and supervisors, and there is no risk arising from a possible change in management.

12) Litigious and non-litigious matters:

List major litigious, non-litigious matters or administrative disputes that: (1) involve the Company and/or any Company director, supervisor, president, de facto responsible person, any major shareholder holding a stake of greater than 10%, and/or any company or companies controlled by the Company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the Company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute in the most recent two fiscal years or in the current year up to the date of publication of the annual report: Nil.

13) Other important risks, and mitigation measures being or to be taken:

The Company's management of customer credit is divided into pre-examination, risk control and post-management. Pre-examination is being carried out upon receipt of an order from new customers when the sales department and the customer fill in the basic information of the latter for the former to gain a preliminary picture of the customer before the customer submits a credit extension application following an evaluation. The finance department would use external credit information or publicly available financial information to analyze and assess the needs of the customer in order to review the conditions and risk acceptable to the Company. After the sale of products, the finance department regularly keep tabs on the status of accounts receivable while the sales department is responsible for following up on the collection of accounts and remittance to the Company. The Company has strict criteria for limiting the overdue accounts payable by customers in order to minimize the risk of bad debt expense due to the Company's failure to collect accounts receivable as a result of the customer's financial difficulties or other factors.

7. Other important matters: None.

VIII. Special Items to be Included

1. Information about affiliated enterprises

Ampire Co., Ltd.

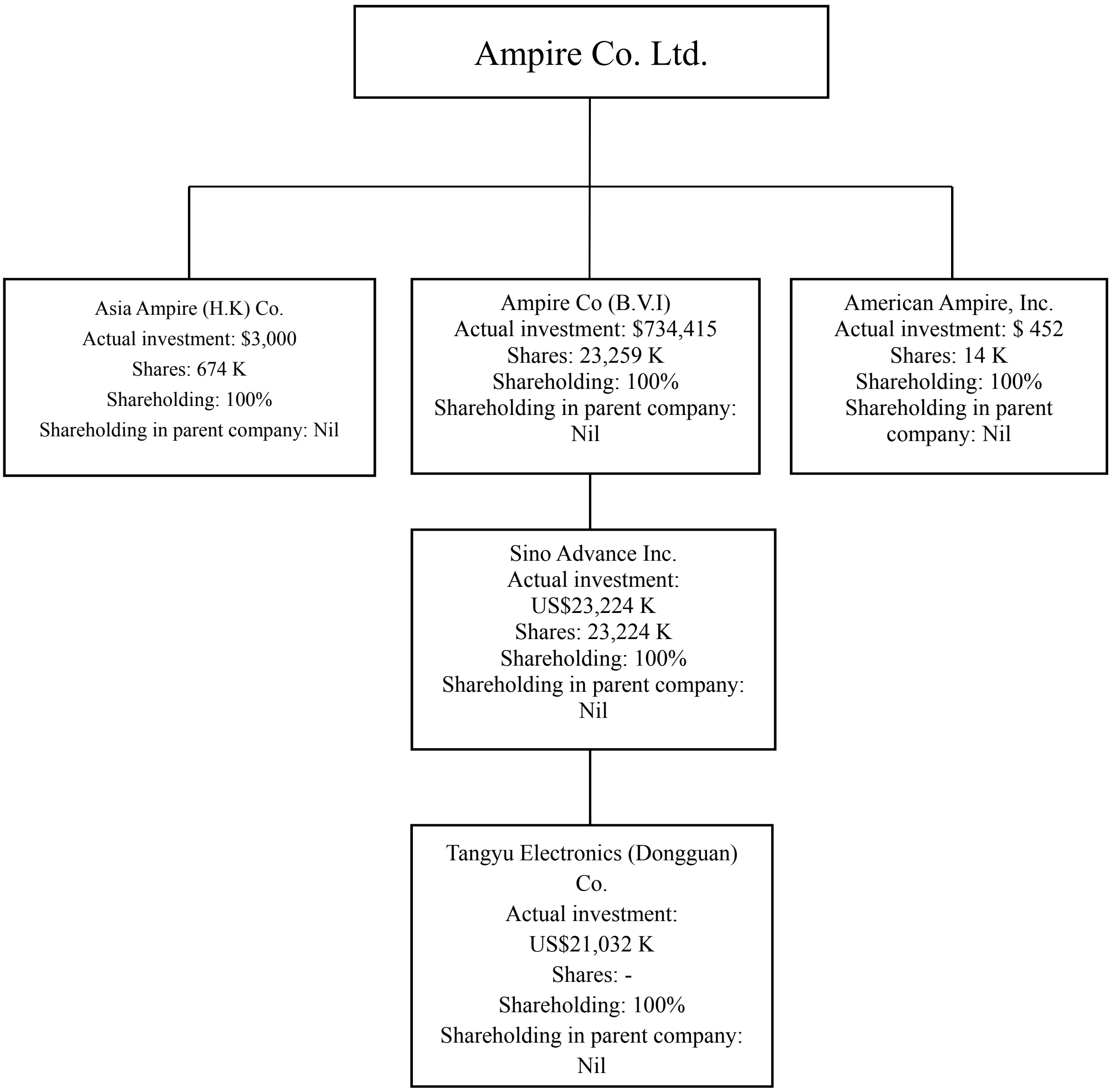
Consolidated Business Reports Covering Affiliated Enterprises

2022

1) Organization chart of Ampire Co's affiliated enterprises

2022.12.31

In NT$ K



Basic information of all affiliates

In NTD K

Company name	Incorporation date	Address	Paid-in capital	Main business or production activities
Ampire Co., Ltd.	1998.03.17	4F., No.116, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City	NTD 1,182,798	Manufacturing of data storage and processing equipment, electronic components and other electrical and electronic machinery and equipment
American Ampire Inc.	2001.04.09	17890 Castleton St Suite 102 City Of Industry Ca 91748	NTD 452 (USD 14)	Sale of LCD modules
Asia Ampire (H.K.) Co	2001.03.28	2F Blk D Kimberley Mansion No.15 Austin Avenue Kln H.K.	NTD 3,000 (HK 674)	Sale of LCD modules
Ampire Co (B.V.I.)	2000.08.10	Akara Building,24D Castro Street, Wickhams Cay I, Road Town, Tortola, British Virging Islands	NTD734,415 (USD 23,259)	Investment in various manufacturing businesses
Sino Advance Inc	2001.07.06	Offshore, Chambers, P.O. Box 217, Apia, Samoa	NTD713,441 (USD 23,224)	Sale of materials and finished products for LCD modules
Tangyu Electronics (Dongguan) Co	2001.11.20	New Industrial Area, Sanxing Village, Qingxi Town, Dongguan City, Guangdong Province	NTD 652,431 (USD 21,238)	Design, manufacture and processing of LCD modules

On the statement date Dec 31, 2022, exchange rates; USD: TWD = 1:30.72; USD: RMB = 1:6.9646; RMB: TWD = 1:4.4109; HKD: TWD = 1: 3.94

2) Description of the division of business activities between affiliates:

1. Asia Ampire (H.K.) Co., Ltd. is engaged in the trading of LCD modules and is responsible for the expansion of its business in China.
2. The Company indirectly invests in Tangyu Electronics (Dongguan) Co (100% shareholding) in China through Ampire Co (B.V.I.) (100% shareholding) and Sino Advance Inc (100% indirect shareholding), with the aim of utilizing the abundant and low-cost labor in China to engage in production, so as to benefit from the international division of labor and effectively reduce production costs and increase product competitiveness.
3. American Ampire Inc. is engaged in the sale of finished LCD modules and is responsible for the expansion of the Company's business in the Americas.

Information on directors, supervisors and presidents of all affiliates

In shares; %

Enterprise	Title (Note 1)	Name or representative (Note 3)	Shares held (Note 2)	
			No. of shares/capital contribution	Shareholding ratio
Asia Ampire (H.K.) Co	Director - Ampire Co Corporate Rep.	Chen, Chi-Yong		100.00%
Ampire Co (B.V.I)	Director - Ampire Co Corporate Rep.	Chen, Chi-Yong		100.00%
Sino Advance Inc	Director - Ampire Co Corporate Rep.	Chen, Chi-Yong		100.00%
Tangyu Electronics (Dongguan) Co	Executive Director- Ampire Co Corporate Rep. Supervisor- Ampire Co Corporate Rep.	Chen, Chi-Yong Su, Han-Jeh		100.00%
American Ampire, Inc	Chairman - Ampire Co Corporate Rep.	Chien, Cheng-Chih		100.00%

Note 1: Where the affiliate is a foreign company, list the equivalent of its positions.

Note 2: If the investee is a company limited by shares, enter the number of shares and the percentage of shareholding; for others, enter the amount of capital contributed and the percentage of capital contributed and specify.

Note 3: If the director or supervisor is a legal entity, the relevant information of the representative should also be disclosed.

Overview of the operations of all affiliates

In NT$ K/US$ K

Enterprise	Paid-in capital	Total asset value	Total liability	Net worth	Net operating revenue	Operating profit	Profit and loss of the period (after tax)	EPS (NT$) (after tax)
Ampire Co	1,182,798	2,672,172	582,406	2,089,766	2,421,387	424,695	451,684	3.82
American Ampire, Inc	452 (USD 14)	0	0	0	0	0	0	—
Asia Ampire (H.K.) Co	3,000 (HK 674)	122 (HK 31)	0 (HK 0)	122 (HK 31)	0 (HK 0)	0 (HK 0)	0 (HK 0)	—
Ampire (BVI) Co	734,415 (USD 23,259)	315,187 (USD 10,260)	0 (USD 0)	315,187 (USD 10,260)	0 (USD 0)	0 (USD 0)	34,575 (USD 1,160)	—
Sino Advance Inc	713,441 (USD 23,224)	581,468 (USD 18,928)	266,434 (USD 8,673)	315,034 (USD 10,255)	1,480,777 (USD 49,680)	2,593 (USD 87)	34,575 (USD 1,160)	—
Tangyu Electronics (Dongguan) Co	652,431 (USD 21,238)	423,414 (USD 13,783)	167,025 (USD 5,437)	256,389 (USD 8,346)	866,886 (USD 29,084)	51,267 (USD 1,720)	32,131 (USD 1,078)	—

On the statement date Dec 31, 2022, exchange rates USD: TWD =1:30.72; HKD: TWD = 1:3.94; Average USD: TWD = 1:29.8063; Average HKD: TWD = 1:3.8065

Note 1: All affiliates, regardless of size, should be disclosed.

Note 2: If the affiliate is a foreign company, the relevant figures should be presented in New Taiwan dollars based on the exchange rate at the reporting date.

2. A private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: No private placement of securities was approved by the annual shareholders meeting or the board of directors meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report.

3. Holding or disposal of shares in the Company by the Company's subsidiaries during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

4. Other matters that require additional description:

1) Industry-specific Key Performance Indicator (KPI):

The Company's KPIs are inventory turnover ratio and inventory turnover days. The Company regularly reviews its KPIs against its peers to ensure that it maintains a competitive advantage over its peers.

IX. Any of the situations listed in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the Company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

Independent Auditor’s Report

To the Board of Directors of Ampire Co., Ltd.,

Auditor's Opinion

We have audited the accompanying consolidated balance sheet of Ampire Co. and its subsidiaries (the "Ampire Group") as of December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years from January 1 to December 31, 2022 and 2021, and the related notes to the consolidated financial statements, which comprise a summary of significant accounting policies.

In our opinion, the consolidated financial statements referred to above have been prepared, in all material respects, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), and Interpretations developed by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee (SIC) as endorsed and released by the Financial Supervisory Commission (FSC) and are sufficient to present fairly the consolidated financial position of the Ampire Group as of December 31, 2022 and 2021, and the consolidated financial performance and consolidated cash flows for the years from January 1 to December 31, 2022 and 2021.

Basis of Audit Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. Our responsibility under those standards is further explained in the paragraph on our responsibility to audit the consolidated financial statements. The staff of the firm with which we are affiliated are subject to the independence requirements of the CPA code of professional ethics, maintaining independence from the Ampire Group and performing the other duties under the code. We believe that we have obtained sufficient and appropriate evidence to form the basis of our audit opinion.

Critical Audit Matters

A critical audit matter is one that, in our professional judgment, is most significant to the audit of the 2022 consolidated financial statements of the Ampire Group. Those matters have been addressed in the process of auditing the consolidated financial statements taken as a whole and forming an opinion thereon, and we do not express an opinion on those matters individually. The key audit matters that, in our opinion, should be communicated in an audit report are as follows:

1. Revenue recognition

Please refer to Notes 4(12) and 6(14) to the consolidated financial statements for the accounting policy and related disclosures regarding revenue recognition, respectively.

Notes to critical audit matters:

Revenue recognition is one of the significant evaluations performed by our auditors in connection with the audit of the consolidated financial statements of the Ampire Group, as the Group’s revenue is a matter of concern to users of the reports and complex accounting treatments and accounting policies under IFRS 15 are applied to measure and recognize revenue based on subjective assumptions or judgments that could result in improper revenue recognition.

Our auditing procedures:

Our audit procedures for the above critical audit matters included understanding the operating and industry characteristics of the Ampire Group to assess the appropriateness of the Group's accounting policies; testing the internal control system related to revenue; understanding the shape and trading conditions of the Ampire Group's operating revenue to assess whether the revenue recognition policies (including sales returns and discounts) were in line with the relevant statements; identifying the differences between the trading terms of the top 10 customers and new customers in the list and those of the average customers to assess the authenticity of revenue; selecting an appropriate sample size of sales invoices to confirm that payments have been received and recorded correctly, and noting whether the remitters and the customers to whom the sales were made are the same to assess the authenticity of revenue; and choosing a sample of sales transactions for the period before and after the balance sheet date to test and assess the appropriateness of the timing of revenue recording.

2. Valuation of non-Exchange/OTC-listed stocks at fair value through other comprehensive income (FVOCI)

Please refer to Notes 4(7), 5(1) and 6(3) to the consolidated financial statements for the accounting policies, accounting estimates and assumption uncertainties and related disclosures regarding the valuation of non-Exchange/OTC-listed stocks measured at fair value through other comprehensive income (FVOCI), respectively.

Description of critical audit matters:

The valuation of equity instruments without an active market - non-Exchange/OTC-listed stocks in the financial assets measured at FVOCI of the Ampire Group is based on the valuation opinion of an external valuation expert, as the valuation involves the subjective judgment of the external expert in assessing the inputs to the fair value measurements, which would have a significant impact on the valuation of the equity instruments. Therefore, the valuation of non-Exchange/OTC-listed stocks at FVOCI is one of the key valuation matters in our audit of the consolidated financial statements of the Ampire Group.

Our auditing procedures:

Our primary audit procedures for the above critical audit matters included obtaining the opinion of an external expert to assess the reliability and objectivity of the expert's opinion; making inquiries of the expert to understand the valuation methods used and the key assumptions adopted, the sources of information used in the sampling and testing of the opinion, the input values of the key assumptions, and the validation of the relevant data, getting the assistance of internal experts where necessary, and reviewing the conclusions of the external expert's report.

3. Valuation of inventories

Please refer to Notes 4(8), 5(2) and 6(6) to the consolidated financial statements for the uncertainties in accounting policies, accounting estimates and assumption and related disclosures regarding the valuation of inventories, respectively.

Description of critical audit matters:

The inventory valuation of the Ampire Group includes an estimate of the net realizable value of inventories and a provision for allowance for dead stock. The provision for net realizable value and allowance for dead stock is based on management's subjective judgment and on the proportion of losses incurred in relation to the age of inventories and historical experience, respectively, and therefore will have a material impact on inventories. Accordingly, the valuation of inventories is one of the significant evaluations performed by our auditors in connection with the audit of the consolidated financial statements of the Ampire Group.

Our auditing procedures:

Our principal audit procedures for the above critical audit matters included assessing whether the valuation of inventories had been performed in keeping with the established policy of the Ampire Group on the provision for allowance for inventory write-down; performing sampling to assess the basis and reasonableness of the net realizable value used by management; obtaining an analysis of the net realizable value of inventories and the age of inventories to examine the appropriateness of the overall allowance to reduce inventory to market as a percentage of the inventory balance as compared to the previous period; and performing sampling to verify the reasonableness of the age of inventories.

Other Matters

Ampire Co has prepared its parent company-only financial reports for the years 2022 and 2021 and we have issued an audit report thereon with an unqualified opinion for your information.

Management's and Governance's Responsibility for Consolidated Financial Statements

Management's responsibility is to prepare consolidated financial statements that are fairly presented under the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRS, IAS, Interpretations developed by the IFRIC or the former SIC as endorsed and issued into effect by the FSC, and to maintain such internal control relevant to the preparation of consolidated financial statements as is necessary to ensure that consolidated financial statements are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management's responsibilities include the assessment of the ability of the Ampire Group to continue as a going concern, the disclosure of related matters, and the adoption of a going concern basis of accounting, unless management intends to liquidate the Ampire Group or cease operations, or there is no practical alternative to liquidation or discontinuance of operations.

The governance unit (including the audit committee or supervisors) of the Ampire Group has responsibility for overseeing the financial reporting process.

Auditor's Responsibility for Auditing the Consolidated Financial Statements

The purpose of our audit of the consolidated financial statements is to obtain reasonable assurance as to whether there are material misstatements in the consolidated financial statements taken as a whole that are attributable to fraud or error and to issue an audit report thereon. Reasonable assurance is a high degree of assurance, but an audit performed in accordance with auditing standards does not provide assurance that material misstatements in the consolidated financial reports will be detected. Misstatements may be the result of fraud or error. An inaccuracy is considered to be material if it is of such an amount or aggregation that it could reasonably be expected to affect the economic decisions made by users of the consolidated financial statements.

We exercise professional judgment and maintain professional skepticism in our audits in accordance with auditing standards. We also perform the following tasks:

1. Identify and assess the risks of material misstatement of the consolidated financial statements arising from fraud or error; design and implement appropriate policy responses 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. Gain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Ampire Group.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude, based on the audit evidence obtained, as to the appropriateness of management's adoption of the going concern basis of accounting and whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Ampire Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. Our conclusions are based on audit evidence available at the date of the auditor's report. However, future events or conditions may cause the Ampire Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the related notes, and whether the consolidated financial statements adequately present the relevant transactions and events.
6. Obtain audit evidence that is sufficient and appropriate for the purpose of expressing an opinion on the consolidated financial statements in respect of the financial information of the constituent entities of the Group. We are responsible for the direction, supervision and performance of the Group's audit and for forming an opinion on the Group's audit.

The matters that we communicate with the governance unit, including the planned scope and timing of the audit and significant audit findings (including significant deficiencies in internal control identified in the course of the audit).

We also provide the governing body with a statement that the personnel of the firm with which we are affiliated who are subject to the independence requirements of the CPA code of professional ethics have complied with such requirements and communicate with the governing body about all relationships and other matters (including related safeguards) that may reasonably be thought to bear on our independence.

From the matters communicated with the governing bodies, we have determined critical audit matters in the audit of the Ampire Group's consolidated financial statements for fiscal 2022. We state those matters in our auditor's report unless law or regulation preclude public disclosure about the matters or when, in the rarest of circumstances, where we decide not to communicate specific matters in our report as the negative effect of such communication could reasonably be expected to outweigh the public interest that would be served.

The engagement partners on the audit resulting in this independent auditors' report are LEE TZU HUI and KUO HSIN YI.

KPMG
Taipei, Taiwan (Republic of China)
Feb 22, 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.

Ampire Co., Ltd. and its Subsidiaries

Consolidated Balance Sheet

December 31, 2022 and 2021

In NT$ K

Code	Assets	2022.12.31 Amount	%	2021.12.31 Amount	%
	Current assets:				
1100	Cash and cash equivalents (Note 6(1))	$ 358,325	14	328,253	13
1110	Financial assets at FVPL - current (Note 6(2))	-	-	43,423	2
1137	Financial assets measured at amortized cost - current (Note 6(4))	268,434	11	304,737	12
1170	Accounts receivable (Note 6(5) and (14))	363,587	14	235,948	10
1200	Other receivables	10,947	-	14,161	1
1310	Inventories (Note 6(6))	549,896	22	528,636	21
1410	Prepayments	12,136	-	21,059	1
1470	Other current assets	165	-	275	-
	Total current assets	1,563,490	61	1,476,492	60
	Non-current assets:				
1517	Financial assets at FVOCI - non-current (Note 6(3))	621,428	24	594,874	24
1600	Property, plant and equipment (Note 6(7))	325,953	13	303,975	12
1755	Right-of-use assets (Note 6(8))	48,570	2	66,667	3
1780	Intangible assets	2,580	-	304	-
1840	Deferred tax assets (Note 6(11))	9,468	-	8,833	-
1990	Other non-current assets (Note 6(5))	7,024	-	14,427	1
	Total non-current assets	1,015,023	39	989,080	40
	Total assets	$ 2,578,513	100	2,465,572	100

Code	Liabilities and Equity	2022.12.31 Amount	%	2021.12.31 Amount	%
	Current liabilities:				
2170	Accounts payable	$ 220,997	9	229,124	9
2200	Other payables (Note 6(10))	129,784	5	101,430	4
2230	Current income tax liabilities	63,611	2	41,480	2
2280	Lease liabilities - current (Note 6(9))	18,434	1	20,134	1
2300	Other current liabilities	12,355	-	8,123	-
	Total current liabilities	445,181	17	400,291	16
	Non-current liabilities:				
2580	Lease liabilities - non-current (Note 6(9))	30,784	1	48,568	2
2640	Net defined benefit liabilities - non-current (Note 6(10))	12,782	1	17,135	1
	Total non-current liabilities	43,566	2	65,703	3
	Total liabilities	488,747	19	465,994	19
	Equity (Note 6(12)):				
3100	Ordinary share capital	1,182,798	46	1,182,798	48
3200	Capital reserve	31,471	1	31,471	1
	Retained earnings:				
3310	Legal reserve	170,334	7	139,426	6
3350	Undistributed earnings	621,426	24	442,798	18
	Total retained earnings	791,760	31	582,224	24
3400	Other equity	83,737	3	203,085	8
	Total equity	2,089,766	81	1,999,578	81
	Total liabilities and equity	$ 2,578,513	100	2,465,572	100

(Please refer to the Notes to Consolidated Financial Statements attached for further details)

Ampire Co., Ltd. and its Subsidiaries

Consolidated Statement of Comprehensive Income

January 1 to December 31, 2022 and 2021

In NT$ K

		2022		2021	
		Amount	**%**	**Amount**	**%**
4000	**Operating revenue (Note 6(14))**	$ 2,421,679	100	2,025,477	100
5000	**Operating costs (Note 6(6), (7), (8), (9), (10) and (15))**	(1,730,567)	(71)	(1,515,189)	(75)
	Gross profit from operations	691,112	29	510,288	25
	Operating expenses (Note 6(7), (8), (9), (10) and (15)):				
6100	Selling expenses	(53,670)	(2)	(41,335)	(2)
6200	Administration expenses	(123,216)	(5)	(99,930)	(5)
6300	R&D expenses	(35,632)	(2)	(30,436)	(2)
	Total operating expenses	(212,518)	(9)	(171,701)	(9)
	Net operating profit	478,594	20	338,587	16
	Non-operating income and expenses (Note 6(3), (9) and (16)):				
7100	Interest income	9,403	-	5,947	-
7010	Other income	48,960	2	21,616	1
7020	Other gains and losses	17,348	1	16,895	1
7050	Finance costs	(1,520)	-	(2,006)	-
	Total non-operating income and expenses	74,191	3	42,452	2
7900	**Net profit before tax**	552,785	23	381,039	18
7950	**Income tax expense (Note 6(11))**	(101,101)	(4)	(71,960)	(4)
	Net profit for the period	451,684	19	309,079	14
8300	**Other comprehensive income (Note 6(10) and (12)):**				
8310	**Items not reclassified to profit or loss**				
8311	Re-measurement of defined benefit plans	(1,798)	-	(450)	-
8316	Unrealized valuation gains and losses from equity instrument investments measured at FVOCI	(146,241)	(6)	200,415	10
8349	Income tax relating to items that will not be reclassified	-	-	-	-
	Total items not reclassified to profit or loss	(148,039)	(6)	199,965	10
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation of financial statements of foreign operating entities	28,691	1	(3,758)	-
8399	Income tax relating to items that may be reclassified	-	-	-	-
	Total items that may be reclassified subsequently to profit or loss	28,691	1	(3,758)	-
8300	**Other comprehensive income for the period**	(119,348)	(5)	196,207	10
8500	**Total amount of comprehensive income for the period**	**$ 332,336**	**14**	**505,286**	**24**
	Earnings per share (NT$) (Note 6(13))				
9750	**Basic earnings per share**	**$**	**3.82**		**2.61**
9850	**Diluted earnings per share**	**$**	**3.75**		**2.57**

(Please refer to the Notes to Consolidated Financial Statements attached for further details)

Ampire Co., Ltd. and its Subsidiaries

Consolidated Statement of Changes in Equity

January 1 to December 31, 2022 and 2021

In NT$ K

			Retained earnings				Other equity items				
	Ordinary share capital	Capital reserve	Legal reserve	Special reserve	Undistributed earnings	Total	Exchange difference on translation of foreign financial statement	Unrealized gains (losses) on financial asset at FVOCI	Gains (losses) on remeasurements of defined benefit	Total	Total equity
Balance at Jan 1, 2021	$ 1,182,798	31,471	115,036	10,046	343,225	468,307	(21,309)	33,730	(5,543)	6,878	1,689,454
Net profit for the period	-	-	-	-	309,079	309,079	-	-	-	-	309,079
Other comprehensive income for the period	-	-	-	-	-	-	(3,758)	200,415	(450)	196,207	196,207
Total comprehensive income for the period	-	-	-	-	309,079	309,079	(3,758)	200,415	(450)	196,207	505,286
Appropriation and distribution of earnings:											
Provision for legal reserve	-	-	24,390	-	(24,390)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(10,046)	10,046	-	-	-	-	-	-
Cash dividends on common shares	-	-	-	-	(195,162)	(195,162)	-	-	-	-	(195,162)
Balance at Dec 31, 2021	1,182,798	31,471	139,426	-	442,798	582,224	(25,067)	234,145	(5,993)	203,085	1,999,578
Net profit for the period	-	-	-	-	451,684	451,684	-	-	-	-	451,684
Other comprehensive income for the period	-	-	-	-	-	-	28,691	(146,241)	(1,798)	(119,348)	(119,348)
Total comprehensive income for the period	-	-	-	-	451,684	451,684	28,691	(146,241)	(1,798)	(119,348)	332,336
Appropriation and distribution of earnings:											
Provision for legal reserve	-	-	30,908	-	(30,908)	-	-	-	-	-	-
Cash dividends on common shares	-	-	-	-	(248,388)	(248,388)	-	-	-	-	(248,388)
Other	-	-	-	-	6,240	6,240	-	-	-	-	6,240
Balance at Dec 31, 2022	**$ 1,182,798**	**31,471**	**170,334**	**-**	**621,426**	**791,760**	**3,624**	**87,904**	**(7,791)**	**83,737**	**2,089,766**

(Please refer to the Notes to Consolidated Financial Statements attached for further details)

Ampire Co., Ltd. and its Subsidiaries

Consolidated Statement of Cash Flows

January 1 to December 31, 2022 and 2021

In NT$ K

	2022	2021
Cash flow from operating activities:		
Net profit before tax for the period	$ 552,785	381,039
Adjustments:		
Revenue and expense items		
Depreciation expense	41,493	44,003
Amortization expense	652	212
Interest expense	1,520	2,006
Interest income	(9,403)	(5,947)
Dividend income	(40,455)	(7,083)
Loss on disposal and scrapping of property, plant and equipment	1,834	420
Unrealized foreign currency exchange loss	8,208	10,973
Total revenue and expense items	3,849	44,584
Changes in assets and liabilities related to operating activities:		
Net change in assets related to operating activities:		
Accounts receivable	(130,232)	(50,471)
Other receivables	3,221	(3,992)
Inventories	(22,980)	(193,546)
Prepayments	8,923	(6,960)
Other current assets	110	(234)
Total net changes in assets related to operating activities	(140,958)	(255,203)
Net changes in liabilities related to operating activities:		
Accounts payable	(3,870)	39,733
Other payables	28,354	13,401
Other current liabilities	4,232	5,136
Net defined benefit liabilities	89	(12,841)
Total net changes in liabilities related to operating activities	28,805	45,429
Total net changes in assets and liabilities related to operating activities	(112,153)	(209,774)
Total adjustments	(108,304)	(165,190)
Cash inflow from operations	444,481	215,849
Interest received	9,396	6,435
Interest paid	(1,520)	(2,006)
Income tax paid	(79,605)	(49,829)
Net cash inflows from operating activities	372,752	170,449
Cash flows from investing activities:		
Acquisition of financial assets at FVPL	(110,695)	71,466
Disposal of financial assets at FVPL	154,974	-
Proceeds from capital reduction of financial assets at FVOCI	43,951	2,600
Disposal of financial assets at amortized cost	30,020	45,586
Acquisition of financial assets at FVOCI	(216,746)	-
Acquisition of property, plant and equipment	(34,911)	(12,615)
Disposal of property, plant and equipment	118	-
Acquisition of intangible assets	(2,928)	-
Increase in other non-current assets	(28)	(7,899)
Dividends received	40,455	7,083
Net cash inflow (outflow) from investing activities	(95,790)	106,221
Cash flows from financing activities:		
Principal repayments on leases	(20,395)	(21,637)
Payment of cash dividends	(248,388)	(195,162)
Net cash outflow from financing activities	(268,783)	(216,799)
Effect of exchange rate changes	21,893	(4,557)
Increase in cash and cash equivalents for the period	30,072	55,314
Balance of cash and cash equivalents at beginning of period	328,253	272,939
Balance of cash and cash equivalents at end of period	**$ 358,325**	**328,253**

(Please refer to the Notes to Consolidated Financial Statements attached for further details)

Ampire Co., Ltd. and its Subsidiaries
Notes to Consolidated Financial Statements
2022 and 2021
(All amounts in NTD K unless otherwise stated)

1. History of the Company

Ampire Co., Ltd. (hereinafter the "Company") was established on Mar. 17, 1998 with the approval of the Ministry of Economic Affairs and its registered address is 4F., No.116, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City. The principal lines of business of the Company and its subsidiaries (hereinafter collectively "Consolidated Company") are (1) manufacturing of data storage and processing equipment; (2) manufacturing of electronic components; (3) manufacturing of other electrical and electronic machinery and equipment; (4) retailing of clerical machinery equipment; and (5) retailing of other mechanical appliances (LCD monitors, LCD modules and touch screens).

2. Approval date and procedures of the consolidated financial statements

These consolidated financial statements were approved and released on Feb. 22, 2023 by the Board of Directors.

3. Application of newly published and amended standards & interpretations

1) The effects of adopting new and amended standards and interpretations endorsed by the Financial Supervisory Commission (FSC)

The Consolidated Company started to apply the following newly amended International Financial Reporting Standards (IFRS) from Jan. 1, 2022, with no material impact on the consolidated financial statements.

- Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"
- Amendments to IAS 37, "Onerous Contracts—Cost of Fulfilling a Contract"
- Annual Improvements to IFRS 2018-2020 Cycle
- Amendments to IFRS 3, "Reference to the Conceptual Framework"

2) The effects of not yet adopting IFRS endorsed by the FSC

The Consolidated Company assesses that the application of the following newly amended IFRS, effective January 1, 2023, will not have a material impact on the consolidated financial statements.

- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendment to IAS 12 "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"

3) New and amended standards and interpretations not yet endorsed by the FSC

Standards and interpretations issued and amended by the International Accounting Standards Board (IASB) but not yet endorsed by the FSC that may be relevant to the Consolidated Company are as follows:

New or amended standards	Key amendments	Effective date by IASB
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	Current IAS 1 requires a liability to be classified as current if the enterprise does not have an unconditional right to defer settlement for at least 12 months after the reporting period. The amendment removes the requirement that the right should be unconditional and instead requires that the right must exist at the end of the reporting period and must be material. The amendments clarify how an enterprise should classify liabilities that are settled by the issuance of its own equity instruments (e.g. convertible bonds).	Jan 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	After reconsidering certain aspects of the IAS 1 amendments in 2020, the new amendments clarify that only contract terms followed on or before the reporting date will affect the classification of a liability as current or non-current. The contract terms (i.e. future terms) to which an enterprise is subject after the reporting date do not affect the classification of the liability at that date. However, where non-current liabilities are subject to future covenants, the enterprise is required to disclose information to help users of the financial statements understand the risk that these liabilities may be settled within 12 months of the reporting date.	Jan 1, 2024

The Consolidated Company is continuously evaluating the impact of the above standards and interpretations on the Consolidated Company's financial position and results of operations, which will be disclosed upon completion of the evaluation.

The Consolidated Company does not expect the following other newly issued and amended standards, which have not yet been endorsed, to have a material impact on the consolidated financial statements.

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"
- IFRS 17 "Insurance Contracts" and amendments to IFRS 17
- Amendments to IFRS 17 "Comparative Information on Initial Application of IFRS 17 and IFRS 9"
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

4. Consolidated explanation of material accounting policies

The material accounting policies adopted in the consolidated financial statements are summarized below. The following accounting policies have been applied consistently to all periods presented in the consolidated financial statements.

1) Statement of compliance

These consolidated financial statements have been prepared in keeping with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter the "Preparation Regulations"), and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), and Interpretations developed by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee (SIC), as endorsed and issued into effect by the FSC (hereinafter the "IFRS endorsed by the FSC").

2) Basis of preparation

1. Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis, except for the following significant balance sheet items:

(1) Financial assets at FVPL measured at fair value;
(2) Financial assets at FVOCI, measured at fair value; and
(3) Net defined benefit liabilities, which are measured at the fair value of pension fund assets less the present value of the defined benefit obligation.

2. Functional and presentation currencies

Each entity of the Consolidated Company uses the currency of the primary economic environment in which it operates as its functional currency. These consolidated financial statements are presented in New Taiwan dollars, the functional currency of the Company. All financial information expressed in New Taiwan dollars is in NT$ K.

3) Basis of consolidation

1. Principles of preparation of consolidated financial statements

The entity that prepares consolidated financial statements consists of the Company and entities controlled by the Company (i.e. subsidiaries). The Company controls an investee entity when it is exposed to, or has rights to, variable remuneration from its participation in the entity and has the ability to affect such remuneration through its power over the investee entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date control is obtained until the date control is lost. Inter-company transactions, balances and any unrealized gains and losses have been eliminated in full at the time of preparation of the consolidated financial statements. The total comprehensive income of the subsidiaries is attributable to the Company's owners' equity.

Changes in the Consolidated Company's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as equity transactions with the owner.

2. The subsidiaries included in the consolidated financial statements comprise:

			Percentage of shareholdings	
Investing company	**Subsidiary**	**Line of business**	**2022.12.31**	**2021.12.31**
Ampire Co	Asia Ampire (H.K.) Co., Ltd.	Sale of LCD modules	100%	100%
Ampire Co	American Ampire, Inc.	Sale of LCD modules	100%	100%
Ampire Co	Ampire Co., Ltd. (B.V.I.)	Investment holding	100%	100%
Ampire Co., Ltd. (B.V.I)	Sino Advance Inc.	Sale of LCD modules	100%	100%
Sino Advance Inc.	Tangyu (Dongguan) Electronics Co., Ltd.	Manufacture and sale of LCD modules	100%	100%

3. Subsidiaries not included in the consolidated financial statements: Nil.

4) Foreign currency

1. Foreign currency transactions

Foreign currency transactions are translated into the functional currency at the exchange rate ruling at the date of the transaction. At the end of each subsequent reporting period (hereinafter the reporting date), monetary items denominated in foreign currencies are translated into the functional currency at the exchange rates ruling at that date. Non-monetary items denominated in foreign currencies, which are measured at historical cost, are translated at the exchange rates ruling at the date of the transaction. Foreign currency translation differences arising on translation are recognized in profit or loss.

2. Foreign operations

Assets and liabilities of foreign operations are translated into New Taiwan dollars at the exchange rates ruling at the reporting date. Revenues and expenses are translated into New Taiwan dollars at the average exchange rates for the period, with the resulting exchange differences recognized in other comprehensive income.

When the disposal of a foreign operating entity results in a loss of control, joint control or significant influence, the cumulative translation differences relating to the foreign operating entity are reclassified to profit or loss in full. Upon partial disposal of a subsidiary that includes a foreign operating entity, the related cumulative translation differences are reattributed to non-controlling interests on a pro rata basis. Upon partial disposal of an investment in an associate or joint venture that includes a foreign operating entity, the related cumulative translation differences are reclassified proportionately to profit or loss.

Foreign currency translation gains or losses arising from monetary receivables or payables from foreign operations for which no settlement is planned and which are unlikely to be settled in the foreseeable future are recognized in other comprehensive income as part of the net investment in the foreign operation.

5) Criteria for classifying assets and liabilities as current and non-current

An asset is classified as a current asset and all other assets that are not current assets are classified as non-current assets if one of the following criteria is fulfilled:

1. The asset is expected to be realized in its normal operating cycle or is intended to be sold or consumed;
2. The asset is held primarily for trading purposes;
3. The asset is expected to be realized within 12 months of the reporting period; or
4. The asset is cash or cash equivalents unless the asset is otherwise restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

A liability is classified as a current liability and all other liabilities that are not current liabilities are classified as non-current liabilities if one of the following criteria is satisfied:

1. The liability is expected to be settled in the normal operating cycle;
2. The liability is held primarily for trading purposes;
3. The liability is expected to be settled within 12 months of the reporting period; or
4. The liability does not have an unconditional right to defer settlement for at least 12 months after the reporting period. The terms of a liability that may, at the option of the counterparty, be settled by the issuance of an equity instrument do not affect its classification.

6) Cash and cash equivalents

Cash includes cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible into fixed amounts of cash and are subject to an insignificant risk of changes in value. Time deposits that meet the above definition and are held to meet short-term cash commitments rather than for investment or other purposes are reported as cash equivalents.

7) Financial instruments

Accounts receivable are recognized initially when they are incurred. All other financial assets and financial liabilities are initially recognized when the Consolidated Company becomes a party to the contractual provisions of the financial instruments. Financial assets (other than receivables that do not contain a significant financial component) or financial liabilities that are not measured at FVPL are initially measured at fair value plus transaction costs directly attributable to the acquisition or issuance. Accounts receivable that do not contain a significant financial component are measured initially at transaction price.

1. Financial assets

For purchases or sales of financial assets that are consistent with customary trading practice, the Consolidated Company accounts for all purchases and sales of financial assets classified in the same manner on a consistent basis on the trade date or settlement date.

On initial recognition, financial assets are classified as financial assets measured at amortized cost and investments in equity instruments measured at FVOCI or at FVPL. The Consolidated Company reclassifies all affected financial assets from the first day of the next reporting period only when it changes its operating model for managing financial assets.

(1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it also meets the following criteria and is not designated as measured at FVPL:

- The financial asset is held within a business model whose objective is to collect the contractual cash flows.
- The contractual terms of the financial asset give rise to cash flows at a specific date that are solely payments of principal and interest on the principal amount outstanding.

Interest income, foreign currency exchange gains or losses and impairment losses are recognized in profit or loss. Gains or losses are recognized in profit or loss when derecognized.

(2) Financial assets measured at FVOCI

On initial recognition, the Consolidated Company has an irrevocable option to report subsequent changes in the fair value of investments in equity instruments that are not held for trading in other comprehensive income. This election is made on an instrument-by-instrument basis.

Investments in equity instruments are subsequently measured at fair value. Dividend income (unless it clearly represents a partial recovery of investment costs) is recognized in profit or loss. The remaining net gain or loss is recognized in other comprehensive income and is not reclassified to profit or loss.

Dividend income from equity investments is recognized on the date on which the Consolidated Company has the right to receive the dividends (usually the ex-dividend date).

(3) Financial assets measured at FVPL

Financial assets that are not measured at amortized cost or at FVOCI as described above are measured at FVPL. On initial recognition, the Consolidated Company may irrevocably designate financial assets that qualify as financial assets measured at amortized cost or at FVOCI as financial assets measured at FVPL in order to eliminate or significantly reduce an accounting mismatch.

The net gain or loss (including any dividends and interest income) on these assets subsequently measured at fair value is recognized in profit or loss.

(4) Business model assessment

The purpose of the Consolidated Company is to assess the business model of financial asset holdings at a portfolio level, which best reflects the way in which operations are managed and information is provided to management, factoring in information such as:

- the stated portfolio policies and objectives, and the operation of those policies, including whether management's strategy is to focus on generating contractual cash flows, maintaining a specific portfolio of interest yields, matching the duration of financial assets with the duration of the related liabilities or expected cash outflows or realizing cash flows through the sale of financial assets;
- the performance of the operating model and how financial assets held under that operating model are assessed and reported to key management of the enterprise;
- the risks that affect the performance of the operating model (and the financial assets held under that operating model) and the manner in which those risks are managed; and
- the frequency, amount and timing of disposals of financial assets in prior periods, the reasons for such disposals and expectations for future disposals.

A transfer of a financial asset to a third party that does not meet the de-recognition criteria for the foregoing operating purposes is not a disposal as described above, which is consonant with the Consolidated Company's objective of continuing to recognize the asset.

(5) Assessing whether contractual cash flows represent solely payments of principal and interest on the principal amount outstanding

For valuation purposes, principal represents the fair value of a financial asset at the time of initial recognition and interest comprises the following consideration: the time value of money, the credit risk associated with the amount of principal outstanding during a given period, other underlying lending risks and cost and profit margins.

In assessing whether the contractual cash flows are solely payments of principal and interest on the principal amount outstanding, the Consolidated Company considers the contractual terms of the financial instrument, including assessing whether the financial asset contains a contractual term that would change the timing or amount of the contractual cash flows, such that it does not fulfill this condition. In making the assessment, the Consolidated Company takes into account:

- any contingencies that would change the timing or amount of the contractual cash flows;
- any terms that may adjust the contractual coupon rate, including the characteristics of the variable rate; and
- the terms that the Consolidated Company's claim is limited to cash flows from specific assets.

(6) Impairment of financial assets

The Consolidated Company recognizes loss allowances for expected credit losses on financial assets carried at amortized cost, including cash and cash equivalents, financial assets carried at amortized cost, notes and accounts receivable, other receivables and refundable deposits.

Loss allowances for the following financial assets are measured at the 12-month expected credit loss amounts, with the remainder measured at the expected credit loss amounts over the life of the asset:

- The credit risk on bank deposits (i.e., the risk of default over the expected life of the financial instruments) has not increased significantly since initial recognition.

Loss allowances for accounts receivable are measured at the amount of expected credit losses over the life of the accounts.

Expected credit losses over the life of the instrument are the expected credit losses arising from all possible defaults over the expected life of the financial instrument.

A 12-month expected credit loss refers to an expected credit loss arising from a possible default of a financial instrument within 12 months of the reporting date (or in the shorter term, if the expected duration of the financial instrument is less than 12 months).

The maximum period for measuring expected credit losses is the maximum contractual period over which the Consolidated Company is exposed to credit risk.

In determining whether there has been a significant increase in credit risk since initial recognition, the Consolidated Company considers reasonable and supportable information (available without undue cost or input), including qualitative and quantitative information, and analysis based on the Consolidated Company's historical experience, credit evaluations and forward-looking information.

Time deposits held by the Consolidated Company are considered to have low credit risk because the counterparties and the other parties to the contracts are financial institutions with investment grade or above.

The Consolidated Company assumes that the credit risk on financial assets has increased significantly if contractual amounts are more than 180 days past due.

If a contractual amount is overdue for more than 365 days, the Consolidated Company considers the financial asset to be in default.

Expected credit losses are a probability-weighted estimate of credit losses over the expected life of the financial instrument. Credit losses are measured at the present value of all cash shortfalls, which is the difference between the cash flows contractually receivable by the Consolidated Company and the cash flows expected to be received by the Consolidated Company. Expected credit losses are discounted at the effective interest rate of the financial assets.

At each reporting date, the Consolidated Company assesses whether a financial asset measured at amortized cost is credit-impaired. The financial asset is credit-impaired when one or more events have occurred that have an adverse effect on the estimated future cash flows of the financial asset. Evidence that a financial asset is credit-impaired includes observable information about:

- significant financial difficulties of the issuer;
- defaults, such as delays or delinquencies of more than 365 days; and
- the disappearance of an active market for the financial asset as a result of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the carrying amount of the assets.

When the Consolidated Company does not have a reasonable expectation of recovering all or part of a financial asset, it directly reduces the total carrying amount of the financial asset. The Consolidated Company analyzes the timing and amount of write-offs on a case-by-case basis based on whether recovery is reasonably expected. The Consolidated Company does not expect a material reversal of the amounts written off. However, financial assets that have been written off may still be enforced in order to comply with the Consolidated Company's procedures for recovering past due amounts.

(7) Derecognition of financial assets

The Consolidated Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset cease, or when the financial asset has been transferred and substantially all the risks and rewards of ownership of the asset have been transferred to another enterprise, or when substantially all the risks and rewards of ownership have neither been transferred nor retained and control of the financial asset has not been retained.

2. Financial liabilities

(1) Classification of liabilities

Debt issued by the Consolidated Company is classified as financial liabilities based on the substance of the contractual agreements and the definition of financial liabilities.

(2) Derecognition of financial liabilities

The Consolidated Company derecognizes financial liabilities when the contractual obligations are discharged, cancelled or expire. When the terms of a financial liability are modified and the cash flows of the modified liability are materially different, the original financial liability is derecognized and the new financial liability is recognized at fair value on the basis of the modified terms.

When a financial liability is derecognized, the difference between the carrying amount and the total consideration paid or payable is recognized in profit or loss.

(3) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and presented in the balance sheet on a net basis only when the Company has a legally enforceable right to do so at the present time and intends to settle on a net basis or realize the asset and settle the liability simultaneously.

8) Inventories

Inventories are measured at the lower of cost or net realizable value. Cost includes the cost of acquisition, production or processing and other costs incurred in bringing them to a place and condition in which they are ready for use and is calculated using the monthly weighted average method. The cost of finished goods and work-in-progress inventories includes an appropriate allocation of manufacturing overheads based on normal production capacity.

Net realizable value refers to an estimated selling price under normal operations less estimated costs to complete and estimated costs to make a sale.

9) Property, plant and equipment

1. Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation. Gain or loss on disposal of property, plant and equipment is recognized in profit or loss.

2. Subsequent costs

Subsequent expenditure is capitalized only when it is probable that future economic benefits will flow to the Consolidated Company.

3. Depreciation

Depreciation is calculated on the basis of the cost of an asset less its residual value and is recognized in profit or loss over its estimated useful life using the straight-line method.

No depreciation is provided for land.

The estimated useful lives for the current and comparative periods are as follows:

(1) Building: 50 years

(2) Machinery and equipment: 2-10 years

(3) Office equipment and other equipment: 2-5 years

The Consolidated Company reviews the depreciation method, useful life and residual value at each reporting date and makes appropriate adjustments where necessary.

10) Leases

The Consolidated Company assesses whether a contract is or contains a lease at the date of inception of the contract. A contract is or contains a lease if it transfers control over the use of an identified asset for a period of time in exchange for consideration.

1. Lessees

The Consolidated Company recognizes a right-of-use asset and a lease liability at the commencement date of the lease. The right-of-use asset is measured initially at cost, which includes the initial measurement of the lease liability, adjusted for any lease payments made at or before the commencement date of the lease.

Right-of-use assets are subsequently depreciated on a straight-line basis from the lease inception date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the Consolidated Company periodically assesses whether a right-of-use asset is impaired and addresses any impairment loss incurred, and adjusts the right-of-use asset to match any remeasurement of the lease liability.

Lease liabilities are measured initially at the present value of lease payments outstanding at the inception date of the lease. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Consolidated Company's incremental borrowing rate shall be used. In general, the Consolidated Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of lease liabilities comprise material fixed payments.

Interest is subsequently accrued on lease liabilities using the effective interest method and the amount is remeasured when the following occurs:

(1) Changes in estimates of whether to exercise the option to extend or terminate and changes in the assessment of the lease term, and

(2) Revisions to the subject matter, scope or other terms of the lease.

When a lease liability is remeasured as a result of the aforementioned change in assessment used to extend or terminate the option, the carrying amount of the right-of-use asset is adjusted accordingly and the remaining remeasurement amount is recognized in profit or loss when the carrying amount of the right-of-use asset is reduced to zero.

For lease modifications that reduce the scope of the lease, the carrying amount of the right-of-use asset is reduced to reflect the partial or full termination of the lease, and the difference between the amount and the remeasurement amount of the lease liability is recognized in profit or loss.

For leases of low-value subject assets such as office equipment and parking spaces, the Consolidated Company elects not to recognize right-of-use assets and lease liabilities, and instead recognizes the related lease payments as expenses on a straight-line basis over the lease term.

The Consolidated Company elects to use the practical expedient approach for all rent concessions for leased office premises, plant and transport equipment that meet all of the following conditions, without assessing whether they are lease modifications:

(1) The rent concessions occur as a direct result of the COVID-19 pandemic;

(2) A change in lease payments results in the revised consideration of the lease being almost the same as or less than the consideration of the lease before the change;

(3) Any reduction in lease payments affects only those payments that would otherwise be due before June 30, 2021; and

(4) There are no material changes to the other terms and conditions of the lease.

Under the practical expedient approach, when rent concessions result in a change in lease payments, the change is recognized in profit or loss at the time of the event or circumstance that triggers the rent concessions.

11) Impairment of non-financial assets

The Consolidated Company assesses at each reporting date whether there is any indication that the carrying amount of non-financial assets (other than inventories and deferred income tax assets) may be impaired. If any such indication exists, the Consolidated Company estimates the recoverable amount of the assets.

For the purposes of impairment testing, a group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets are defined as the smallest identifiable group of assets.

The recoverable amount is the higher of the fair value of an individual asset or cash-generating unit, less costs to dispose, and its value in use. If the recoverable amount of an individual asset or cash-generating unit is less than its carrying amount, an impairment loss is recognized. An impairment loss is recognized immediately in profit or loss for the period.

Non-financial assets are reversed only to the extent that they do not exceed the carrying amount (net of depreciation or amortization) that would have been determined had no impairment loss been recognized for the asset in prior years.

12) Revenue recognition

1. Revenue from customer contracts

Revenue is measured based on the consideration expected to be received for the transfer of goods or services. The Consolidated Company recognizes revenue when control of goods or services is transferred to customers to satisfy performance obligations. The Consolidated Company's major revenue items are described as follows:

(1) Sales of goods - electronic components

The Consolidated Company manufactures electronic parts and components and sells them to hardware manufacturers. The Consolidated Company recognizes revenue when control of the product is transferred. A transfer of control of a product means that the product has been delivered to a customer, the customer has full control over the sales channel and price of the product, and there are no outstanding obligations that would affect the customer's acceptance of the product. Delivery occurs when the product has been delivered to a specific location, the risk of obsolescence and loss has been transferred to the customer, and the customer has accepted the product in accordance with the sales contract, the terms of acceptance have lapsed, or the Consolidated Company has objective evidence that all acceptance conditions have been met.

The Consolidated Company recognizes accounts receivable upon delivery of goods because the Consolidated Company has an unconditional right to receive consideration at that point in time.

(2) Financial components

The Consolidated Company does not adjust the time value of money of the transaction price as it expects that the time between the transfer of goods or services from all customer contracts to the customer and the time of payment by the customer for the goods or services will not exceed one year.

13) Employee benefits

1. Defined contribution plan

Contribution obligations under defined pension contribution plans are recognized as an expense over the period of service rendered by employees.

2. Defined benefit plan

The Consolidated Company's net obligation for defined benefit plans is calculated by discounting future benefits earned by employees for each plan, either currently or through prior service, to their present value, less the fair value of any plan assets.

The defined benefit obligation is actuarially determined annually by a qualified actuary using the projected unit credit method. When the result of the calculation is likely to be favorable to the Company, the asset is recognized to the extent of the present value of any economic benefits available in the form of refunds of contributions from the plan or reductions in future contributions to the plan. The present value of economic benefits is calculated by taking into account any minimum funding requirements.

The remeasurement of the net defined benefit liability, which includes actuarial gains and losses, return on plan assets (excluding interest), and any change in the asset limit effect (excluding interest) is recognized immediately in other comprehensive income and accumulated in other equity. The Company determines the net interest expense (income) on the net defined benefit liability using the net defined benefit liability and discount rate determined at the beginning of the annual reporting period. Net interest expense and other expense for defined benefit plans are recognized in profit or loss.

Changes in benefits related to prior service cost or benefit curtailments or losses arising from plan amendments or curtailments are recognized immediately in profit or loss. The Company recognizes a gain or loss on the settlement of a defined benefit plan when the settlement occurs.

3. Short-term employee benefits

Short-term employee benefit obligations are recognized as an expense when the services are rendered. If the Consolidated Company has a present legal or constructive obligation to pay for services rendered by employees and the obligation can be reliably estimated, the amount is recognized as a liability.

14) Income taxes

Income taxes comprise current and deferred taxes. Current and deferred taxes are recognized in profit or loss.

Current tax includes estimated taxes payable or refundes receivable based on current year's taxable income (loss) and any adjustments to prior years' taxes payable or refunds receivable.

Deferred tax is measured and recognized on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax is not recognized for temporary differences arising from the following circumstances:

1. Assets or liabilities that are not part of the initial recognition of a business combination and that do not affect the accounting profit or taxable income (loss) at the time of the transaction, and
2. Temporary differences arising from investments in subsidiaries where the Consolidated Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for the carryforward of unused tax losses and unused tax credits, and deductible temporary differences, to the extent that future taxable profit will be available against which they can be utilized. Deferred tax assets are reassessed at each reporting date and reduced to the extent that it is not probable that the related tax benefit will be realized, or to the extent that it becomes probable that sufficient taxable income will be available to allow the reversal of the original reduction.

Deferred taxes are measured at the tax rates that are expected to apply when temporary differences reverse, using either the statutory or substantive legislative rates at the reporting date.

Deferred tax assets and deferred tax liabilities of the Consolidated Company are offset only if the following conditions are fulfilled at the same time:

1. There is a legally enforceable right to set off current tax assets and current tax liabilities against each other; and
2. The deferred tax assets and deferred tax liabilities relate to one of the following taxable entities that are subject to income tax by the same taxation authority.
   (1) The same taxable entity, or
   (2) Different taxable entities, provided that each entity intends to settle current tax liabilities and assets on a net basis, or to realize assets and settle liabilities simultaneously, in each future period in which significant amounts of deferred tax assets are expected to be recovered and deferred tax liabilities are expected to be settled.

15) Earnings per share

The Consolidated Company presents basic and diluted earnings per share attributable to common equity holders of the Company. The Consolidated Company's basic earnings per share is calculated by dividing the profit or loss attributable to common equity holders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is calculated by adjusting the profit or loss attributable to common equity holders of the Company and the weighted average number of common shares outstanding for the effects of all potentially dilutive common shares, respectively. The Consolidated Company's potentially dilutive common shares include compensation to employees.

16) Segment information

Operating segments are components of the Consolidated Company that engage in operations that may generate revenues and expenses, including revenues and expenses associated with transactions with other components of the Consolidated Company. The operating results of all operating segments are regularly reviewed by the Consolidated Company's chief operating decision maker to make decisions about the allocation of resources to the segment and to assess its performance. Separate financial information is available for each operating segment.

5. Main sources of uncertainty in significant accounting judgments, estimates and assumptions

The preparation of these consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from those estimates.

Management reviews estimates and underlying assumptions on an ongoing basis and changes in accounting estimates are recognized in the period of change and in the future periods affected.

The uncertainties in the following assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and reflect the impact of the COVID-19 pandemic, as follows:

1) Valuation of non-Exchange/OTC-listed stocks measured at FVOCI

As non-Exchange/OTC-listed stocks at FVOCI are measured at fair value, the Consolidated Company is required to rely on the human judgment of external expert valuation mechanisms, the setting of assumptions and the calculation of estimates to determine fair value in the valuation process. Changes in these assumptions due to changes in market and economic conditions could materially affect the recognition of significant fair value adjustments. Please refer to Note 6(3) for the estimation of the fair value of non-Exchange/OTC-listed stocks measured at FVOCI.

2) Valuation of inventories

As inventories are measured at the lower of cost or net realizable value, the Consolidated Company evaluates the amount of inventories that are normally worn out, obsolete or have no marketable value at the reporting date and reduces the cost of inventories to net realizable value. This inventory valuation is based primarily on estimates of product demand in specific future periods and is subject to significant change due to rapid shifts in the industry. Please refer to Note 6(6) for inventory valuation estimates.

6. Explanation of material accounting Items

1) Cash and cash equivalents

	2022.12.31	2021.12.31
Cash	$ 116	148
Demand deposits	61,575	32,313
Time deposits	296,634	295,792
	$ 358,325	328,253

Please refer to Note 6(17) for the disclosure of the sensitivity analysis of the Consolidated Company's financial assets.

2) Financial assets measured at FVPL

Financial assets designated as at FVPL:

	2022.12.31	2021.12.31
Structured deposits	$ -	43,423

3) Financial assets measured at FVOCI - non-current

	2022.12.31	2021.12.31
Equity instruments measured at FVOCI:		
Domestic OTC-listed stocks	$ 185,103	108,360
Domestic non-Exchange/OTC-listed stocks	436,325	486,514
	$ 621,428	594,874

1. Investments in equity instruments measured at FVOCI

The Consolidated Company holds these investments in equity instruments as long-term strategic investments that are not held for trading purposes and therefore have been designated as measured at FVOCI.

The Consolidated Company recognized dividend income of NT$40,455 K and NT$7,083 K in fiscal 2022 and 2021, respectively, and received the proceeds of NT$43,951 K and NT$2,600 K from capital reduction in proportion to shareholding in fiscal 2022 and 2021, respectively, for the equity instrument investments designated above as measured at FVOCI.

The Consolidated Company did not dispose of any strategic investments in fiscal 2022 and 2021, and no transfer of accumulated gains and losses to equity occurred during those periods.

2. Please refer to Note 6(17) for credit risk and market risk information.

4) Financial assets measured at amortized cost - current

	2022.12.31	2021.12.31
Domestic and foreign certificates of deposit	$ 268,434	304,737

The Consolidated Company assesses that these assets are held to maturity to collect the contractual cash flows and that the cash flows from these financial assets are solely payment of principal and interest on the principal amount outstanding and are therefore reported as financial assets measured at amortized cost.

The Consolidated Company holds domestic and foreign certificates of deposit with a weighted average interest rate of 1.960% and 1.317% per annum as of December 31, 2022 and 2021, respectively, maturing from January to September 2023 and January to September 2022, respectively.

Please refer to Note 6(17) for credit risk information.

5) Accounts receivable and collections

	2022.12.31	2021.12.31
Accounts receivable - measured at amortized cost	$ 363,587	235,948
Collections	20,146	20,146
Less: Loss allowances	(20,146)	(20,146)
	$ 363,587	235,948

The Consolidated Company uses a simplified approach to estimate expected credit losses for all accounts receivable, which is a measure of expected credit losses over the life of the accounts receivable. For this purpose, these accounts receivable are grouped by common credit risk characteristics that represent the customer's ability to pay all amounts due under contractual terms and incorporate forward-looking information, including macroeconomic and related industry information.

An analysis of the expected credit losses on the Consolidated Company's accounts receivable is as follows:

	2022.12.31		
	Carrying amount of receivables	Weighted-average expected credit loss rate	Allowance for expected credit losses over the lifetime
Not overdue	$ 294,644	-	-
Below 90 days overdue	68,939	-	-
91-180 days overdue	4	-	-
	$ 363,587		-

	2021.12.31		
	Carrying amount of receivables	Weighted-average expected credit loss rate	Allowance for expected credit losses over the lifetime
Not overdue	$ 193,197	-	-
Below 90 days overdue	42,746	-	-
91-180 days overdue	5	-	-
	$ 235,948		-

The expected credit losses on the Consolidated Company's collections are analyzed as follows:

	2022.12.31		
	Carrying amount of collections	**Weighted average expected credit loss rate**	**Allowance for expected credit losses over the lifetime**
Over 365 days overdue	$ 20,146	100%	20,146

	2021.12.31		
	Carrying amount of collections	**Weighted average expected credit loss rate**	**Allowance for expected credit losses over the lifetime**
Over 365 days overdue	$ 20,146	100%	20,146

The changes in the loss allowances for accounts receivable and collections of the Consolidated Company are as follows:

	2022	**2021**
Opening balance (i.e. closing balance)	$ 20,146	20,146

6) Inventories

	2022.12.31	**2021.12.31**
Finished products	$ 75,641	44,315
Work in process	164,587	131,058
Raw materials	309,668	353,263
	$ 549,896	528,636

The cost of goods sold is broken down as follows:

	2022	**2021**
Inventory sales transfer	$ 1,705,617	1,479,206
Unallocated fixed manufacturing overheads and direct labor	23,320	25,152
Loss on obsolescence of inventories	5,105	10,499
Inventory valuation losses (gain from price recovery)	(3,532)	315
Loss on physical inventory	57	17
	$ 1,730,567	1,515,189

7) Property, plant and equipment

		Land	Buildings & structures	Machinery & equipment	Office equipment	Total
Cost:						
Balance at Jan 1, 2022	$	95,330	188,137	555,444	202,151	1,041,062
Additions		-	-	6,333	28,578	34,911
Disposal		-	-	(16,443)	(11,515)	(27,958)
Reclassification		-	-	-	7,431	7,431
Effect of changes in exchange rates		-	-	47,018	6,141	53,159
Balance at Dec 31, 2022	**$**	**95,330**	**188,137**	**592,352**	**232,786**	**1,108,605**
Balance at Jan 1, 2021	$	95,330	188,137	573,765	194,286	1,051,518
Additions		-	-	3,067	9,548	12,615
Disposal		-	-	(14,921)	(840)	(15,761)
Effect of changes in exchange rates		-	-	(6,467)	(843)	(7,310)
Balance at Dec 31, 2021	**$**	**95,330**	**188,137**	**555,444**	**202,151**	**1,041,062**
Accumulated depreciation & impairment losses:						
Balance at Jan 1, 2022	$	-	25,761	550,741	160,585	737,087
Depreciation for the period		-	3,689	6,008	10,804	20,501
Disposal		-	-	(14,966)	(11,040)	(26,006)
Effect of changes in exchange rates		-	-	49,865	1,205	51,070
Balance at Dec 31, 2022	**$**	**-**	**29,450**	**591,648**	**161,554**	**782,652**
Balance at Jan 1, 2021	$	-	22,072	564,169	149,927	736,168
Depreciation for the period		-	3,689	9,414	10,174	23,277
Disposal		-	-	(14,518)	(823)	(15,341)
Effect of changes in exchange rates		-	-	(8,324)	1,307	(7,017)
Balance at Dec 31, 2021	**$**	**-**	**25,761**	**550,741**	**160,585**	**737,087**
Carrying value:						
Dec 31, 2022	**$**	**95,330**	**158,687**	**704**	**71,232**	**325,953**
Dec 31, 2021	**$**	**95,330**	**162,376**	**4,703**	**41,566**	**303,975**

8) Right-of-use assets

		Buildings & structures	Transport facility	Total
Cost of right-of-use assets:				
Balance at Jan 1, 2022	$	81,154	12,235	93,389
Effect of changes in exchange rates		4,343	-	4,343
Balance at Dec 31, 2022	**$**	**85,497**	**12,235**	**97,732**
Balance at Jan 1, 2021	$	77,626	12,235	89,861
Effect of changes in exchange rates		3,528	-	3,528
Balance at Dec 31, 2021	**$**	**81,154**	**12,235**	**93,389**

	Buildings & structures	Transport facility	Total
Accumulated depreciation:			
Balance at Jan 1, 2022	$ 22,274	4,448	26,722
Provision for depreciation	18,334	2,658	20,992
Effect of changes in exchange rates	1,448	-	1,448
Balance at Dec 31, 2022	$ 42,056	7,106	49,162
Balance at Jan 1, 2021	$ 4,256	1,790	6,046
Provision for depreciation	18,068	2,658	20,726
Effect of changes in exchange rates	(50)	-	(50)
Balance at Dec 31, 2021	$ 22,274	4,448	26,722
Carrying value:			
Dec 31, 2022	$ 43,441	5,129	48,570
Dec 31, 2021	$ 58,880	7,787	66,667

9) Lease liabilities

	2022.12.31	2021.12.31
Current	$ 18,434	20,134
Non-current	$ 30,784	48,568

For maturity analysis, please refer to Note 6(17) Financial instruments.
The amounts recognized in profit or loss for leases are as follows:

	2022	2021
Interest expense on lease liabilities	$ 1,520	2,006
Expenses for low-value leased assets	$ 239	230

The amount of leases recognized in the cash flow statement is as follows:

	2022	2021
Total cash outflow from leases	$ 22,154	23,873

1. Leasing of buildings and structures

The Consolidated Company leases buildings and structures (including land use rights) as office and factory premises for a period of three to five years, with some leases including an option to extend the lease for the same period as the original contract at the end of the lease term.

2. Other leases

The Consolidated Company leases transport facilities for a period of four to five years.

In addition, the Consolidated Company leases office equipment generally for a term of five years; parking spaces on a one-time basis with no fixed lease term, and these leases are low-value subject leases for which the Consolidated Company has elected to apply the exemption from recognition and not to recognize the related right-of-use assets and lease liabilities.

10) Employee benefits

1. Defined benefit plans

A reconciliation of the present value of the Consolidated Company's defined benefit obligations to the fair value of plan assets is as follows:

		2022.12.31	2021.12.31
Present value of defined benefit obligations	$	13,178	19,220
Fair value of plan assets		(396)	(2,085)
Net defined benefit liability	$	12,782	17,135

The Consolidated Company's employee benefit liabilities are as follows:

		2022.12.31	2021.12.31
Paid leave liabilities (under other payables in the table)	$	7,861	7,087

The Consolidated Company's defined benefit plans are a plan with contributions to the Bank of Taiwan's Labor Retirement Reserve Fund. Pension payments for each employee under the Labor Standards Act are based on the bases earned for years of service and the average salary for the six months prior to retirement.

(1) Composition of plan assets

The Consolidated Company's pension fund contributed under the Labor Standards Act is administered by the Bureau of Labor Funds, Ministry of Labor. According to the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund," the minimum income to be distributed in the annual final statement of the fund shall not be less than the income calculated based on the two-year time deposit rate of a local bank.

As of the reporting date, the balance of the Consolidated Company's Bank of Taiwan labor retirement reserve fund was NT$396 K. Information on the use of the labor retirement fund assets, including fund yields and fund asset allocation, is available on the website of the Bureau of Labor Funds, Ministry of Labor.

(2) Changes in the present value of the defined benefit obligation

		2022	2021
Defined benefit obligation as at Jan 1	$	19,220	39,157
Information on liabilities corrected and transferred out by employees		(6,240)	-
Current service cost and interest		257	461
Remeasurements of the net defined benefit liability			
- Actuarial gains and losses arising from changes in financial assumptions		1,999	505
Gains and losses arising from prior service cost and settlements		-	(20,903)
Benefits paid for by the plan		(2,058)	-
Defined benefit obligation at Dec 31	$	13,178	19,220

(3) Changes in the fair value of plan assets

	2022	2021
Fair value of plan assets at Jan 1	$ 2,085	9,631
Remeasurements of the net defined benefit liability	201	55
Return on plan assets	9	57
Amount contributed to the plan	159	7,359
Benefits paid	(2,058)	-
Settlement	-	(15,017)
Fair value of plan assets at Dec 31	**$ 396**	**2,085**

(4) Expenses (gains) recognized in profit or loss

	2022	2021
Current service cost	$ 185	239
Net interest on net defined benefit liabilities	63	166
Settlement benefit	-	(4,329)
	$ 248	**(3,924)**

	2022	2021
Operating costs	$ -	269
Selling expenses	13	41
Administration expenses	235	(2,518)
R&D expenses	-	(1,716)
	$ 248	**(3,924)**

(5) Remeasurements of the net defined benefit liability recognized in other comprehensive income

	2022	2021
Accumulated balance as at Jan 1	$ 5,993	5,543
Recognized in the current period	1,798	450
Accumulated balance as at Dec 31	**$ 7,791**	**5,993**

(6) Actuarial assumptions

	2022.12.31	2021.12.31
Discount rate	1.50%	0.50%
Future salary increase	3.00%	3.00%

The Consolidated Company expects to make a contribution of NT$0 K to the defined benefit plan in the year following the reporting date in fiscal 2022.

The weighted average duration of the defined benefit plans is 4.44 years.

(7) Sensitivity analysis

		Effect on defined benefit obligations	
		Increase in amount	Decrease in amount
Dec 31, 2022			
Discount rate (change of 0.25%)	$	86	(83)
Future payroll increase (change of 0.25%)		81	(79)
Dec 31, 2021			
Discount rate (change of 0.25%)		92	(92)
Future payroll increase (change of 0.25%)		87	(86)

The sensitivity analysis above deals with the effect of changes in a single assumption with other assumptions held constant. In practice, changes in many assumptions may be linked. The sensitivity analysis is consistent with the methodology adopted to calculate the net pension liability on the balance sheet.

The methodology and assumptions used in preparing the sensitivity analysis in the current period are the same as those used in the previous period.

2. Defined contribution plan

The defined contribution plan of the Taiwan parent company of the Consolidated Company applies the contribution rate of 6.00% of the workers' monthly wages to an individual pension account overseen by the Bureau of Labor Insurance pursuant to the Labor Pension Act. Under the plan, the Consolidated Company has no legal or constructive obligation to pay additional amounts after making fixed contributions to the Bureau of Labor Insurance.

The defined contribution plan of the Consolidated Company's foreign subsidiaries involves the contribution of an appropriate amount of pension to a fund specified by the local government as prescribed by local law. The Consolidated Company has no legal or constructive obligation to pay additional amounts once the appropriate amounts have been contributed to a government-designated account for the defined contribution plan.

The Consolidated Company's pension expense under the defined pension contribution plan was NT$8,637 K and NT$7,315 K in fiscal 2022 and 2021, respectively.

11) Income tax

		2022	2021
Current tax expense			
Incurred in the period	$	102,459	68,790
Adjustments to current tax for prior periods		(723)	(1,592)
		101,736	67,198
Deferred tax expense			
Occurrence and reversal of temporary differences		(635)	4,762
Income tax expense	$	101,101	71,960

A reconciliation of the Consolidated Company's tax expense to income before tax for fiscal 2022 and 2021 is as follows:

	2022	2021
Pre-tax income	$ 552,785	381,039
Income tax calculated at domestic tax rates	$ 110,557	76,208
Effect of tax rate differences in foreign jurisdictions	7,773	880
Change in temporary differences not recognized	(7,154)	(3,838)
Tax-exempt income	(8,091)	(1,417)
Tax credit for shareholders' investment	(1,332)	-
Prior period overestimation	(723)	(1,592)
Tax on undistributed earnings	71	1,719
	$ 101,101	71,960

1. Deferred tax assets

(1) Unrecognized deferred tax assets

	2022.12.31	2021.12.31
Losses on investments in foreign subsidiaries recognized under the equity method	$ 84,516	97,171
Loss on doubtful accounts	3,476	3,731
Provision for pension reserve	4,029	4,323
	$ 92,021	105,225

(2) Deferred tax assets and liabilities recognized

Deferred tax assets:

	Inventory valuation gain and losses	Unrealized exchange gain or loss	Other	Total
Balance at Jan 1, 2022	$ 5,448	2,182	1,203	8,833
(Debit) Credit income statement	709	(164)	90	635
Balance at Dec 31, 2022	$ 6,157	2,018	1,293	9,468
Balance at Jan 1, 2021	$ 7,141	5,164	1,290	13,595
(Debit) Credit income statement	(1,693)	(2,982)	(87)	(4,762)
Balance at Dec 31, 2021	$ 5,448	2,182	1,203	8,833

2. Approved income tax status

The Company's profit-seeking enterprise income tax returns have been approved by the tax authorities up to 2020.

12) Capital and other equity

As at December 31, 2022 and 2021, the total authorized share capital of the Company was NT$2,000,000 K, with a par value of NT$10 per share and 118,280 K common shares in issue. Payment for all shares issued has been received.

1. Capital reserve

The balance of the Company's capital reserve is as follows:

	2022.12.31	2021.12.31
Treasury stock transactions	$ 27,123	27,123
Lapses of conversion of corporate bonds warrants	2,889	2,889
Issuance of employee stock options	1,439	1,439
Exercise of disgorgement claims	20	20
	$ 31,471	31,471

As stipulated in the Company Act, the capital reserve shall give priority to the replenishment of losses before new shares or cash can be issued to original shareholders in proportion to the number of shares being held by each of them from the realized capital reserve. Realized capital reserve as referred to in the preceding paragraph includes the income derived from the issuance of new shares at a premium and the income from endowments received. The total amount of capital reserve that may be capitalized each year under the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall not exceed 10% of the paid-in capital.

2. Retained earnings

As provided in the provisions of the Company's Articles of Incorporation, dividends shall be paid at the rate of up to 10% per annum. However, if the Company has made no earnings, no dividend shall be paid out of this capital.

The Company shall first pay taxes and make up for accumulated deficits and then set aside a legal reserve when there are earnings in the annual final statements, except when the legal reserve has reached the Company's paid-in capital, and set aside a special reserve according to the Company's operating needs and legal regulations. For any remaining earnings, the Board of Directors may, depending on the operating needs, prepare a proposal for distribution of the earnings and submit it to the shareholders' meeting for approval.

The Company's dividend policy shall be based on the principle of stable and balanced distribution, with consideration given not only to the shareholders' profits, but also to the accumulation of the Company's capital and the impact on the Company's operations. The portion of cash dividends paid shall not be less than 10% of the total dividends.

(1) Legal reserve

When the Company is not in deficit, it may, by resolution of the shareholders' meeting, issue new shares or cash from the legal reserve, provided that the amount of such reserve exceeds 25% of the paid-in capital.

(2) Special reserve

As required by the FSC, the Company provides a special reserve from the current period's income and prior period's undistributed earnings for other net deductions from shareholders' equity recorded that occurred during the year; and shall not distribute the special reserve provided from the prior period's undistributed earnings in respect of other deductions from shareholders' equity accumulated in the prior period. For any subsequent reversals of other deductions from shareholders' equity, the reversed portion in respect of the earnings may be distributed.

On August 3, 2021, the Company resolved at the annual general meeting to reverse a special reserve of NT$10,046 K in respect of the difference between other net deductions from shareholders' equity.

(3) Appropriation of earnings

The Company resolved at the annual general meetings on May 31, 2022 and August 3, 2021 the appropriation of earnings for fiscal 2021 and 2020, respectively, and the dividends distributed to owners are as follows:

	2021		2020	
	Dividend payout ratio (NT$)	**Amount**	**Dividend payout ratio (NT$)**	**Amount**
Dividends distributed to common stockholders:				
Cash	$ 2.10	**248,388**	1.65	**195,162**

3. Other equity (net of tax)

	Exchange difference on translation of foreign financial statement	Unrealized gains (losses) on financial assets at FVOCI	Gains (losses) on remeasurements of defined benefit	Total
Balance at Jan 1, 2022	$ (25,067)	234,145	(5,993)	203,085
Exchange differences arising on translation of net assets of foreign operating entities	28,691	-	-	28,691
Gains or losses on changes in the present value of defined benefit obligations	-	-	(1,798)	(1,798)
Unrealized losses on financial assets measured at FVOCI	-	(146,241)	-	(146,241)
Balance at Dec 31, 2022	**$ 3,624**	**87,904**	**(7,791)**	**83,737**
Balance at Jan 1, 2021	$ (21,309)	33,730	(5,543)	6,878
Exchange differences arising on translation of net assets of foreign operating entities	(3,758)	-	-	(3,758)
Gains or losses on changes in the present value of defined benefit obligations	-	-	(450)	(450)
Unrealized gains on financial assets measured at FVOCI	-	200,415	-	200,415
Balance at Dec 31, 2021	**$ (25,067)**	**234,145**	**(5,993)**	**203,085**

13) Earnings per share (EPS)

	2022	2021
Basic EPS:		
Net profit for the period attributable to the Company	$ 451,684	309,079
Weighted average number of common shares outstanding (K share)	118,280	118,280
Basic EPS (NT$)	**$ 3.82**	**2.61**
Diluted EPS:		
Net profit for the period attributable to the Company	$ 451,684	309,079
Weighted average number of common shares outstanding (K share)	118,280	118,280
Effect of employee stock-based compensation (K share)	2,064	1,820
Weighted average number of common shares outstanding (K share) (diluted)	120,344	120,100
Diluted EPS (NT$)	**$ 3.75**	**2.57**

14) Revenue from customer contracts

1. Breakdown of revenue

	2022	2021
Major regional markets:		
Oceania	$ 965	759
Taiwan	78,441	81,621
Asia	278,190	294,086
Africa	1,861	1,560
America	530,125	460,372
Europe	1,532,097	1,187,079
	$ 2,421,679	**2,025,477**
Main product/service lines:		
TFT	$ 2,068,544	1,750,006
TN.STN.FSTN	341,636	256,858
Other	11,499	18,613
	$ 2,421,679	**2,025,477**

2. Contract balance

	2022.12.31	2021.12.31	2021.1.1
Accounts receivable	**$ 363,587**	**235,948**	**186,504**

Please refer to Note 6(5) for the disclosure of accounts receivable and impairment.

15) Remuneration of employees and directors and supervisors

As stipulated in the Company's Articles of Incorporation, if a profit is made in a year, the Company shall deduct the accumulated losses from its profit before taxation for that year and set aside a maximum of 5% to 12% of the balance for the remuneration of its employees and 3% for the remuneration of its directors and supervisors.

The amount of compensation of NT$54,791 K and NT$40,339 K set aside for employees and NT$18,490 K, and NT$12,998 K for directors and supervisors for fiscal 2022 and 2021 respectively were estimated based on the Company's pre-tax net income for the period before deducting the compensation for employees and directors and supervisors multiplied by the distribution percentages of compensation for employees, directors and supervisors as stipulated in the Company's Articles of Incorporation and reported as operating costs or operating expenses for the period.

The foregoing remuneration to be distributed to employees, directors and supervisors as resolved by the Board of Directors did not differ from the amounts estimated in the Company's consolidated financial statements for fiscal 2022 and 2021. Related information is available on the Market Observation Post System.

16) Non-operating income and expenses

1. Interest income

		2022	2021
Interest on bank deposits	$	4,140	1,125
Interest income on financial assets measured at amortized cost		5,259	4,818
Other interest income		4	4
	$	9,403	5,947

2. Other income

		2022	2021
Dividend income	$	40,455	7,083
Other income		8,505	14,533
	$	48,960	21,616

3. Other gains and losses

		2022	2021
Foreign currency exchange gain	$	20,306	16,162
Loss on disposal and scrapping of property, plant and equipment		(1,834)	(420)
Interest in financial assets at FVPL		673	2,537
Other		(1,797)	(1,384)
	$	17,348	16,895

4. Financial costs

		2022	2021
Amortization of interest on lease liabilities	$	1,520	2,006

17) Financial instruments

1. Credit risk

(1) Credit risk exposures

The carrying amount of a financial asset represents the maximum amount of credit risk exposure.

(2) Concentration of credit risk

The Consolidated Company's concentration of credit risk with its largest customer, Company A, did not exceed 18.62% and 25.31% of total receivables as of December 31, 2022 and 2021, respectively; the concentration of credit risk with its other top four customers did not surpass 46.47% and 37.72% of total receivables, respectively.

(3) Credit risk on receivables

Please refer to Note 6(5) for details of credit risk exposures on receivables. Other financial assets measured at amortized cost include other receivables and certificates of deposit.

All of the above are financial assets with low credit risk and therefore the loss allowances for the period are measured at the expected credit loss amount for the 12-month period. Time deposits and other receivables held by the Consolidated Company are considered to have low credit risk because the counterparties and other parties to the contracts are creditworthy or are financial institutions with investment grade or above.

The Consolidated Company's other financial assets measured at amortized cost as at December 31, 2022 and 2021 have no provision for losses due to expected credit losses over 12 months.

2. Liquidity risk

The following table shows the contractual maturities of financial liabilities, including the effect of estimated interest.

	Carrying amount	Contractual cash flow	Within 12 months	1-2 yrs	2-5 yrs	Over 5 yrs
Dec 31, 2022						
Non-derivative financial liabilities						
Accounts payable	$ 220,997	220,997	220,997	-	-	-
Other payables	129,784	129,784	129,784	-	-	-
Lease liabilities (incl. those due within one year)	49,218	50,908	370,213	17,651	13,821	-
	$ 399,999	**401,689**	**720,994**	**17,651**	**13,821**	**-**
Dec 31, 2021						
Non-derivative financial liabilities						
Accounts payable	$ 229,124	229,124	229,124	-	-	-
Other payables	101,430	101,430	101,430	-	-	-
Lease liabilities (incl. those due within one year)	68,702	71,865	21,630	18,818	31,417	-
	$ 399,256	**402,419**	**352,184**	**18,818**	**31,417**	**-**

The Consolidated Company does not expect that the cash flows analyzed at maturity will occur significantly earlier or that the actual amounts will be significantly different.

3. Market risk

(1) Exchange rate risk

The Consolidated Company's financial assets and liabilities that are exposed to significant foreign currency exchange rate risk are as follows:

	2022.12.31		
	Foreign currency	**Exchange rate**	**NT dollar**
Financial assets			
Monetary items			
USD	$ 19,552	30.720	600,637
HKD	185	3.9400	729
Chinese Yuan	42,033	4.4110	185,408
Financial liabilities			
Monetary items			
USD	3,045	30.720	93,542
HKD	378	3.9400	1,489
Chinese Yuan	5,906	4.4110	26,051

	2021.12.31		
	Foreign currency	**Exchange rate**	**NT dollar**
Financial assets			
Monetary items			
USD	$ 14,940	27.685	413,614
HKD	187	3.5490	664
Chinese Yuan	44,585	4.3430	193,633
Financial liabilities			
Monetary items			
USD	3,960	27.685	109,633
HKD	705	3.5490	2,502
Chinese Yuan	6,568	4.3430	28,525

(2) Sensitivity analysis

The Consolidated Company's exchange rate risk arises primarily from foreign currency-denominated cash and cash equivalents, financial assets carried at amortized cost, accounts receivable and other receivables, accounts payable and other payables, which give rise to foreign currency exchange gains and losses upon translation. As of December 31, 2022 and 2021, if the New Taiwan dollar had depreciated or appreciated by 1% against the U.S. dollar, Hong Kong dollar and Chinese yuan, all other factors remaining constant, net income after tax would increase by NT$5,326 K and NT$3,738 K in fiscal 2022 and 2021, respectively. The same basis of analysis applied to both periods.

(3) Exchange gains and losses on monetary items

Due to the variety of the Consolidated Company's functional currencies, information on exchange gains and losses on monetary items is presented on a consolidated basis, with foreign currency exchange gains (both realized and unrealized) amounting to NT$20,306 K and NT$16,162 K in fiscal 2022 and 2021, respectively.

4. Other price risk

If the price of equity securities had changed at the reporting date (the same basis of analysis was used for both periods and other changes were assumed to be constant), the effect on the comprehensive income item would have been as follows:

	2022	2021
Securities prices on reporting date	**Other comprehensive income after tax**	**Other comprehensive income after tax**
Up 1%	$ 6,214	5,949
Down 1%	$ (6,214)	(5,949)

5. Fair value information

(1) Types and fair values of financial instruments

The Consolidated Company's financial assets at FVPL and financial assets at FVOCI are measured at fair value on a recurring basis. The carrying amounts and fair values of each class of financial assets and financial liabilities (including information on the fair value hierarchy, except for financial instruments not carried at fair value whose carrying amounts are a reasonable approximation of fair value and lease liabilities for which disclosure of fair value information is not required) are presented below:

	2022.12.31				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at FVPL					
Financial assets at FVOCI					
Domestic OTC-listed stocks	$ 185,103	185,103	-	-	185,103
Domestic non-Exchange/OTC-listed stocks	436,325	-	-	436,325	436,325
Total	**$ 621,428**	**185,103**	**-**	**436,325**	**621,428**
Financial assets at amortized cost					
Cash and cash equivalents	$ 358,325	-	-	-	-
Accounts receivable	363,587	-	-	-	-
Other receivables	10,947	-	-	-	-
Certificates of deposit	268,434	-	-	-	-
Refundable deposits	6,877	-	-	-	-
Total	**$ 1,008,170**	**-**	**-**	**-**	**-**
Financial liabilities at amortized cost					
Accounts payable	$ 220,997	-	-	-	-
Other payables	129,784	-	-	-	-
Lease liabilities (including those due within one year)	49,218	-	-	-	-
Total	**$ 399,999**	**-**	**-**	**-**	**-**

	2021.12.31				
		Fair value			
	Carrying amount	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at FVPL					
Structured deposits	$ 43,423	-	43,663	-	43,663
Financial assets at FVOCI					
Domestic OTC-listed stocks	$ 108,360	108,360	-	-	108,360
Domestic non-Exchange/OTC-listed stocks	486,514	-	-	486,514	486,514
Total	$ 594,874	108,360	-	486,514	594,874
Financial assets at amortized cost					
Cash and cash equivalents	$ 328,253	-	-	-	-
Accounts receivable	235,948	-	-	-	-
Other receivables	14,161	-	-	-	-
Certificates of deposit	304,737	-	-	-	-
Refundable deposits	6,802	-	-	-	-
Total	$ 889,901	-	-	-	-
Financial liabilities at amortized cost					
Accounts payable	$ 229,124	-	-	-	-
Other payables	101,430	-	-	-	-
Lease liabilities (including those due within one year)	68,702	-	-	-	-
Total	$ 399,256	-	-	-	-

(2) Fair value valuation techniques for financial instruments measured at fair value

Where there is an active market for publicly quoted prices for non-derivative financial instruments, the fair value is based on the publicly quoted prices in the active market. Market prices published by major exchanges as well as by the OTC exchanges for central government bonds judged to be on-the-run securities, constitute the basis for the fair value of Exchange/OTC-listed equity instruments, and debt instruments for which there is an active market for publicly quoted prices.

A financial instrument has an active market for public quotations if public quotations are obtained from an exchange, broker, underwriter, industry association, pricing service provider or competent authority in a timely and regular manner and the price represents an actual and regular arm's length market transaction. If these conditions are not met, the market is considered to be inactive. Generally speaking, a very wide bid-ask spread, a significant increase in the bid-ask spread or low trading volume are all indicators of an inactive market.

The fair values of financial instruments held by the Consolidated Company that have an active market are shown below by category and attribute:

The fair value of OTC-listed stocks, which are financial assets with standard terms and conditions and traded in an active market, is determined by reference to quoted market prices.

The fair values of financial instruments held by the Consolidated Company that do not have an active market are shown below by category and attribute:

- Equity instruments that are not publicly quoted: Fair values are estimated using the market comparable company method, with key assumptions based on estimated earnings per share, net worth per share, market value to revenue ratio and quoted market prices of the investee and comparable Exchange/OTC-listed companies. The estimates are adjusted for the effect of the lack of marketability discount on the equity securities.
- Non-publicly quoted structured deposits: Fair value is estimated using a discounted cash flow model whose key assumptions are that the fair value is measured by expected future cash flows discounted at a rate of return that reflects the time value of money and investment risk.

(3) Transfers between Level 1 and Level 2

There were no transfers between fiscal 2022 and 2021.

(4) Schedule of changes in Level 3

	Measured at FVOCI
	Non-Exchange/OTC-listed stocks
Jan 1, 2022	$ 486,514
Total loss - recognized in other comprehensive income	(123,038)
Purchases	116,800
Proceeds from capital reduction	(43,951)
Dec 31, 2022	**$ 436,325**
Jan 1, 2021	$ 330,839
Total benefit - recognized in other comprehensive income	158,275
Purchases	-
Proceeds from capital reduction	(2,600)
Dec 31, 2021	**$ 486,514**

The above total gains or losses are reported as "Unrealized valuation gains (losses) on financial assets measured at FVOCI." Of these amounts, the following relates to assets still held at December 31, 2022 and 2021:

		2022	2021
Total gain or loss			
Recognized in other comprehensive income (reported as "Unrealized valuation gains (losses) on financial assets measured at FVOCI	$	(123,038)	158,275

(5) Quantitative information on fair value measurements of significant unobservable inputs (Level 3)

The fair value measurements of the Consolidated Company classified as Level 3 are through investments in financial assets - equity securities - that are measured at FVOCI.

The Consolidated Company's investments in equity instruments with no active market have plural significant unobservable inputs. Significant unobservable inputs from investments in equity instruments with no active market are not correlated with each other as they are independent of each other.

A list of quantitative information for significant unobservable inputs is shown below:

Item	Valuation techniques	Significant unobservable input value	Significant unobservable input value to fair value relationship
Financial assets at FVOCI - Domestic non-Exchange / OTC-listed stocks	Market approach	• Lack of marketability discount (30% on 2022.12.31 and 2021.12.31) • Share price operating income ratio multiplier (1.27-14.29 and 1.58-1.80 for 2022.12.31 and 2021.12.31, respectively) • Net share price ratio multiplier (1.12-8.44 and 1.27-6.51 for 2022.12.31 and 2021.12.31, respectively) • Price-earnings ratio multiplier (2.24-47.01 and 1.72-94.95 for 2022.12.31 and 2021.12.31, respectively)	• The higher the discount for lack of marketability, the lower the fair value • The higher the multiplier, the higher the fair value
	Asset approach	• Net asset value • Acquisition price	N/A

(6) Analysis of the sensitivity of fair value to reasonably possible alternative assumptions for Level 3 fair value measurements

The Consolidated Company's measurement of the fair value of financial instruments is reasonable, but the use of different valuation models or valuation parameters may result in different valuation results. For financial instruments classified as level 3, the effect on other comprehensive income if the valuation parameters are changed is as follows:

	Input value	Up or down	Fair value changes reflected in other comprehensive income: Favorable changes	Fair value changes reflected in other comprehensive income: Unfavorable changes
Dec 31, 2022				
Financial assets at FVOCI - Domestic non-Exchange/OTC-listed stocks	Liquidity discount	5%	7,474	(7,474)
	Market multiplier	5%	7,511	(7,417)
Dec 31, 2021				
Financial assets at FVOCI - Domestic non-Exchange/OTC-listed stocks	Liquidity discount	5%	9,435	(9,435)
	Market multiplier	5%	7,897	(7,539)

Favorable and unfavorable changes in the Consolidated Company represent fluctuations in fair value, which is calculated using valuation techniques, based on varying degrees of unobservable input parameters. Where the fair value of a financial instrument is affected by more than one input, the above table reflects the effect of changes in a single input and does not take into account the correlation and variability between inputs.

18) Financial risk management

1. Summary

The Consolidated Company is exposed to the following risks arising from the use of financial instruments:

(1) Credit risk

(2) Liquidity risk

(3) Market risk

This note presents information on the Consolidated Company's exposure to each of the above risks and the Consolidated Company's objectives, policies and procedures for measuring and managing those risks. For further quantitative disclosures, please refer to the respective notes to the consolidated financial statements.

2. Risk management structure

The Board of Directors has overall responsibility for establishing and overseeing the risk management structure of the Consolidated Company and is in charge of the development and control of the Consolidated Company's risk management policies.

The Consolidated Company's risk management policy is established to identify and analyze the risks faced by the Consolidated Company, to set appropriate risk limits and controls, and to monitor compliance with the risks and risk limits. The risk management policies and systems are regularly reviewed to reflect changes in market conditions and the operations of the Consolidated Company. The Consolidated Company develops a disciplined and constructive control environment through training, management guidelines and operating procedures so that all employees are aware of their roles and obligations.

The Consolidated Company's board of directors oversees how management monitors the Consolidated Company's compliance with risk management policies and procedures and reviews the appropriateness of the Consolidated Company's risk management framework in relation to the risks it faces. Internal auditors assist the board of directors of the Consolidated Company in its oversight role. They conduct regular and exceptional reviews of risk management controls and procedures and report their findings to the board of directors.

3. Credit risk

Credit risk is the risk of financial loss caused to the Consolidated Company as a result of its customers or counterparties to financial instruments failing to fulfill their contractual obligations, and arises primarily from the Consolidated Company's accounts receivable from customers and investments.

(1) Receivables

The Consolidated Company has established a credit policy whereby the Consolidated Company is required to analyze the credit rating of each new customer individually before granting standard payment and delivery terms and conditions. The Consolidated Company's review includes, where available, external ratings and, in certain circumstances, bank notes. Purchase limits are established on a customer-by-customer basis and represent the maximum amount outstanding that is not subject to approval by the Risk Management Committee. This limit is reviewed periodically. Customers who do not meet the base credit rating of the Consolidated Company may only transact with the Consolidated Company on an upfront basis.

(2) Investments

The credit risk of bank deposits and other financial instruments is measured and monitored by the Consolidated Company's finance department. The Consolidated Company is not exposed to significant credit risk as its counterparties and other parties to contracts are creditworthy banks and financial institutions and corporate organizations with investment grade or above, and there is no significant doubt about their performance.

(3) Guarantees

The Consolidated Company's policy provides that financial guarantees can only be provided to subsidiaries over which the Company has control. No endorsements/guarantees were provided by the Consolidated Company as at December 31, 2022 and 2021.

4. Liquidity risk

Liquidity risk is the risk that the Consolidated Company will not be able to deliver cash or other financial assets to settle its financial liabilities and will not be able to honor its obligations. The Consolidated Company manages liquidity by ensuring, to the extent possible, that it has sufficient liquidity to pay its liabilities as they fall due under normal and stressful circumstances without the risk of unacceptable losses or damage to the Consolidated Company's reputation.

The Consolidated Company has developed a cost strategy to assist in monitoring cash flow requirements and the optimal cash return on investment. In general, the Consolidated Company ensures that it has sufficient cash to cover its operating expenditure requirements, including the fulfillment of financial obligations, but excludes potential effects that cannot reasonably be anticipated in extreme circumstances, such as natural disasters.

5. Market risk

Market risk is the risk that changes in market prices, such as exchange rates, interest rates, or the price of equity instruments, will affect the Consolidated Company's earnings or the value of financial instruments held. The objective of market risk management is to manage the level of market risk within tolerable limits and to optimize investment returns.

In order to manage market risk, the Consolidated Company may enter into derivative transactions as required and will therefore incur financial liabilities. All transactions are executed in line with the risk management policy.

(1) Exchange rate risk

The Consolidated Company is exposed to exchange rate risk arising from sales, purchases and investment transactions that are not denominated in the functional currency of the respective companies. The Company's functional currency is primarily the New Taiwan dollar, while the subsidiary in China has the Chinese yuan as its functional currency. The principal currencies in which these transactions are denominated are the NT dollars, Chinese yuan, US dollars and Hong Kong dollars.

The Consolidated Company keeps abreast of changes in exchange rates and adopts stable and conservative exchange rates as the basis for quotations. It carefully considers current and future changes in exchange rates, and also makes timely use of hedging instruments such as forward exchange to hedge the impact of fluctuations in exchange rates.

(2) Other market risks

The Consolidated Company is exposed to equity price risk arising from its investment in equity securities. These equity investments are not held for trading but are strategic investments. The Consolidated Company does not actively trade these investments and its management manages the risk by holding a diverse portfolio of investments.

19) Capital management

It is the board's policy to maintain a solid capital base to sustain the confidence of investors, creditors and the market and to support the development of its operations. Capital comprises the Company's share capital, capital reserve and retained earnings. The board controls the rate of return on capital and also controls the level of dividends on ordinary shares.

The Consolidated Company's capital management objectives are to safeguard the ability to operate as a going concern in order to continue providing shareholder remuneration and other stakeholder benefits, and to maintain an optimal capital structure to reduce the cost of capital.

The Consolidated Company manages capital on the same basis as its peers, based on a debt-to-equity ratio (D/E ratio). The Consolidated Company's D/E ratios at the reporting date are as follows:

	2022.12.31	**2021.12.31**
Total liabilities	$ 488,747	465,994
Total equity	$ 2,089,766	1,999,578
Debt to equity ratio	23.39%	23.30%

20) Non-cash investing activities

1. The Consolidated Company's non-cash investing activities in fiscal 2022 and 2021 are as follows:

	2022	**2021**
Change in fair value of financial assets measured at FVOCI for the year	$ (146,241)	200,415
Transfer of prepayments for equipment to property, plant and equipment	$ 7,431	-

2. A reconciliation of the liabilities arising from financing activities is shown in the table below:

	2022.1.1	Cash flow	Non-cash change Exchange rate change	2022.12.31
Lease liabilities	$ 68,702	(20,395)	911	49,218

	2021.1.1	Cash flow	Non-cash change Exchange rate change	2021.12.31
Lease liabilities	$ 87,773	(21,637)	2,566	68,702

7. Related party transactions

1) Key management transactions

Key management compensation includes:

	2022	2021
Short-term employee benefits	$ 43,240	36,348

8. Pledged assets: Nil.

9. Significant contingent liabilities and unrecognized contractual commitments

1) Significant unrecognized contractual commitments

	2022.12.31	2021.12.31
Guaranteed notes issued in connection with purchase guarantee	$ 15,000	15,000

10. Losses due to major disaster: Nil.

11. Significant events after the reporting period: Nil.

12. Other

1) The employee benefits, depreciation and amortization expenses by function are summarized below:

Function	2022			2021		
Nature	Attributable to operating costs	Attributable to operating expenses	Total	Attributable to operating costs	Attributable to operating expenses	Total
Employee benefit expense						
Salaries expense	96,903	100,213	197,116	83,938	80,371	164,309
Labor and health insurance expense	6,786	5,629	12,415	5,874	5,241	11,115
Pension expense	5,947	2,938	8,885	5,028	(1,637)	3,391
Directors' remuneration	-	25,753	25,753	-	21,118	21,118
Other employee benefit expense	11,971	3,167	15,138	9,705	3,032	12,737
Depreciation expense	30,061	11,432	41,493	32,575	11,428	44,003
Amortization expense	134	518	652	138	74	212

13. Note disclosures

1) Information on significant transactions

Information required by the Regulations Governing the Preparation of Financial Reports by Securities Issuers for fiscal 2022 to be disclosed in connection with the Consolidated Company's significant transactions is as follows:

1. Lending of funds to others: Nil.
2. Endorsements/guarantees for others: Nil.
3. Securities held at the end of the period (excluding investments in subsidiaries, associates and joint venture interests):

In K share

Holding company	Type and name of securities	Relation with securities issuer	Item	End of period				Maximum shareholding or capital contribution in the period	Remarks
				Number of shares	Carrying amount	Shareholding ratio	Fair value		
Ampire Co	Integrated Digital Technologies, Inc	-	Financial assets at FVPL-non-current	936	-	3.27 %	-	3.27%	-
Ampire Co	Top Taiwan VIII Venture Capital Co	Ampire Co is a director of the company	Financial assets at FVOCI-non-current	1,449	17,334	3.33 %	17,334	3.33%	-
Ampire Co	Top Taiwan IX Venture Capital Co	Ampire Co is a director of the company	Financial assets at FVOCI-non-current	7,000	123,428	12.50 %	123,428	12.50%	-
Ampire Co	Top Taiwan XI Venture Capital Co	Ampire Co is a director of the company	Financial assets at FVOCI-non-current	4,063	69,733	6.25 %	69,733	6.25%	-
Ampire Co	Top Taiwan XII Venture Capital Co	Ampire Co is a director of the company	Financial assets at FVOCI-non-current	10,000	113,879	7.41 %	113,879	7.41%	-
Ampire Co	Top Taiwan XIV Venture Capital Co	Ampire Co is a director of the company	Financial assets at FVOCI-non-current	10,000	97,245	4.59 %	97,245	5.00%	-
Ampire Co	Racer Tech Co	-	Financial assets at FVOCI-non-current	1,140	14,706	9.37 %	14,706	13.96%	-
Ampire Co	Amiccom Electronics Corp	-	Financial assets at FVOCI-non-current	2,800	72,940	5.00 %	72,940	5.00%	-
Ampire Co	IBASE Technology Inc	-	Financial assets at FVOCI-non-current	1,451	112,163	0.74 %	112,163	0.82%	-

4. Cumulative purchases or sales of the same securities amounting to at least NT$300 million or 20% of the paid-in capital: Nil.
5. Acquisition of real property amounting to at least NT$300 million or 20% of the paid-in capital: Nil.
6. Disposal of real property amounting to at least NT$300 million or 20% of the paid-in capital: Nil.
7. Purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital:

Purchase/sales company	Counterparty	Relation	Transaction				Circumstances under which the terms of the transaction differ from those of general transactions and the reasons therefor		Notes and accounts receivable/payable		Remarks
			Purchase /sales	Amount	Percentage of total purchases/ sales	Credit period	Unit price	Credit period	Balance	Percentage of total notes and accounts receivable/payable	
Sino Advance Inc.	Tangyu Electronics Co	Parent-subsidiary	Sales	(604,598)	(40.83)%	-	-	-	95,039	78.07%	Note
Tangyu Electronics Co	SINO ADVANCE INC.	Parent-subsidiary	Purchase	604,598	84.38%	-	-	-	(95,039)	(86.16)%	Note
Sino Advance Inc.	Ampire Co	Parent-subsidiary	Sales	(427,740)	(28.89)%	-	-	-	191,523	66.83%	Note
Ampire Co	SINO ADVANCE INC.	Parent-subsidiary	Purchase	427,740	24.79%	-	-	-	(191,523)	(51.50)%	Note
Tangyu Electronics Co	SINO ADVANCE INC.	Parent-subsidiary	Sales	(865,124)	(99.80)%	-	-	-	66,058	99.95%	Note
Sino Advance Inc.	Tangyu Electronics Co	Parent-subsidiary	Purchase	865,124	58.90%	-	-	-	(66,058)	(90.47)%	Note

Note: The transactions have been eliminated in the preparation of the consolidated financial statements.

8. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital:

Company with accounts receivable	Counterparty	Relation	Balance of receivables from related parties	Turnover	Overdue receivables from related parties		Subsequent recoveries of receivables from related parties	Provision for loss allowances
					Amount	Treatment		
Sino Advance Inc.	Ampire Co	Parent-subsidiary	191,523	2.43	-		30,720	-

Note: The transactions have been eliminated in the preparation of the consolidated financial statements.

9. Engaged in derivatives trading: Nil.

10. Business relationships and significant transactions between parent and subsidiary:

No.	Trader	Counterparty	Relation with trader	Transaction			
				Item	Amount	Trading conditions	Percentage of consolidated total operating revenue or total assets
1	Sino Advance Inc.	Tangyu Electronics Co	1	Sales	604,598	As per general conditions	24.97%
1	Sino Advance Inc.	Tangyu Electronics Co	1	Accounts receivable	95,039	As per general conditions	3.69%
1	Sino Advance Inc.	Ampire Co	2	Sales	427,740	Commissioned processing on a discretionary prepayment basis	17.66%
1	Sino Advance Inc.	Ampire Co	2	Accounts receivable	191,523	As per general conditions	7.43%
2	Tangyu Electronics Co	Sino Advance Inc.	2	Sales	865,124	As per general conditions	35.72%
2	Tangyu Electronics Co	Sino Advance Inc.	2	Accounts receivable	66,058	As per general conditions	2.56%

Note 1: The numbers are filled in as follows:
1. 0 represents the parent company.
2. The subsidiaries are numbered by company, starting with the Arabic numeral 1.

Note 2: The type of relationship with the trader is indicated as follows:
1. Parent vs. subsidiary.
2. Subsidiary vs. parent.
3. Subsidiary vs. subsidiary.

Note 3: Information on business relationships and significant transactions between parents and subsidiaries is disclosed only for sales and accounts receivable, while the corresponding purchases and payables are not further elaborated.

Note 4: The above transactions have been eliminated in the preparation of the consolidated financial statements.

2) Information on investees (excluding Chinese investees):

Information on the Consolidated Company's investment business for fiscal 2022 is as follows:

In NT$ K / US$ K / K share

Investing company	Investee	Location	Business	Initial investment amount		Holdings at end of period			Maximum shareholding or capital contribution in the period	Investee profit/loss for the period	Profit/loss on investments recognized in the period	Remarks
				End of period	End of last year	Number of shares	Ratio	Carrying amount				
Ampire Co	Asia Ampire (H.K.) Co., Ltd	HK	Sale of LCD modules	3,000	3,000	674	100.00%	121	100.00%	-	-	Note
Ampire Co	American Ampire , Inc.	US	Sale of LCD modules	452	452	14	100.00%	-	100.00%	-	-	Note
Ampire Co	Ampire Co., Ltd. (B.V.I.)	BVI	Investment holding	734,415	734,415	23,259	100.00%	315,165	100.00%	34,580	34,584	Note
Ampire Co., Ltd. (B.V.I.)	Sino Advance Inc.	Samoa	Sale of LCD modules	713,441 (USD23,224)	713,441 (USD23,224)	23,224	100.00%	315,034 (USD10,255)	100.00%	34,575 (USD1,160)	34,575 (USD1,160)	Note

Note: The transactions have been eliminated in the preparation of the consolidated financial statements.

3) Information on investment in Mainland China:

1. Information about businesses investing in China:

In NT$ K /US$ K

Chinese investee	Business	Paid-in capital	Investment approach	Cumulative investment remitted from Taiwan at beginning of period	Investment remitted or recovered during the period		Cumulative investment remitted from Taiwan at end of period	Investee's profit/loss for the period	Percentage of the Company's shareholding in direct or indirect investments	Maximum shareholding or capital contribution in the period	Investment gains and losses recognized during the period	Carrying value of investments at end of period	Investment income repatriated up to the period
					Remittance	Recovery							
Tangyu (Dongguan) Electronics Co	Design, manufacture and processing of LCD modules	652,431 (USD21,238)	(2)	646,103 (USD21,032)	-	-	646,103 (USD21,032)	32,131 (USD1,078)	100.00%	100.00%	32,131 (USD1,078)	246,098 (USD8,011)	-

Note 1: Based on the financial statements audited by the CPA in the same period.
Note 2: Investments were made through Sino Advance Inc. and Ampire Co., Ltd. (B.V.I).
Note 3: The above transactions have been eliminated in the preparation of the consolidated financial statements.

2. Investment quota to China:

Cumulative investment remitted from Taiwan to China at the end of period	Investment approved by MOEA Investment Commission	Investment quota in China set by MOEA Investment Commission
646,103 (US$21,032 K)	724,992 (US$23,600 K)	1,253,860 Note 2

Note 1: The exchange rate of the NT dollar to the U.S. dollar on Dec 31, 2022 was USD1: NTD30.72; the average exchange rate of the NT dollar to the U.S. dollar in 2022 was USD1: NTD29.8063.
Note 2: Net worth 60%.

3. Significant transactions:

Significant direct or indirect transactions between the Consolidated Company and its investees in China in 2022 were eliminated in the preparation of the consolidated financial statements, as described in the "Information on Significant Transactions."

4) Information on major shareholders:

Shares / Major shareholder	Number of shares held	Shareholding ratio
Amiccom Electronics Corp	6,492,000	5.48%

Notes:

(1) Information on major shareholders in this table is calculated by Taiwan Depository & Clearing Corp on the last business day of each quarter for shareholders holding 5% or more of the Company's common shares and preferred shares that have been delivered without physical registration (including treasury shares). There may be discrepancies between the share capital recorded in the Company's financial statements and the actual number of shares delivered by the Company without physical registration, depending on the basis of preparations and calculations.

(2) Where the above information involves the transfer of shareholdings by shareholders to a trust, it is disclosed by trustors' individual segregated accounts opened by the trustees. For insider equity reporting under the Securities and Exchange Act by shareholders holding more than 10% of the shares, including their own shares plus shares held in trust, and shares with discretionary power over the trust property, please refer to the Market Observation Post System for information on insider equity reporting.

14. Segment information

1) General information

The Consolidated Company is operating in a single industry for the manufacture and sale of LCD modules. The information used by the operating decision makers is managed on a regional basis and is divided into two reportable segments: the Domestic segment and the Asia segment.

2) Information on reportable segments' profit or loss, assets, liabilities and their measurement bases and reconciliations

The Consolidated Company bases its management's resource allocation and performance evaluation on segment profit or loss before tax in the internal management report reviewed by the chief operating decision maker. The Consolidated Company does not allocate income tax expense (benefit) to reportable segments because income taxes are administered on a group basis. The amounts reported are consistent with the report used by operating decision makers.

The accounting policies of the operating segments are the same as those described in Note 4, "Consolidated explanation of material accounting policies," except that pension expense for each operating segment is recognized and measured on the basis of cash payments to pension plans.

The Consolidated Company treats inter-segment sales and transfers as transactions with third parties. They are measured at current market prices.

The Consolidated Company's operating segments and reconciliation are as follows:

2022	Domestic	Asia	Adjustments & Eliminations	Total
Revenue:				
Revenue from external customers	$ 2,420,403	1,276	-	2,421,679
Inter-segment revenue	984	876,665	(877,649)	-
Total revenue	$ 2,421,387	877,941	(877,649)	2,421,679
Reportable segment profit or loss	$ 543,042	44,324	(34,581)	552,785

2021	Domestic	Asia	Adjustments & Eliminations	Total
Revenue:				
Revenue from external customers	$ 2,025,241	236	-	2,025,477
Inter-segment revenue	-	768,846	(768,846)	-
Total revenue	$ 2,025,241	769,082	(768,846)	2,025,477
Reportable segment profit or loss	$ 379,949	8,537	(7,447)	381,039

3) Information by product and service

Information on the Consolidated Company's revenue from external customers is as follows:

Name of product and service		2022	2021
TFT	$	2,068,544	1,750,006
TN.STN.FSTN		341,636	256,858
Other		11,499	18,613
	$	**2,421,679**	**2,025,477**

4) Information by region

Information on the Consolidated Company by region is shown below, with revenues classified based on the geographical location of the customer and non-current assets classified based on the geographical location of the asset.

Region		2022	2021
Revenue from external customers:			
Oceania	$	965	759
Taiwan		78,441	81,621
Asia		278,190	294,086
Africa		1,861	1,560
America		530,125	460,372
Europe		1,532,097	1,187,079
	$	**2,421,679**	**2,025,477**

Region		2022.12.31	2021.12.31
Non-current assets:			
Taiwan	$	316,899	307,217
China		67,228	78,156
	$	**384,127**	**385,373**

Non-current assets comprise property, plant and equipment, intangible assets, right-of-use assets and other non-current assets, but exclude financial instruments and deferred tax assets.

5) Key customer information

		2022	2021
Customer A	$	157,504	215,062
Customer B		247,774	237,025
Customer C		320,855	386,974
	$	**726,133**	**839,061**

Independent Auditor's Report

To the Board of Directors of Ampire Co., Ltd.,

Auditor's Opinion

We have audited the accompanying balance sheet of Ampire Co. as of December 31, 2022 and 2021, and the related statements of comprehensive income, changes in equity and cash flows for the years from January 1 to December 31, 2022 and 2021, and the related notes to the parent company only financial statements, which comprise a summary of significant accounting policies.

In our opinion, the parent company only financial statements referred to above have been prepared, in all material respects, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and are sufficient to present fairly the financial position of Ampire Co as of December 31, 2022 and 2021, and the financial performance and cash flows for the years from January 1 to December 31, 2022 and 2021.

Basis of Audit Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. Our responsibility under those standards is further explained in the paragraph on our responsibility to audit the parent company only financial statements. The staff of the firm with which we are affiliated are subject to the independence requirements of the CPA code of professional ethics, maintaining independence from Ampire Co and performing the other duties under the code. We believe that we have obtained sufficient and appropriate evidence to form the basis of our audit opinion.

Critical Audit Matters

A critical audit matter is one that, in our professional judgment, is most significant to the audit of the 2022 parent company only financial statements of Ampire Co. Those matters have been addressed in the process of auditing the parent company only financial statements taken as a whole and forming an opinion thereon, and we do not express an opinion on those matters individually. The key audit matters that, in our opinion, should be communicated in an audit report are as follows:

1. Revenue recognition

Please refer to Notes 4(12) and 6(15) to the parent company only financial statements for the accounting policy and related disclosures regarding revenue recognition, respectively.

Notes to critical audit matters:

Revenue recognition is one of the significant evaluations performed by our auditors in connection with the audit of the parent company only financial statements of Ampire Co, as the Company's revenue is a matter of concern to users of the reports and complex accounting treatments and accounting policies under IFRS 15 are applied to measure and recognize revenue based on subjective assumptions or judgments that could result in improper revenue recognition.

Our auditing procedures:

Our audit procedures for the above critical audit matters included understanding the operating and industry characteristics of Ampire Co to assess the appropriateness of the Company's accounting policies; testing the internal control system related to revenue; understanding the shape and trading conditions of Ampire Co's operating revenue to assess whether the revenue recognition policies (including sales returns and discounts) were in line with the relevant statements; identifying the differences between the trading terms of the top 10 customers and new customers in the list and those of the average customers to assess the authenticity of revenue; selecting an appropriate sample size of sales invoices to confirm that payments have been received and recorded correctly, and noting whether the remitters and the customers to whom the sales were made are the same to assess the authenticity of revenue; and choosing a sample of sales transactions for the period before and after the balance sheet date to test and assess the appropriateness of the timing of revenue recording.

2. Valuation of non-Exchange/OTC-listed stocks at fair value through other comprehensive income (FVOCI)

Please refer to Notes 4(6), 5(1) and 6(2) to the parent company only financial statements for the accounting policies, accounting estimates and assumption uncertainties and related disclosures regarding the valuation of non-Exchange/OTC-listed stocks measured at fair value through other comprehensive income (FVOCI), respectively.

Description of critical audit matters:

The valuation of equity instruments without an active market - non-Exchange/OTC-listed stocks in the financial assets measured at FVOCI of Ampire Co is based on the valuation opinion of an external valuation expert, as the valuation involves the subjective judgment of the external expert in assessing the inputs to the fair value measurements, which would have a significant impact on the valuation of the equity instruments. Therefore, the valuation of non-Exchange/OTC-listed stocks at FVOCI is one of the key valuation matters in our audit of the parent company only financial statements of Ampire Co.

Our auditing procedures:

Our primary audit procedures for the above critical audit matters included obtaining the opinion of an external expert to assess the reliability and objectivity of the expert's opinion; making inquiries of the expert to understand the valuation methods used and the key assumptions adopted, the sources of information used in the sampling and testing of the opinion, the input values of the key assumptions, and the validation of the relevant data, getting the assistance of internal experts where necessary, and reviewing the conclusions of the external expert's report.

3. Valuation of inventories

Please refer to Notes 4(7), 5(2) and 6(5) to the parent company only financial statements for the uncertainties in accounting policies, accounting estimates and assumption and related disclosures regarding the valuation of inventories, respectively.

Description of critical audit matters:

The inventory valuation of Ampire Co includes an estimate of the net realizable value of inventories and a provision for allowance for dead stock. The provision for net realizable value and allowance for dead stock is based on management's subjective judgment and on the proportion of losses incurred in relation to the age of inventories and historical experience, respectively, and therefore will have a material impact on the valuation of inventories. Accordingly, the valuation of inventories is one of the significant evaluations performed by our auditors in connection with the audit of the parent company only financial statements of Ampire Co.

Our auditing procedures:

Our principal audit procedures for the above critical audit matters included assessing whether the valuation of inventories had been performed in keeping with the established policy of Ampire Co on the provision for inventory write-down; performing sampling to assess the basis and reasonableness of the net realizable value used by management; obtaining an analysis of the net realizable value of inventories and the age of inventories to examine the appropriateness of the overall allowance to reduce inventory to market as a percentage of the inventory balance as compared to the previous period; and performing sampling to verify the reasonableness of the age of inventories.

Management's and Governance's Responsibility for Parent Company Only Financial Statements

Management's responsibility is to prepare parent company only financial statements that are fairly presented under the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and to maintain such internal control relevant to the preparation of parent company only financial statements as is necessary to ensure that parent company only financial statements are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management's responsibilities include the assessment of the ability of Ampire Co to continue as a going concern, the disclosure of related matters, and the adoption of a going concern basis of accounting, unless management intends to liquidate Ampire Co or cease operations, or there is no practical alternative to liquidation or discontinuance of operations.

The governance unit (including the audit committee or supervisors) of Ampire Co has responsibility for overseeing the financial reporting process.

Auditor's Responsibility for Auditing the Parent Company Only Financial Statements

The purpose of our audit of the parent company only financial statements is to obtain reasonable assurance as to whether there are material misstatements in the parent company only financial statements taken as a whole that are attributable to fraud or error and to issue an audit report thereon. Reasonable assurance is a high degree of assurance, but an audit performed in accordance with auditing standards does not provide assurance that material misstatements in the parent company only financial reports will be detected. Misstatements may be the result of fraud or error. An inaccuracy is considered to be material if it is of such an amount or aggregation that it could reasonably be expected to affect the economic decisions made by users of the parent company only financial statements.

We exercise professional judgment and maintain professional skepticism in our audits in accordance with auditing standards. We also perform the following tasks:

1. Identify and assess the risks of material misstatement of the parent company only financial statements arising from fraud or error; design and implement appropriate policy responses 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. Gain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of Ampire Co.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude, based on the audit evidence obtained, as to the appropriateness of management's adoption of the going concern basis of accounting and whether a material uncertainty exists related to events or conditions that may cast significant doubt on Ampire Co's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the disclosures in the parent company only financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. Our conclusions are based on audit evidence available at the date of the auditor's report. However, future events or conditions may cause Ampire Co to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the related notes, and whether the parent company only financial statements adequately present the relevant transactions and events.
6. Obtain audit evidence that is sufficient and appropriate for the purpose of expressing an opinion on the parent company only financial statements in respect of the financial information of investees using the equity method. We are responsible for the direction, supervision and performance of audits and for forming an opinion on the audit of Ampire Co.

The matters that we communicate with the governance unit, including the planned scope and timing of the audit and significant audit findings (including significant deficiencies in internal control identified in the course of the audit).

We also provide the governing body with a statement that the personnel of the firm with which we are affiliated who are subject to the independence requirements of the CPA code of professional ethics have complied with such requirements and communicate with the governing body about all relationships and other matters (including related safeguards) that may reasonably be thought to bear on our independence.

From the matters communicated with the governing bodies, we have determined critical audit matters in the audit of Ampire Co's parent company only financial statements for fiscal 2022. We state those matters in our auditor's report except where public disclosure of specific matters is not permitted by law or, in rare circumstances, we decide not to communicate specific matters in our report as the negative effect of such communication could reasonably be expected to outweigh the public interest that would be served.

The engagement partners on the audit resulting in this independent auditors'report are LEE TZU HUI and KUO HSIN YI

KPMG
Taipei, Taiwan (Republic of China)
Feb. 22, 2023

Notice to Readers

The accompanying standalone financial statements are intended only to present the standalone 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 standalone financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying standalone 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 standalone financial statements shall prevail.

Ampire Co., Ltd.

Balance Sheet

December 31, 2022 and 2021

In NT$ K

		2022.12.31		2021.12.31	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (Note 6(1))	$ 308,704	12	320,585	13
1136	Financial assets measured at amortized cost - current (Note 6(3))	246,379	9	304,737	12
1170	Net accounts receivable (Note 6(4) and (15))	363,556	14	235,948	9
1200	Other receivables	10,794	-	11,484	1
1310	Inventories (Note 6(5)	476,905	18	464,236	18
1410	Prepayments	2,753	-	13,378	1
1470	Other current assets	-	-	36	-
	Total current assets	1,409,091	53	1,350,404	54
	Non-current assets:				
1517	Financial assets at FVOCI - non-current (Note 6(2)	621,428	23	594,874	24
1550	Investments accounted for using the equity method (Note 6(6))	315,286	12	252,011	10
1600	Property, plant and equipment (Note 6(7))	304,243	12	282,575	11
1755	Right-of-use assets (Note 6(8))	7,214	-	14,045	1
1780	Intangible assets	2,580	-	304	-
1840	Deferred tax assets (Note 6(12)	9,468	-	8,833	-
1900	Other non-current assets (Note 6(4)	2,862	-	10,292	-
	Total non-current assets	1,263,081	47	1,162,934	46
	Total assets	$ 2,672,172	100	2,513,338	100

		2022.12.31		2021.12.31	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2170	Accounts payable	$ 180,401	7	180,371	7
2180	Accounts payable - related parties (Note 7)	191,523	7	161,167	6
2200	Other payables (Notes 6(9) and (11))	118,636	5	91,179	4
2230	Current income tax liabilities	59,277	3	41,479	2
2280	Lease liabilities - current (Note 6(10))	4,476	-	6,873	-
2300	Other current liabilities	12,355	-	8,124	-
	Total current liabilities	566,668	22	489,193	19
	Non-current liabilities:				
2580	Lease liabilities - non-current (Note 6(10))	2,956	-	7,432	-
2640	Net defined benefit liabilities - non-current (Note 6(11)	12,782	-	17,135	1
	Total non-current liabilities	15,738	-	24,567	1
	Total liabilities	582,406	22	513,760	20
	Equity (Note 6(13):				
3110	Ordinary share capital	1,182,798	44	1,182,798	47
3200	Capital reserve	31,471	1	31,471	1
	Retained earnings:				
3310	Legal reserve	170,334	7	139,426	6
3350	Undistributed earnings	621,426	23	442,798	18
	Total retained earnings	791,760	30	582,224	24
3400	Other equity	83,737	3	203,085	8
	Total equity	2,089,766	78	1,999,578	80
	Total liabilities and equity	$ 2,672,172	100	2,513,338	100

(Please refer to the Notes to Parent Company Only Financial Statements attached for further details)

Ampire Co., Ltd.
Statement of Comprehensive Income
January 1 to December 31, 2022 and 2021

In NT$ K

		2022		2021	
		Amount	**%**	**Amount**	**%**
4000	**Operating revenue (Notes 6(15) and 7)**	$ 2,421,387	100	2,025,241	100
5000	**Operating costs (Notes 6(5), (7), (8), (10), (11), (16) and 7)**	(1,812,566)	(75)	(1,533,619)	(76)
	Gross profit from operations	608,821	25	491,622	24
	Operating expenses (Note 6(4), (7), (8), (10), (11) and (16)):				
6100	Selling expenses	(49,197)	(2)	(38,381)	(2)
6200	Administration expenses	(99,297)	(4)	(76,449)	(4)
6300	R&D expenses	(35,632)	(1)	(30,436)	(2)
	Total operating expenses	(184,126)	(7)	(145,266)	(8)
	Net operating profit	424,695	18	346,356	16
	Non-operating income and expenses (Note 6(2), (10) and (17)):				
7010	Other income	48,097	3	20,120	1
7020	Other gains and losses	27,314	1	575	-
7050	Finance costs	(279)	-	(451)	-
7070	Share of profit or loss of subsidiaries recognized using the equity method	34,584	1	7,416	-
7100	Interest income	8,631	-	5,933	-
	Total non-operating income and expenses	118,347	5	33,593	1
7900	**Net profit before tax**	543,042	23	379,949	17
7950	**Less: Income tax expense (Note 6(12))**	(91,358)	(4)	(70,870)	(2)
	Net profit for the period	451,684	19	309,079	15
8300	**Other comprehensive income (Note 6(11) and (13)):**				
8310	**Items not reclassified to profit or loss**				
8311	Remeasurement of defined benefit plans	(1,798)	-	(450)	-
8316	Unrealized valuation gains and losses from equity instrument investments measured at FVOCI	(146,241)	(6)	200,415	10
8349	Less: Income taxes related to items not reclassified	-	-	-	-
	Total items not reclassified to profit or loss	(148,039)	(6)	199,965	10
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation of financial statements of foreign operating entities	28,691	1	(3,758)	-
8399	Less: Income tax relating to items that may be reclassified	-	-	-	-
	Total items that may be reclassified subsequently to profit or loss	28,691	1	(3,758)	-
8300	**Other comprehensive income for the period**	(119,348)	(5)	196,207	10
8500	**Total amount of comprehensive income for the period**	**$ 332,336**	**14**	**505,286**	**25**
	Earnings per share (NT$) (Note 6(14))				
9750	**Basic earnings per share**	**$**	**3.82**		**2.61**
9850	**Diluted earnings per share**	**$**	**3.75**		**2.57**

(Please refer to the Notes to Parent Company Only Financial Statements attached for further details)

Ampire Co., Ltd.

Statement of Changes in Equity

January 1 to December 31, 2022 and 2021

In NT$ K

			Retained earnings				Other equity items				
	Share capital	Capital reserve	Legal reserve	Special reserve	Undistributed earnings	Total	Exchange difference on translation of foreign financial statement	Unrealized gains (losses) on financial asset at FVOCI	Gains (losses) on remeasurements of defined benefit	Total	Total equity
Balance at Jan 1, 2021	$ 1,182,798	31,471	115,036	10,046	343,225	468,307	(21,309)	33,730	(5,543)	6,878	1,689,454
Net profit for the period	-	-	-	-	309,079	309,079	-	-	-	-	309,079
Other comprehensive income for the period	-	-	-	-	-	-	(3,758)	200,415	(450)	196,207	196,207
Total comprehensive income for the period	-	-	-	-	309,079	309,079	(3,758)	200,415	(450)	196,207	505,286
Appropriation and distribution of earnings:											
Provision for legal reserve	-	-	24,390	-	(24,390)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(10,046)	10,046	-	-	-	-	-	-
Cash dividends on common shares	-	-	-	-	(195,162)	(195,162)	-	-	-	-	(195,162)
Balance at Dec 31, 2021	1,182,798	31,471	139,426	-	442,798	582,224	(25,067)	234,145	(5,993)	203,085	1,999,578
Net profit for the period	-	-	-	-	451,684	451,684	-	-	-	-	451,684
Other comprehensive income for the period	-	-	-	-	-	-	28,691	(146,241)	(1,798)	(119,348)	(119,348)
Total comprehensive income for the period	-	-	-	-	451,684	451,684	28,691	(146,241)	(1,798)	(119,348)	332,336
Appropriation and distribution of earnings:											
Provision for legal reserve	-	-	30,908	-	(30,908)	-	-	-	-	-	-
Cash dividends on common shares	-	-	-	-	(248,388)	(248,388)	-	-	-	-	(248,388)
Other	-	-	-	-	6,240	6,240	-	-	-	-	6,240
Balance at Dec 31, 2022	**$ 1,182,798**	**31,471**	**170,334**	**-**	**621,426**	**791,760**	**3,624**	**87,904**	**(7,791)**	**83,737**	**2,089,766**

(Please refer to the Notes to Parent Company Only Financial Statements attached for further details)

Ampire Co., Ltd.

Statement of Cash Flows

January 1 to December 31, 2022 and 2021

In NT$ K

	2022	2021
Cash flow from operating activities:		
Net profit before tax for the period	$ 543,042	379,949
Adjustments:		
Revenue and expense items		
Depreciation expense	20,609	20,988
Amortization expense	652	212
Interest expense	279	451
Interest income	(8,631)	(5,933)
Dividend income	(40,455)	(7,083)
Share of interest in subsidiaries recognized using the equity method	(34,584)	(7,416)
Loss on scrapping of property, plant and equipment	358	420
Unrealized foreign currency exchange loss	10,091	10,908
Total revenue and expense items	(51,681)	12,547
Changes in assets and liabilities related to operating activities:		
Net change in assets related to operating activities:		
Accounts receivable	(129,099)	(49,956)
Other receivables	979	(1,946)
Inventories	(12,669)	(157,010)
Prepayments	10,625	(9,547)
Other current assets	36	5
Total net changes in assets related to operating activities	(130,128)	(218,454)
Net changes in liabilities related to operating activities:		
Accounts payable	1,302	26,290
Accounts payable - related parties	30,356	71,848
Other payables	27,457	11,438
Other current liabilities	4,231	5,341
Net defined benefit liabilities	89	(12,841)
Total net changes in liabilities related to operating activities	63,435	102,076
Total net changes in assets and liabilities related to operating activities	(66,693)	(116,378)
Total adjustments	(118,374)	(103,831)
Cash inflow from operations	424,668	276,118
Interest received	8,341	5,597
Interest paid	(279)	(451)
Income tax paid	(74,195)	(46,660)
Net cash inflows from operating activities	358,535	234,604
Cash flows from investing activities:		
Acquisition of financial assets at FVOCI	(216,746)	-
Proceeds from capital reduction of financial assets at FVOCI	43,951	2,600
Disposal of financial assets at amortized cost	52,075	48,113
Acquisition of property, plant and equipment	(28,373)	(9,140)
Acquisition of intangible assets	(2,928)	-
Increase in other non-current assets	-	(7,432)
Dividends received	40,455	7,083
Net cash inflow (outflow) from investing activities	(111,566)	41,224
Cash flows from financing activities:		
Principal repayments on leases	(6,873)	(6,701)
Payment of cash dividends	(248,388)	(195,162)
Net cash outflow from financing activities	(255,261)	(201,863)
Effect of exchange rate changes	(3,589)	(2,649)
Increase (decrease) in cash and cash equivalents for the period	(11,881)	71,316
Balance of cash and cash equivalents at beginning of period	320,585	249,269
Balance of cash and cash equivalents at end of period	$ **308,704**	**320,585**

(Please refer to the Notes to Parent Company Only Financial Statements attached for further details)

Ampire Co., Ltd.

Notes to Parent Company Only Financial Statements

2022 and 2021

(All amounts in NTD K unless otherwise stated)

1. History of the Company

Ampire Co., Ltd. (hereinafter the "Company") was established on Mar. 17, 1998 with the approval of the Ministry of Economic Affairs and its registered address is 4F., No.116, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City. The principal lines of business of the Company are (1) manufacturing of data storage and processing equipment; (2) manufacturing of electronic components; (3) manufacturing of other electrical and electronic machinery and equipment; (4) retailing of clerical machinery equipment; and (5) retailing of other mechanical appliances (LCD monitors, LCD modules and touch screens).

2. Approval date and procedures of the financial statements

These parent company only financial statements were approved and released on Feb. 22, 2023 by the Board of Directors.

3. Application of newly published and amended standards & interpretations

1) The effects of adopting new and amended standards and interpretations endorsed by the Financial Supervisory Commission (FSC)

The Company started to apply the following newly amended International Financial Reporting Standards (IFRS) from Jan. 1, 2022, with no material impact on the parent company only financial statements.

・Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"

・Amendments to IAS 37, "Onerous Contracts—Cost of Fulfilling a Contract"

・Annual Improvements to IFRS 2018-2020 Cycle

・Amendments to IFRS 3, "Reference to the Conceptual Framework"

2) The effects of not yet adopting IFRS endorsed by the FSC

The Company assesses that the application of the following newly amended IFRS, effective January 1, 2023, will not have a material impact on the parent company only financial statements.

・Amendments to IAS 1 "Disclosure of Accounting Policies"

・Amendments to IAS 8 "Definition of Accounting Estimates"

・Amendment to IAS 12 "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"

3) New and amended standards and interpretations not yet endorsed by the FSC

Standards and interpretations issued and amended by the International Accounting Standards Board (IASB) but not yet endorsed by the FSC that may be relevant to the Company are as follows:

New or amended standards	Key amendments	Effective date by IASB
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	Current IAS 1 requires a liability to be classified as current if the enterprise does not have an unconditional right to defer settlement for at least 12 months after the reporting period. The amendment removes the requirement that the right should be unconditional and instead requires that the right must exist at the end of the reporting period and must be material. The amendments clarify how an enterprise should classify liabilities that are settled by the issuance of its own equity instruments (e.g. convertible bonds).	Jan 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	After reconsidering certain aspects of the IAS 1 amendments in 2020, the new amendments clarify that only contract terms followed on or before the reporting date will affect the classification of a liability as current or non-current. The contract terms (i.e. future terms) to which an enterprise is subject after the reporting date do not affect the classification of the liability at that date. However, where non-current liabilities are subject to future contract terms, the enterprise is required to disclose information to help users of the financial statements understand the risk that these liabilities may be settled within 12 months of the reporting date.	Jan 1, 2024

The Company is continuously evaluating the impact of the above standards and interpretations on the Company's financial position and results of operations, which will be disclosed upon completion of the evaluation.

The Company does not expect the following other newly issued and amended standards, which have not yet been endorsed, to have a material impact on the parent company only financial statements.

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17
- Amendments to IFRS 17 “Comparative Information on Initial Application of IFRS 17 and IFRS 9”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

4. Consolidated explanation of material accounting policies

The material accounting policies adopted in the parent company only financial statements are summarized below. The following accounting policies have been applied consistently to all periods presented in the parent company only financial statements.

1) Statement of compliance

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

2) Basis of preparation

1. Basis of measurement

These parent company only financial statements have been prepared on the historical cost basis, except for the following significant balance sheet items:

(1) Financial assets at FVOCI, measured at fair value; and

(2) Net defined benefit liabilities, which are measured at the fair value of pension fund assets less the present value of the defined benefit obligation.

2. Functional and presentation currencies

The Company uses the currency of the primary economic environment in which it operates as its functional currency. These parent company only financial statements are presented in New Taiwan dollars, the functional currency of the Company. All financial information expressed in New Taiwan dollars is in NT$ K.

3) Foreign currency

1. Foreign currency transactions

Foreign currency transactions are translated into the functional currency at the exchange rate ruling at the date of the transaction. At the end of each subsequent reporting period (hereinafter the reporting date), monetary items denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing at that date. Non-monetary items denominated in foreign currencies, which are measured at historical cost, are translated at the exchange rates ruling at the date of the transaction. Foreign currency translation differences arising on translation are recognized in profit or loss.

2. Foreign operations

Assets and liabilities of foreign operations, including goodwill arising on acquisition and fair value adjustments, are translated into New Taiwan dollars using the exchange rate prevailing at the reporting date. Revenues and expenses are translated into New Taiwan dollars at the average exchange rates for the period, with the resulting exchange differences recognized in other comprehensive income.

When the disposal of a foreign operating entity results in a loss of control, joint control or significant influence, the cumulative translation differences relating to the foreign operating entity are reclassified to profit or loss in full. Upon partial disposal of a subsidiary that includes a foreign operating entity, the related cumulative translation differences are reattributed to non-controlling interests on a pro rata basis. Upon partial disposal of an investment in an associate or joint venture that includes a foreign operating entity, the related cumulative translation differences are reclassified proportionately to profit or loss.

Foreign currency translation gains or losses arising from monetary receivables or payables from foreign operations for which no settlement is planned and which are unlikely to be settled in the foreseeable future are recognized in other comprehensive income as part of the net investment in the foreign operation.

4) Criteria for classifying assets and liabilities as current and non-current

An asset is classified as a current asset and all other assets that are not current assets are classified as non-current assets if one of the following criteria is fulfilled:

1. The asset is expected to be realized in its normal operating cycle or is intended to be sold or consumed;
2. The asset is held primarily for trading purposes;
3. The asset is expected to be realized within 12 months of the reporting period; or
4. The asset is cash or cash equivalents unless the asset is otherwise restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

A liability is classified as a current liability and all other liabilities that are not current liabilities are classified as non-current liabilities if one of the following criteria is satisfied:

1. The liability is expected to be settled in the normal operating cycle;
2. The liability is held primarily for trading purposes;
3. The liability is expected to be settled within 12 months of the reporting period; or
4. The liability does not have an unconditional right to defer settlement for at least 12 months after the reporting period. The terms of a liability that may, at the option of the counterparty, be settled by the issuance of an equity instrument do not affect its classification.

5) Cash and cash equivalents

Cash includes cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible into fixed amounts of cash and are subject to an insignificant risk of changes in value. Time deposits that meet the above definition and are held to meet short-term cash commitments rather than for investment or other purposes are reported as cash equivalents.

6) Financial instruments

Accounts receivable are recognized initially when they are incurred. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the financial instruments. Financial assets (other than receivables that do not contain a significant financial component) or financial liabilities that are not measured at FVPL are initially measured at fair value plus transaction costs directly attributable to the acquisition or issuance. Accounts receivable that do not contain a significant financial component are measured initially at transaction price.

1. Financial assets

For purchases or sales of financial assets that are consistent with customary trading practice, the Company accounts for all purchases and sales of financial assets classified in the same manner on a consistent basis on the trade date or settlement date.

On initial recognition, financial assets are classified as financial assets measured at amortized cost and investments in equity instruments measured at FVOCI. The Company reclassifies all affected financial assets from the first day of the next reporting period only when it changes its operating model for managing financial assets.

(1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it also meets the following criteria and is not designated as measured at FVPL:

- The financial asset is held within a business model whose objective is to collect the contractual cash flows.
- The contractual terms of the financial asset give rise to cash flows at a specific date that are solely payments of principal and interest on the principal amount outstanding.

Interest income, foreign currency exchange gains or losses and impairment losses are recognized in profit or loss. Gains or losses are recognized in profit or loss when derecognized.

(2) Financial assets measured at FVOCI

On initial recognition, the Company has an irrevocable option to report subsequent changes in the fair value of investments in equity instruments that are not held for trading in other comprehensive income. This election is made on an instrument-by-instrument basis.

Investments in equity instruments are subsequently measured at fair value. Dividend income (unless it clearly represents a partial recovery of investment costs) is recognized in profit or loss. The remaining net gain or loss is recognized in other comprehensive income and is not reclassified to profit or loss.

Dividend income from equity investments is recognized on the date on which the Company has the right to receive the dividends (usually the ex-dividend date).

(3) Business model assessment

The purpose of the Company is to assess the business model of financial asset holdings at a portfolio level, which best reflects the way in which operations are managed and information is provided to management, factoring in information such as:

- the stated portfolio policies and objectives, and the operation of those policies, including whether management's strategy is to focus on generating contractual cash flows, maintaining a specific portfolio of interest yields, matching the duration of financial assets with the duration of the related liabilities or expected cash outflows or realizing cash flows through the sale of financial assets.
- the performance of the operating model and how financial assets held under that operating model are assessed and reported to key management of the enterprise;
- the risks that affect the performance of the operating model (and the financial assets held under that operating model) and the manner in which those risks are managed; and
- the frequency, amount and timing of disposals of financial assets in prior periods, the reasons for such disposals and expectations for future disposals.

A transfer of a financial asset to a third party that does not meet the de-recognition criteria for the foregoing operating purposes is not a disposal as described above, which is consonant with the Company's objective of continuing to recognize the asset.

(4) Assessing whether contractual cash flows represent solely payments of principal and interest on the principal amount outstanding

For valuation purposes, principal represents the fair value of a financial asset at the time of initial recognition and interest comprises the following consideration: the time value of money, the credit risk associated with the amount of principal outstanding during a given period, other underlying lending risks and cost and profit margins.

In assessing whether the contractual cash flows are solely payments of principal and interest on the principal amount outstanding, the Company considers the contractual terms of the financial instrument, including assessing whether the financial asset contains a contractual term that would change the timing or amount of the contractual cash flows, such that it does not fulfill this condition. In making the assessment, the Company takes into account:

- any contingencies that would change the timing or amount of the contractual cash flows;
- any terms that may adjust the contractual coupon rate, including the characteristics of the variable rate; and
- the terms that the Company's claim is limited to cash flows from specific assets.

(5) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on financial assets carried at amortized cost, including cash and cash equivalents, financial assets carried at amortized cost, notes and accounts receivable (including related parties), other receivables and refundable deposits.

Loss allowances for the following financial assets are measured at the 12-month expected credit loss amounts, with the remainder measured at the expected credit loss amounts over the life of the asset:

- The credit risk on bank deposits (i.e., the risk of default over the expected life of the financial instruments) has not increased significantly since initial recognition.

Loss allowances for accounts receivable are measured at the amount of expected credit losses over the life of the accounts.

Expected credit losses over the life of the instrument are the expected credit losses arising from all possible defaults over the expected life of the financial instrument.

A 12-month expected credit loss refers to an expected credit loss arising from a possible default of a financial instrument within 12 months of the reporting date (or in the shorter term, if the expected duration of the financial instrument is less than 12 months).

The maximum period for measuring expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

In determining whether there has been a significant increase in credit risk since initial recognition, the Company considers reasonable and supportable information (available without undue cost or input), including qualitative and quantitative information, and analysis based on the Company's historical experience, credit evaluations and forward-looking information.

Time deposits held by the Company are considered to have low credit risk because the counterparties and the other parties to the contracts are financial institutions with investment grade or above.

The Company assumes that the credit risk on financial assets has increased significantly if contractual amounts are more than 180 days past due.

If a contractual amount is overdue for more than 365 days, the Company considers the financial asset to be in default.

Expected credit losses are a probability-weighted estimate of credit losses over the expected life of the financial instrument. Credit losses are measured at the present value of all cash shortfalls, which is the difference between the cash flows contractually receivable by the Company and the cash flows expected to be received by the Company. Expected credit losses are discounted at the effective interest rate of the financial assets.

At each reporting date, the Company assesses whether a financial asset measured at amortized cost is credit-impaired. The financial asset is credit-impaired when one or more events have occurred that have an adverse effect on the estimated future cash flows of the financial asset. Evidence that a financial asset is credit-impaired includes observable information about:

- significant financial difficulties of the issuer;
- defaults, such as delays or delinquencies of more than 365 days; and
- the disappearance of an active market for the financial asset as a result of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the carrying amount of the assets.

When the Company does not have a reasonable expectation of recovering all or part of a financial asset, it directly reduces the total carrying amount of the financial asset. The Company analyzes the timing and amount of write-offs on a case-by-case basis based on whether recovery is reasonably expected. The Company does not expect a material reversal of the amounts written off. However, financial assets that have been written off may still be enforced in order to comply with the Company's procedures for recovering past due amounts.

(6) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset cease, or when the financial asset has been transferred and substantially all the risks and rewards of ownership of the asset have been transferred to another enterprise, or when substantially all the risks and rewards of ownership have neither been transferred nor retained and control of the financial asset has not been retained.

2. Financial liabilities and equity instruments

(1) Classification of liabilities

Debt issued by the Company is classified as financial liabilities based on the substance of the contractual agreements and the definition of financial liabilities.

(2) Derecognition of financial liabilities

The Company derecognizes financial liabilities when the contractual obligations are discharged, cancelled or expire. When the terms of a financial liability are modified and the cash flows of the modified liability are materially different, the original financial liability is derecognized and the new financial liability is recognized at fair value on the basis of the modified terms.

When a financial liability is derecognized, the difference between the carrying amount and the total consideration paid or payable is recognized in profit or loss.

(3) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and presented in the balance sheet on a net basis only when the Company has a legally enforceable right to do so at the present time and intends to settle on a net basis or realize the asset and settle the liability simultaneously.

7) Inventories

Inventories are measured at the lower of cost or net realizable value. Cost includes the cost of acquisition, production or processing and other costs incurred in bringing them to a place and condition in which they are ready for use and is calculated using the monthly weighted average method. The cost of finished goods and work-in-progress inventories includes an appropriate allocation of manufacturing overheads based on normal production capacity.

Net realizable value refers to an estimated selling price under normal operations less estimated costs to complete and estimated costs to make a sale.

8) Investment in subsidiaries

In preparing the parent company only financial statements, the Company uses the equity method of accounting for its investees over which it has control. Under the equity method, the profit or loss during the period and other comprehensive income presented in the parent company only financial reports shall be the same as the allocations of profit or loss during the period and of other comprehensive income attributable to owners of the parent presented in the financial reports prepared on a consolidated basis, and the owners' equity presented in the parent company only financial reports shall be the same as the equity attributable to owners of the parent presented in the financial reports prepared on a consolidated basis.

Changes in the Company's ownership interest in the subsidiary that do not result in a loss of control are accounted for as equity transactions with the owners.

9) Property, plant and equipment

1. Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation. Gain or loss on disposal of property, plant and equipment is recognized in profit or loss.

2. Subsequent costs

Subsequent expenditure is capitalized only when it is probable that future economic benefits will flow to the Company.

3. Depreciation

Depreciation is calculated on the basis of the cost of an asset less its residual value and is recognized in profit or loss over its estimated useful life using the straight-line method.

No depreciation is provided for land.

The estimated useful lives for the current and comparative periods are as follows:

(1) Building: 50 years
(2) Machinery and equipment: 2-6 years
(3) Office equipment and other equipment: 2-5 years

The Company reviews the depreciation method, useful life and residual value at each reporting date and makes appropriate adjustments where necessary.

10) Leases

The Company assesses whether a contract is or contains a lease at the date of inception of the contract. A contract is or contains a lease if it transfers control over the use of an identified asset for a period of time in exchange for consideration.

1. Lessees

The Company recognizes a right-of-use asset and a lease liability at the commencement date of the lease. The right-of-use asset is measured initially at cost, which includes the initial measurement of the lease liability, adjusted for any lease payments made at or before the commencement date of the lease.

Right-of-use assets are subsequently depreciated on a straight-line basis from the lease inception date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the Company periodically assesses whether a right-of-use asset is impaired and addresses any impairment loss incurred, and adjusts the right-of-use asset to match any remeasurement of the lease liability.

Lease liabilities are measured initially at the present value of lease payments outstanding at the inception date of the lease. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Consolidated Company's incremental borrowing rate shall be used. In general, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of lease liabilities comprise material fixed payments.

Interest is subsequently accrued on lease liabilities using the effective interest method and the amount is remeasured when the following occurs:

(1) Changes in estimates of whether to exercise the option to extend or terminate and changes in the assessment of the lease term, and

(2) Revisions to the subject matter, scope or other terms of the lease.

When a lease liability is remeasured as a result of the aforementioned change in assessment used to extend or terminate the option, the carrying amount of the right-of-use asset is adjusted accordingly and the remaining remeasurement amount is recognized in profit or loss when the carrying amount of the right-of-use asset is reduced to zero.

For lease modifications that reduce the scope of the lease, the carrying amount of the right-of-use asset is reduced to reflect the partial or full termination of the lease, and the difference between the amount and the remeasurement amount of the lease liability is recognized in profit or loss.

For leases of low-value subject assets such as office equipment and parking spaces, the Consolidated Company elects not to recognize right-of-use assets and lease liabilities, and instead recognizes the related lease payments as expenses on a straight-line basis over the lease term.

The Company elects to use the practical expedient approach for all rent concessions for leased office premises, plant and transport equipment that meet all of the following conditions, without assessing whether they are lease modifications:

(1) The rent concessions occur as a direct result of the COVID-19 pandemic;

(2) A change in lease payments results in the revised consideration of the lease being almost the same as or less than the consideration of the lease before the change;

(3) Any reduction in lease payments affects only those payments that would otherwise be due before June 30, 2021; and

(4) There are no material changes to the other terms and conditions of the lease.

Under the practical expedient approach, when rent concessions result in a change in lease payments, the change is recognized in profit or loss at the time of the event or circumstance that triggers the rent concessions.

11) Impairment of non-financial assets

The Company assesses at each reporting date whether there is any indication that the carrying amount of non-financial assets (other than inventories and deferred tax assets) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the assets.

For the purposes of impairment testing, a group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets are defined as the smallest identifiable group of assets.

The recoverable amount is the higher of the fair value of an individual asset or cash-generating unit, less costs to dispose, and its value in use. If the recoverable amount of an individual asset or cash-generating unit is less than its carrying amount, an impairment loss is recognized. An impairment loss is recognized immediately in profit or loss for the period.

Non-financial assets are reversed only to the extent that they do not exceed the carrying amount (net of depreciation or amortization) that would have been determined had no impairment loss been recognized for the asset in prior years.

12) Revenue recognition

1. Revenue from customer contracts

Revenue is measured based on the consideration expected to be received for the transfer of goods or services. The Company recognizes revenue when control of goods or services is transferred to customers to satisfy performance obligations. The Company's major revenue items are described as follows:

(1) Sales of goods - electronic components

The Company manufactures electronic parts and components and sells them to hardware manufacturers. The Company recognizes revenue when control of the product is transferred. A transfer of control of a product means that the product has been delivered to a customer, the customer has full control over the sales channel and price of the product, and there are no outstanding obligations that would affect the customer's acceptance of the product. Delivery occurs when the product has been delivered to a specific location, the risk of obsolescence and loss has been transferred to the customer, and the customer has accepted the product in accordance with the sales contract, the terms of acceptance have lapsed, or the Company has objective evidence that all acceptance conditions have been met.

The Company recognizes accounts receivable upon delivery of goods because the Company has an unconditional right to receive consideration at that point in time.

(2) Financial components

The Company does not adjust the time value of money of the transaction price as it expects that the time between the transfer of goods or services from all customer contracts to the customer and the time of payment by the customer for the goods or services will not exceed one year.

13) Employee benefits

1. Defined contribution plan

Contribution obligations under defined pension contribution plans are recognized as an expense over the period of service rendered by employees.

2. Defined benefit plan

The Company's net obligation for defined benefit plans is calculated by discounting future benefits earned by employees for each plan, either currently or through prior service, to their present value, less the fair value of any plan assets.

The defined benefit obligation is actuarially determined annually by a qualified actuary using the projected unit credit method. When the result of the calculation is likely to be favorable to the Company, the asset is recognized to the extent of the present value of any economic benefits available in the form of refunds of contributions from the plan or reductions in future contributions to the plan. The present value of economic benefits is calculated by taking into account any minimum funding requirements.

The remeasurement of the net defined benefit liability, which includes actuarial gains and losses, return on plan assets (excluding interest), and any change in the asset limit effect (excluding interest) is recognized immediately in other comprehensive income and accumulated in other equity. The Company determines the net interest expense (income) on the net defined benefit liability using the net defined benefit liability and discount rate determined at the beginning of the annual reporting period. Net interest expense and other expense for defined benefit plans are recognized in profit or loss.

Changes in benefits related to prior service cost or benefit curtailments or losses arising from plan amendments or curtailments are recognized immediately in profit or loss. The Company recognizes a gain or loss on the settlement of a defined benefit plan when the settlement occurs.

3. Short-term employee benefits

Short-term employee benefit obligations are recognized as an expense when the services are rendered. If the Company has a present legal or constructive obligation to pay for services rendered by employees and the obligation can be reliably estimated, the amount is recognized as a liability.

14) Income taxes

Income taxes comprise current and deferred taxes. Current and deferred taxes are recognized in profit or loss.

Current tax includes estimated taxes payable or refunds receivable based on current year's taxable income (loss) and any adjustments to prior years' taxes payable or refunds receivable.

Deferred tax is measured and recognized on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax is not recognized for temporary differences arising from the following circumstances:

1. Assets or liabilities that are not part of the initial recognition of a business combination and that do not affect the accounting profit or taxable income (loss) at the time of the transaction, and
2. Temporary differences arising from investments in subsidiaries where the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for the carryforward of unused tax losses and unused tax credits, and deductible temporary differences, to the extent that future taxable profit will be available against which they can be utilized. Deferred tax assets are reassessed at each reporting date and reduced to the extent that it is not probable that the related tax benefit will be realized, or to the extent that it becomes probable that sufficient taxable income will be available to allow the reversal of the original reduction.

Deferred taxes are measured at the tax rates that are expected to apply when temporary differences reverse, using either the statutory or substantive legislative rates at the reporting date.

Deferred tax assets and deferred tax liabilities of the Company are offset only if the following conditions are fulfilled at the same time:

1. There is a legally enforceable right to set off current tax assets and current tax liabilities against each other, and
2. The deferred tax assets and deferred tax liabilities relate to one of the following taxable entities that are subject to income tax by the same taxation authority.
   (1) The same taxable entity, or
   (2) Different taxable entities, provided that each entity intends to settle current tax liabilities and assets on a net basis, or to realize assets and settle liabilities simultaneously, in each future period in which significant amounts of deferred tax assets are expected to be recovered and deferred tax liabilities are expected to be settled.

15) Earnings per share

The Company presents basic and diluted earnings per share attributable to common equity holders of the Company. The Company's basic earnings per share is calculated by dividing the profit or loss attributable to common equity holders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is calculated by adjusting the profit or loss attributable to common equity holders of the Company and the weighted average number of common shares outstanding for the effects of all potentially dilutive common shares, respectively. The Company's potentially dilutive common shares include compensation to employees.

16) Segment information

The Company has disclosed segment information in the consolidated financial statements and therefore no segment information is disclosed in the parent company only financial statements.

5. Main sources of uncertainty in significant accounting judgments, estimates and assumptions

The preparation of these parent company only financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from those estimates.

Management reviews estimates and underlying assumptions on an ongoing basis and changes in accounting estimates are recognized in the period of change and in the future periods affected.

The uncertainties in the following assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and reflect the impact of the COVID-19 pandemic, as follows:

1) Valuation of non-Exchange/OTC-listed stocks measured at FVOCI

As non-Exchange/OTC-listed stocks at FVOCI are measured at fair value, the Company is required to rely on the human judgment of external expert valuation mechanisms, the setting of assumptions and the calculation of estimates to determine fair value in the valuation process. Changes in these assumptions due to changes in market and economic conditions could materially affect the recognition of significant fair value adjustments. Please refer to Note 6(2) for the estimation of the fair value of non-Exchange/OTC-listed stocks measured at FVOCI.

2) Valuation of inventories

As inventories are measured at the lower of cost or net realizable value, the Company evaluates the amount of inventories that are normally worn out, obsolete or have no marketable value at the reporting date and reduces the cost of inventories to net realizable value. This inventory valuation is based primarily on estimates of product demand in specific future periods and is subject to significant change due to rapid shifts in the industry. Please refer to Note 6(5) for inventory valuation estimates.

6. Explanation of material accounting Items

1) Cash and cash equivalents

		2022.12.31	2021.12.31
Cash	$	63	96
Demand deposits		20,829	24,697
Time deposits		287,812	295,792
	$	308,704	320,585

Please refer to Note 6(18) for the disclosure of the sensitivity analysis of the Company's financial assets.

2) Financial assets measured at FVOCI - non-current

		2022.12.31	2021.12.31
Equity instruments measured at FVOCI:			
Domestic OTC-listed stocks	$	185,103	108,360
Domestic non-Exchange/OTC-listed stocks		436,325	486,514
	$	621,428	594,874

1. Investments in equity instruments measured at FVOCI

The Company holds these investments in equity instruments as long-term strategic investments that are not held for trading purposes and therefore have been designated as measured at FVOCI.

The Company recognized dividend income of NT$40,455 K and NT$7,083 K in fiscal 2022 and 2021, respectively for the equity instrument investments designated above as measured at FVOCI.

The Company received the proceeds of NT$43,951 K and NT$2,600 K from capital reduction in proportion to shareholding in fiscal 2022 and 2021, respectively, for the equity instrument investments designated above as measured at FVOCI.

The Company did not dispose of any strategic investments in fiscal 2022 and 2021, and no transfer of accumulated gains and losses to equity occurred during those periods.

2. Please refer to Note 6(18) for credit risk and market risk information.

3) Financial assets measured at amortized cost - current

		2022.12.31	2021.12.31
Domestic certificates of deposit	$	246,379	304,737

The Company assesses that these assets are held to maturity to collect the contractual cash flows and that the cash flows from these financial assets are solely payment of principal and interest on the principal amount outstanding and are therefore reported as financial assets measured at amortized cost.

The Company holds domestic certificates of deposit with a weighted average interest rate of 1.965% and 1.317% per annum as of December 31, 2022 and 2021, respectively, maturing from January to September 2023 and January to September 2022, respectively.

Please refer to Note 6(18) for credit risk information.

4) Accounts receivable and collections

	2022.12.31	2021.12.31
Accounts receivable - measured at amortized cost	$ 363,556	235,948
Collections	20,146	20,146
Less: Loss allowances	(20,146)	(20,146)
	$ 363,556	235,948

The Company uses a simplified approach to estimate expected credit losses for all accounts receivable, which is a measure of expected credit losses over the life of the accounts receivable. For this purpose, these accounts receivable are grouped by common credit risk characteristics that represent the customer's ability to pay all amounts due under contractual terms and incorporate forward-looking information, including macroeconomic and related industry information.

An analysis of the expected credit losses on the Company's accounts receivable is as follows:

	2022.12.31		
	Carrying amount of receivables	**Weighted-average expected credit loss rate**	**Allowance for expected credit losses over the lifetime**
Not overdue	$ 294,613	-	-
Below 90 days overdue	68,939	-	-
91-180 days overdue	4	-	-
	$ 363,556		-

	2021.12.31		
	Carrying amount of receivables	**Weighted-average expected credit loss rate**	**Allowance for expected credit losses over the lifetime**
Not overdue	$ 193,197	-	-
Below 90 days overdue	42,746	-	-
91-180 days overdue	5	-	-
	$ 235,948		-

The expected credit losses on the Company's collections are analyzed as follows:

	2022.12.31		
	Carrying amount of collections	**Weighted-average expected credit loss rate**	**Allowance for expected credit losses over the lifetime**
Over 365 days overdue	$ 20,146	100%	20,146

	2021.12.31		
	Carrying amount of collections	**Weighted-average expected credit loss rate**	**Allowance for expected credit losses over the lifetime**
Over 365 days overdue	$ 20,146	100%	20,146

The changes in the loss allowances for accounts receivable and collections of the Company are as follows:

		2022	2021
Opening balance (i.e. closing balance)	$	20,146	20,146

Please refer to Note 6(18) for further information on credit risk.

5) Inventories

		2022.12.31	2021.12.31
Finished products	$	60,930	41,253
Work in process		118,240	93,909
Raw materials		297,735	329,074
	$	476,905	464,236

The cost of goods sold is broken down as follows:

		2022	2021
Inventory sales transfer	$	1,802,535	1,528,351
Unallocated fixed manufacturing overheads and direct labor		1,325	3,218
Loss on obsolescence of inventories		5,105	10,498
Loss on physical inventory		57	17
Inventory valuation losses (gain from price recovery)		3,544	(8,465)
	$	1,812,566	1,533,619

6) Investments accounted for using the equity method

		2022.12.31	2021.12.31
Subsidiaries	$	315,286	252,011

Please refer to the consolidated financial statements for fiscal 2022.

7) Property, plant and equipment

		Land	Buildings & structures	Machinery & equipment	Office equipment	Total
Cost:						
Balance at Jan 1, 2022	$	95,330	188,137	123,899	146,865	554,231
Additions		-	-	2,352	26,021	28,373
Disposal		-	-	-	(10,229)	(10,229)
Reclassification		-	-	-	7,431	7,431
Balance at Dec 31, 2022	$	95,330	188,137	126,251	170,088	579,806
Balance at Jan 1, 2021	$	95,330	188,137	137,806	139,438	560,711
Additions		-	-	1,014	8,126	9,140
Disposal		-	-	(14,921)	(699)	(15,620)
Balance at Dec 31, 2021	$	95,330	188,137	123,899	146,865	554,231

		Land	Buildings & structures	Machinery & equipment	Office equipment	Total
Accumulated depreciation:						
Balance at Jan 1, 2022	$	-	25,761	115,733	130,162	271,656
Depreciation for the period		-	3,689	3,057	7,032	13,778
Disposal		-	-	-	(9,871)	(9,871)
Balance at Dec 31, 2022	**$**	**-**	**29,450**	**118,790**	**127,323**	**275,563**
Balance at Jan 1, 2021	$	-	22,072	126,256	124,371	272,699
Depreciation for the period		-	3,689	3,995	6,473	14,157
Disposal		-	-	(14,518)	(682)	(15,200)
Balance at Dec 31, 2021	**$**	**-**	**25,761**	**115,733**	**130,162**	**271,656**
Carrying value:						
Dec 31, 2022	**$**	**95,330**	**158,687**	**7,461**	**42,765**	**304,243**
Dec 31, 2021	**$**	**95,330**	**162,376**	**8,166**	**16,703**	**282,575**

8) Right-of-use assets

		Buildings & structures	Transport facility	Total
Cost:				
Balance at Jan 1, 2022 (i.e. Dec 31 balance)	**$**	**12,517**	**12,235**	**24,752**
Balance at Jan 1, 2021 (i.e. Dec 31 balance)	**$**	**12,517**	**12,235**	**24,752**
Accumulated depreciation:				
Balance at Jan 1, 2022	$	6,259	4,448	10,707
Provision for depreciation		4,173	2,658	6,831
Balance at Dec 31, 2022	**$**	**10,432**	**7,106**	**17,538**
Balance at Jan 1, 2021	$	2,086	1,790	3,876
Provision for depreciation		4,173	2,658	6,831
Balance at Dec 31, 2021	**$**	**6,259**	**4,448**	**10,707**
Carrying value:				
Dec 31, 2022	**$**	**2,085**	**5,129**	**7,214**
Dec 31, 2021	**$**	**6,258**	**7,787**	**14,045**

9) Other payables

	2022.12.31	2021.12.31
Salaries and year-end bonuses	$ 27,367	20,500
Employees' remuneration and directors' and supervisors' remuneration	73,281	53,337
Employee benefit liabilities	6,465	5,986
Other	11,523	11,356
	$ 118,636	91,179

10) Lease liabilities

	2022.12.31	2021.12.31
Current	$ 4,476	6,873
Non-current	$ 2,956	7,432

For maturity analysis, please refer to Note 6(18) Financial instruments.

The amounts recognized in profit or loss for leases are as follows:

	2022	2021
Interest expense on lease liabilities	$ 279	451
Expenses for low-value leased assets	$ 186	178

The amount of leases recognized in the cash flow statement is as follows:

	2022	2021
Total cash outflow from leases	$ 7,338	7,330

1. Leasing of buildings and structures

The Company leases buildings and structures as factory premises for a period of three, with some leases including an option to extend the lease for the same period as the original contract at the end of the lease term.

2. Other leases

The Company leases transport facilities for a period of four to five years.

In addition, the Company leases office equipment for a term of five years; parking spaces on a one-time basis with no fixed lease term, and these leases are low-value subject leases for which the Company has elected to apply the exemption from recognition and not to recognize the related right-of-use assets and lease liabilities.

11) Employee benefits

1. Defined benefit plans

A reconciliation of the present value of the Company's defined benefit obligations to the fair value of plan assets is as follows:

	2022.12.31	2021.12.31
Present value of defined benefit obligations	$ 13,178	19,220
Fair value of plan assets	(396)	(2,085)
Net defined benefit liability	$ 12,782	17,135

The Company's employee benefit liabilities are as follows:

	2022.12.31	2021.12.31
Paid leave liabilities (under other payables in the table)	$ 6,465	5,986

The Company's defined benefit plans are a plan with contributions to the Bank of Taiwan's Labor Retirement Reserve Fund. Pension payments for each employee under the Labor Standards Act are based on the bases earned for years of service and the average salary for the six months prior to retirement.

(1) Composition of plan assets

The Company's pension fund contributed under the Labor Standards Act is administered by the Bureau of Labor Funds, Ministry of Labor. According to the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund," the minimum income to be distributed in the annual final statement of the fund shall not be less than the income calculated based on the two-year time deposit rate of a local bank.

As of the reporting date, the balance of the Company's Bank of Taiwan labor retirement reserve fund was NT$396 K. Information on the use of the labor retirement fund assets, including fund yields and fund asset allocation, is available on the website of the Bureau of Labor Funds, Ministry of Labor.

(2) Changes in the present value of the defined benefit obligation

	2022	2021
Defined benefit obligation at Jan 1	$ 19,220	39,157
Liabilities corrected and transferred out by employees	(6,240)	-
Current service cost and interest	257	461
Remeasurements of the net defined benefit liability		
- Actuarial gains and losses arising from changes in financial assumptions	1,999	505
Gains and losses arising from prior service cost and settlements	-	(20,903)
Benefits paid for by the plan	(2,058)	-
Defined benefit obligation at Dec 31	$ 13,178	19,220

(3) Changes in the fair value of plan assets

	2022	2021
Fair value of plan assets at Jan 1	$ 2,085	9,631
Remeasurements of the net defined benefit liability	201	55
Return on plan assets	9	57
Amount contributed to the plan	159	7,359
Benefits paid for by the plan	(2,058)	-
Settlement	-	(15,017)
Fair value of plan assets at Dec 31	$ 396	2,085

(4) Expenses (gains) recognized in profit or loss

		2022	2021
Current service cost	$	185	239
Net interest on net defined benefit liabilities		63	166
Settlement benefit		-	(4,329)
	$	248	(3,924)

		2022	2021
Operating costs	$	-	269
Selling expenses		13	41
Administration expenses		235	(2,518)
R&D expenses		-	(1,716)
	$	248	(3,924)

(5) Remeasurements of the net defined benefit liability recognized in other comprehensive income

		2022	2021
Accumulated balance as at Jan 1	$	5,993	5,543
Recognized in the current period		1,798	450
Accumulated balance as at Dec 31	$	7,791	5,993

(6) Actuarial assumptions

	2022.12.31	2021.12.31
Discount rate	1.50%	0.50%
Future salary increase	3.00%	3.00%

The Company expects to make a contribution of NT$0 K to the defined benefit plan in the year following the reporting date in fiscal 2022.

The weighted average duration of the defined benefit plans is 4.44 years.

(7) Sensitivity analysis

		Effect on defined benefit obligations	
		Increase in amount	Decrease in amount
Dec 31, 2022			
Discount rate (change of 0.25%)	$	86	(83)
Future payroll increase (change of 0.25%)		81	(79)
Dec 31, 2021			
Discount rate (change of 0.25%)		92	(92)
Future payroll increase (change of 0.25%)		87	(86)

The sensitivity analysis above deals with the effect of changes in a single assumption with other assumptions held constant. In practice, changes in many assumptions may be linked. The sensitivity analysis is consistent with the methodology adopted to calculate the net pension liability on the balance sheet.

The methodology and assumptions used in preparing the sensitivity analysis in the current period are the same as those used in the previous period.

2. Defined contribution plan

The defined contribution plan of the Company applies the contribution rate of 6.00% of the workers' monthly wages to an individual pension account overseen by the Bureau of Labor Insurance pursuant to the Labor Pension Act. Under the plan, the Company has no legal or constructive obligation to pay additional amounts after making fixed contributions to the Bureau of Labor Insurance.

The Company's pension expense under the defined pension contribution plan was NT$4,433 K and NT$4,117 K in fiscal 2022 and 2021, respectively, and was contributed to the Bureau of Labor Insurance.

12) Income tax

1. Income tax expense

		2022	2021
Current tax expense			
Incurred in the period	$	92,736	67,692
Adjustments to current tax for prior periods		(743)	(1,584)
		91,993	66,108
Deferred tax expense			
Occurrence and reversal of temporary differences		(635)	4,762
Tax expense	$	91,358	70,870

A reconciliation of the Company's tax expense to income before tax for fiscal 2022 and 2021 is as follows:

		2022	2021
Pre-tax income	$	543,042	379,949
Income tax calculated at the domestic tax rate of the place where the Company is based	$	108,607	75,990
Change in temporary differences not recognized		(7,154)	(3,838)
Tax-exempt income		(8,091)	(1,417)
Tax credit for shareholders' investment		(1,332)	-
Prior period overestimation		(743)	(1,584)
Tax on undistributed earnings		71	1,719
	$	91,358	70,870

2. Deferred tax assets

(1) Unrecognized deferred tax assets

	2022.12.31	2021.12.31
Losses on investments in foreign subsidiaries recognized under the equity method	$ 84,516	97,171
Loss on doubtful accounts	3,476	3,731
Provision for pension reserve	4,029	4,323
	$ 92,021	105,225

(2) Deferred tax assets recognized

	Inventory valuation gains/losses	Unrealized exchange gain or loss	Other	Total
Jan 1, 2022	$ 5,448	2,182	1,203	8,833
(Debit) Credit income statement	709	(164)	90	635
Dec 31, 2022	**$ 6,157**	**2,018**	**1,293**	**9,468**
Jan 1, 2021	$ 7,141	5,164	1,290	13,595
(Debit) Credit income statement	(1,693)	(2,982)	(87)	(4,762)
Dec 31, 2021	**$ 5,448**	**2,182**	**1,203**	**8,833**

3. Approved income tax status

The Company's profit-seeking enterprise income tax returns have been approved by the tax authorities up to 2020.

13) Share capital and other equity

As at December 31, 2022 and 2021, the total authorized share capital of the Company was NT$2,000,000 K, with a par value of NT$10 per share and 118,280 K common shares in issue. Payment for all shares issued has been received.

1. Capital reserve

	2022.12.31	2021.12.31
Treasury stock transactions	$ 27,123	27,123
Lapses of conversion of corporate bonds warrants	2,889	2,889
Employee stock options	1,439	1,439
Exercise of disgorgement claims	20	20
	$ 31,471	31,471

As stipulated in the Company Act, the capital reserve shall give priority to the replenishment of losses before new shares or cash can be issued to original shareholders in proportion to the number of shares being held by each of them from the realized capital reserve. Realized capital reserve as referred to in the preceding paragraph includes the income derived from the issuance of new shares at a premium and the income from endowments received. The total amount of capital reserve that may be capitalized each year under the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall not exceed 10% of the paid-in capital.

2. Retained earnings

As provided in the provisions of the Company's Articles of Incorporation, dividends shall be paid at the rate of up to 10% per annum. However, if the Company has made no earnings, no dividend shall be paid out of this capital.

The Company shall first pay taxes and make up for accumulated deficits and then set aside a legal reserve when there are earnings in the annual final statements, except when the legal reserve has reached the Company's paid-in capital, and set aside a special reserve according to the Company's operating needs and legal regulations. For any remaining earnings, the Board of Directors may, depending on the operating needs, prepare a proposal for distribution of the earnings and submit it to the shareholders' meeting for approval.

The Company's dividend policy shall be based on the principle of stable and balanced distribution, with consideration given not only to the shareholders' profits, but also to the accumulation of the Company's capital and the impact on the Company's operations. The portion of cash dividends paid shall not be less than 10% of the total dividends.

(1) Legal reserve

When the Company is not in deficit, it may, by resolution of the shareholders' meeting, issue new shares or cash from the legal reserve, provided that the amount of such reserve exceeds 25% of the paid-in capital.

(2) Special reserve

As required by the FSC, the Company provides a special reserve from the current period's income and prior period's undistributed earnings for other net deductions from shareholders' equity recorded that occurred during the year; and shall not distribute the special reserve provided from the prior period's undistributed earnings in respect of other deductions from shareholders' equity accumulated in the prior period. For any subsequent reversals of other deductions from shareholders' equity, the reversed portion in respect of the earnings may be distributed.

On August 3, 2021, the Company resolved at the annual general meeting to reverse a special reserve of NT$10,046 K in respect of the difference between other net deductions from shareholders' equity.

(3) Appropriation of earnings

The Company resolved at the annual general meetings on May 31, 2022 and August 3, 2021 the appropriation of earnings for fiscal 2021 and 2020, respectively, and the dividends distributed to owners are as follows:

	2021		**2020**	
	Dividend payout ratio (NT$)	**Amount**	**Dividend payout ratio (NT$)**	**Amount**
Dividends distributed to common stockholders:				
Cash	$ 2.10	**248,388**	1.65	**195,162**

3. Other equity (net of tax)

		Exchange difference on translation of foreign financial statement	Unrealized gains (losses) on financial assets at FVOCI	Gains (losses) on remeasurements of defined benefit	Total
Balance at Jan 1, 2022	$	(25,067)	234,145	(5,993)	203,085
Exchange differences arising on translation of net assets of foreign operating entities		28,691	-	-	28,691
Gains or losses on changes in the present value of defined benefit obligations		-	-	(1,798)	(1,798)
Unrealized gains on financial assets measured at FVOCI		-	(146,241)	-	(146,241)
Balance at Dec 31, 2022	**$**	**3,624**	**87,904**	**(7,791)**	**83,737**
Balance at Jan 1, 2021	$	(21,309)	33,730	(5,543)	6,878
Exchange differences arising on translation of net assets of foreign operating entities		(3,758)	-	-	(3,758)
Gains or losses on changes in the present value of defined benefit obligations		-	-	(450)	(450)
Unrealized gains on financial assets measured at FVOCI		-	200,415	-	200,415
Balance at Dec 31, 2021	**$**	**(25,067)**	**234,145**	**(5,993)**	**203,085**

14) Earnings per share (EPS)

		2022	2021
Basic EPS:			
Net profit for the period attributable to the Company	**$**	**451,684**	**309,079**
Weighted average number of common shares outstanding (K share)		118,280	118,280
Basic EPS (NT$)	**$**	**3.82**	**2.61**
Diluted EPS:			
Net profit for the period attributable to the Company	**$**	**451,684**	**309,079**
Weighted average number of common shares outstanding (K share)		118,280	118,280
Effect of employee stock-based compensation (K share)		2,064	1,820
Weighted average number of common shares outstanding (K share) (diluted)		120,344	120,100
Diluted EPS	**$**	**3.75**	**2.57**

15) Revenue from customer contracts

1. Breakdown of revenue

	2022	2021
Major regional markets:		
Oceania	$ 1,949	759
Taiwan	78,440	81,621
Asia	276,914	293,851
Africa	1,862	1,560
America	530,125	460,372
Europe	1,532,097	1,187,078
	$ 2,421,387	**2,025,241**
Main product/service lines:		
TFT	$ 2,068,544	1,750,006
TN.STN.FSTN	341,636	256,857
Other	11,207	18,378
	$ 2,421,387	**2,025,241**

2. Contract balance

	2022.12.31	2021.12.31	2021.1.1
Accounts receivable	**$ 363,556**	**235,948**	**186,504**

Please refer to Note 6(4) for the disclosure of accounts receivable and impairment.

16) Remuneration of employees and directors and supervisors

As stipulated in the Company's Articles of Incorporation, if a profit is made in a year, the Company shall deduct the accumulated losses from its profit before taxation for that year and set aside a maximum of 5% to 12% of the balance for the remuneration of its employees and 3% for the remuneration of its directors and supervisors.

The amount of compensation of NT$54,791 K and NT$40,339 K set aside for employees and NT$18,490 K, and NT$12,998 K for directors and supervisors for fiscal 2022 and 2021 respectively were estimated based on the Company's pre-tax net income for the period before deducting the compensation for employees and directors and supervisors multiplied by the distribution percentages of compensation for employees, directors and supervisors as stipulated in the Company's Articles of Incorporation and reported as operating costs or operating expenses for fiscal 2022 and 2021.

The foregoing remuneration to be distributed to employees, directors and supervisors as resolved by the Board of Directors did not differ from the amounts estimated in the Company's parent company only financial statements for fiscal 2022 and 2021. Related information is available on the Market Observation Post System.

17) Non-operating income and expenses

1. Interest income

		2022	2021
Interest on bank deposits	$	4,069	1,111
Interest income on financial assets measured at amortized cost		4,558	4,818
Other interest income		4	4
	$	8,631	5,933

2. Other income

		2022	2021
Dividend income	$	40,455	7,083
Other income		7,642	13,037
	$	48,097	20,120

3. Other gains and losses

		2022	2021
Foreign currency exchange gain	$	27,728	2,170
Loss on scrapping of property, plant and equipment		(358)	(420)
Other		(56)	(1,175)
	$	27,314	575

4. Financial costs

		2022	2021
Amortization of interest on lease liabilities	$	279	451

18) Financial instruments

1. Credit risk

(1) Credit risk exposures

The carrying amount of a financial asset represents the maximum amount of credit risk exposure.

(2) Concentration of credit risk

The Company's customers are concentrated in the electronics industry. In order to reduce its credit risk on accounts receivable, the Company continually evaluates the financial position of its customers and, if necessary, requires prepayment. The Company regularly assesses the probability of collection of accounts receivable and provides an allowance for losses, and impairment losses are always within management's expectations. The Company's concentration of credit risk with its largest customer, Company A, did not exceed 18.62% and 25.31% of total receivables as of December 31, 2022 and 2021, respectively; the concentration of credit risk with its other top four customers did not surpass 46.47% and 37.72% of total receivables, respectively.

(3) Credit risk on receivables

Please refer to Note 6(4) for details of credit risk exposures on receivables. Other financial assets measured at amortized cost include other receivables and certificates of deposit.

All of the above are financial assets with low credit risk and therefore the loss allowances for the period are measured at the expected credit loss amount for the 12-month period (Please refer to Note 4(6) for a description of how the Company determines low credit risk).

2. Liquidity risk

The following table shows the contractual maturities of financial liabilities, including the effect of estimated interest but excluding that of netting agreements.

	Carrying amount	Contractual cash flow	Within 12 months	1-2 yrs	2-5 yrs	Over 5 yrs
Dec 31, 2022						
Non-derivative financial liabilities						
Accounts payable (incl. related parties)	$ 371,924	371,924	371,924	-	-	-
Other payables	118,636	118,636	118,636	-	-	-
Lease liabilities (incl. those due within one year)	7,432	7,605	4,593	2,127	885	-
	$ 497,992	**498,165**	**495,153**	**2,127**	**885**	**-**
Dec 31, 2021						
Non-derivative financial liabilities						
Accounts payable (incl. related parties)	$ 341,538	341,538	341,538	-	-	-
Other payables	91,179	91,179	91,179	-	-	-
Lease liabilities (incl. those due within one year)	14,305	14,757	7,152	4,206	3,399	-
	$ 447,022	**447,474**	**439,869**	**4,206**	**3,399**	**-**

The Company does not expect that the cash flows analyzed at maturity will occur significantly earlier or that the actual amounts will be significantly different.

3. Exchange rate risk

(1) Foreign exchange risk

The Company's financial assets and liabilities that are exposed to significant foreign currency exchange rate risk are as follows:

	2022.12.31		
	Foreign currency	**Exchange rate**	**NT dollar**
Financial assets			
Monetary items			
USD	$ 19,551	30.720	600,607
Chinese Yuan	33,625	4.4110	148,320
Financial liabilities			
Monetary items			
USD	3,045	30.720	93,542

	2021.12.31			
	Foreign currency		Exchange rate	NT dollar
Financial assets				
Monetary items				
USD	$	14,939	27.685	413,586
Chinese Yuan		32,861	4.3430	142,715
Financial liabilities				
Monetary items				
USD		3,960	27.685	109,633

(2) Sensitivity analysis

The Company's exchange rate risk for monetary items arises primarily from foreign currency-denominated cash and cash equivalents, accounts receivable, financial assets carried at amortized cost, accounts payable (including related parties) and other payables, which give rise to foreign currency exchange gains and losses upon translation. As of December 31, 2022 and 2021, if the New Taiwan dollar had depreciated or appreciated by 1% against the U.S. dollar and Chinese yuan, all other factors remaining constant, net income after tax would increase by NT$5,243 K and NT$3,573 K in fiscal 2022 and 2021, respectively. The same basis of analysis applied to both periods.

(3) Exchange gains and losses on monetary items

Due to the variety of the Company's functional currencies, information on exchange gains and losses on monetary items is presented on a consolidated basis, with foreign currency exchange gains/losses (both realized and unrealized) amounting to NT$27,728 K and NT$2,170 K in fiscal 2022 and 2021, respectively.

4. Other price risk

If the price of equity securities had changed at the reporting date (the same basis of analysis was used for both periods and other changes were assumed to be constant), the effect on the comprehensive income item would have been as follows:

	2022		2021
Securities prices on reporting date	Other comprehensive income after tax		Other comprehensive income after tax
Up 1%	$	6,214	5,949
Down 1%	$	(6,214)	(5,949)

5. Fair value information

(1) Types and fair values of financial instruments

The Company's financial assets at FVOCI are measured at fair value on a recurring basis. The carrying amounts and fair values of each class of financial assets and financial liabilities (including information on the fair value hierarchy, except for financial instruments not carried at fair value whose carrying amounts are a reasonable approximation of fair value and lease liabilities for which disclosure of fair value information is not required) are presented below:

	2022.12.31				
		Fair value			
	Carrying amount	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at FVOCI					
Domestic OTC-listed stocks	$ 185,103	185,103	-	-	185,103
Domestic non-Exchange/OTC-listed stocks	436,325	-	-	436,325	436,325
Total	**$ 621,428**	**185,103**	**-**	**436,325**	**621,428**
Financial assets at amortized cost					
Cash and cash equivalents	$ 308,704	-	-	-	-
Net accounts receivable	363,556	-	-	-	-
Other receivables	10,794	-	-	-	-
Certificates of deposit	246,379	-	-	-	-
Refundable deposits	2,862	-	-	-	-
Total	**$ 932,295**	**-**	**-**	**-**	**-**
Financial liabilities at amortized cost					
Accounts payable (incl. related parties)	$ 371,924	-	-	-	-
Other payables	118,636	-	-	-	-
Lease liabilities (incl. those due within one year)	7,432	-	-	-	-
Total	**$ 497,992**	**-**	**-**	**-**	**-**

	2021.12.31				
		Fair value			
	Carrying amount	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at FVOCI					
Domestic OTC-listed stocks	$ 108,360	108,360	-	-	108,360
Domestic non-Exchange/OTC-listed stocks	486,514	-	-	486,514	486,514
Total	**$ 594,874**	**108,360**	**-**	**486,514**	**594,874**

	2021.12.31				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at amortized cost					
Cash and cash equivalents	$ 320,585	-	-	-	-
Accounts receivable	235,948	-	-	-	-
Other receivables	11,484	-	-	-	-
Certificates of deposit	304,737	-	-	-	-
Refundable deposits	2,862	-	-	-	-
Total	**$ 875,616**	**-**	**-**	**-**	**-**
Financial liabilities at amortized cost					
Accounts payable (incl. related parties)	$ 341,538	-	-	-	-
Other payables	91,179	-	-	-	-
Lease liabilities (including those due within one year)	14,305	-	-	-	-
Total	**$ 447,022**	**-**	**-**	**-**	**-**

(2) Fair value valuation techniques for financial instruments measured at fair value

Where there is an active market for publicly quoted prices for non-derivative financial instruments, the fair value is based on the publicly quoted prices in the active market. Market prices published by major exchanges as well as by the OTC exchanges for central government bonds judged to be on-the-run securities, constitute the basis for the fair value of Exchange/OTC-listed equity instruments, and debt instruments for which there is an active market for publicly quoted prices.

A financial instrument has an active market for public quotations if public quotations are obtained from an exchange, broker, underwriter, industry association, pricing service provider or competent authority in a timely and regular manner and the price represents an actual and regular arm's length market transaction. If these conditions are not met, the market is considered to be inactive. Generally speaking, a very wide bid-ask spread, a significant increase in the bid-ask spread or low trading volume are all indicators of an inactive market.

The fair values of financial instruments held by the Company that have an active market are shown below by category and attribute:

The fair value of OTC-listed stocks, which are financial assets with standard terms and conditions and traded in an active market, is determined by reference to quoted market prices.

The fair values of financial instruments held by the Company that do not have an active market are shown below by category and attribute:

- Equity instruments that are not publicly quoted: Fair values are estimated using the market comparable company method, with key assumptions based on estimated earnings per share, net worth per share, market value to revenue ratio and quoted market prices of the investee and comparable Exchange/OTC-listed companies. The estimates are adjusted for the effect of the lack of marketability discount on the equity securities.

(3) Transfers between Level 1 and Level 2

There were no transfers between fiscal 2022 and 2021.

(4) Schedule of changes in Level 3

	Measured at FVOCI Non-Exchange/OTC-listed stocks
Jan 1, 2022	$ 486,514
Total gain or loss	
Recognized in other comprehensive income	(123,038)
Purchases	116,800
Proceeds from capital reduction	(43,951)
Dec 31, 2022	**$ 436,325**
Jan 1, 2021	$ 330,839
Total gain or loss	
Recognized in other comprehensive income	158,275
Purchases	-
Proceeds from capital reduction	(2,600)
Dec 31, 2021	**$ 486,514**

The above total gains or losses are reported as "Unrealized valuation gains (losses) on financial assets measured at FVOCI." Of these amounts, the following relates to assets still held at December 31, 2022 and 2021:

	2022	2021
Total gain or loss		
Recognized in other comprehensive income (reported as "Unrealized valuation gains (losses) on financial assets measured at FVOCI	$ (123,038)	158,275

(5) Quantitative information on fair value measurements of significant unobservable inputs (Level 3)

The fair value measurements of the Company classified as Level 3 are through investments in financial assets - equity securities - that are measured at FVOCI.

The Company's investments in equity instruments with no active market have plural significant unobservable inputs. Significant unobservable inputs from investments in equity instruments with no active market are not correlated with each other as they are independent of each other.

A list of quantitative information for significant unobservable inputs is shown below:

Item	Valuation techniques	Significant unobservable input value	Significant unobservable input value to fair value relationship
Financial assets at FVOCI - Domestic non-Exchange / OTC-listed stocks	Market approach	• Lack of marketability discount (30% on 2022.12.31 and 2021.12.31) • Share price operating income ratio multiplier (1.27-14.29 and 1.58-1.80 for 2022.12.31 and 2021.12.31, respectively) • Net share price ratio multiplier (1.12-8.44 and 1.27-6.51 for 2022.12.31 and 2021.12.31, respectively) • Price-earnings ratio multiplier (2.24-47.01 and 1.72-94.95 for 2022.12.31 and 2021.12.31, respectively)	• The higher the discount for lack of marketability, the lower the fair value • The higher the multiplier, the higher the fair value
	Asset approach	• Net asset value • Acquisition price	N/A

(6) Analysis of the sensitivity of fair value to reasonably possible alternative assumptions for Level 3 fair value measurements

The Company's measurement of the fair value of financial instruments is reasonable, but the use of different valuation models or valuation parameters may result in different valuation results. For financial instruments classified as level 3, the effect on other comprehensive income if the valuation parameters are changed is as follows:

	Input value	Up or down	Fair value changes reflected in other comprehensive income	
			Favorable changes	Unfavorable changes
Dec 31, 2022				
Financial assets at FVOCI				
Domestic non-Exchange/OTC-listed stocks	Liquidity discount	5%	7,474	(7,474)
	Market multiplier	5%	7,551	(7,417)
Dec 31, 2021				
Financial assets at FVOCI				
Domestic non-Exchange/OTC-listed stocks	Liquidity discount	5%	9,435	(9,435)
	Market multiplier	5%	7,897	(7,539)

Favorable and unfavorable changes in the Company represent fluctuations in fair value, which is calculated using valuation techniques, based on varying degrees of unobservable input parameters. Where the fair value of a financial instrument is affected by more than one input, the above table reflects the effect of changes in a single input and does not take into account the correlation and variability between inputs.

19) Financial risk management

1. Summary

The Company is exposed to the following risks arising from the use of financial instruments:

(1) Credit risk

(2) Liquidity risk

(3) Market risk

This note presents information on the Company's exposure to each of the above risks and the Company's objectives, policies and procedures for measuring and managing those risks. For further quantitative disclosures, please refer to the respective notes to the parent company only financial statements.

2. Risk management structure

The Board of Directors has overall responsibility for establishing and overseeing the risk management structure of the Company and is in charge of the development and control of the Company's risk management policies.

The Company's risk management policy is established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor compliance with the risks and risk limits. The risk management policies and systems are regularly reviewed to reflect changes in market conditions and the operations of the Company. The Company develops a disciplined and constructive control environment through training, management guidelines and operating procedures so that all employees are aware of their roles and obligations.

The Company's board of directors oversees how management monitors the Company's compliance with risk management policies and procedures and reviews the appropriateness of the Company's risk management framework in relation to the risks it faces. Internal auditors assist the board of directors of the Company in its oversight role. They conduct regular and exceptional reviews of risk management controls and procedures and report their findings to the board of directors.

3. Credit risk

Credit risk is the risk of financial loss caused to the Company as a result of its customers or counterparties to financial instruments failing to fulfill their contractual obligations, and arises primarily from the Company's accounts receivable from customers and investments.

(1) Receivables

The Company has established a credit policy whereby the Company is required to analyze the credit rating of each new customer individually before granting standard payment and delivery terms and conditions. The Company's review includes, where available, external ratings and, in certain circumstances, bank notes. Purchase limits are established on a customer-by-customer basis and represent the maximum amount outstanding that is not subject to approval by the Risk Management Committee. This limit is reviewed periodically. Customers who do not meet the base credit rating of the Company may only transact with the Company on an upfront basis.

(2) Investments

The credit risk of bank deposits and other financial instruments is measured and monitored by the Company's finance department. The Company is not exposed to significant credit risk as its counterparties and other parties to contracts are creditworthy banks and financial institutions and corporate organizations with investment grade or above, and there is no significant doubt about their performance.

(3) Guarantees

The Company's policy provides that financial guarantees can only be provided to subsidiaries over which the Company has control. No endorsements/guarantees were provided by the Company as at December 31, 2022 and 2021.

4. Liquidity risk

Liquidity risk is the risk that the Company will not be able to deliver cash or other financial assets to settle its financial liabilities and will not be able to honor its obligations. The Company manages liquidity by ensuring, to the extent possible, that it has sufficient liquidity to pay its liabilities as they fall due under normal and stressful circumstances without the risk of unacceptable losses or damage to the Company's reputation.

The Company has developed a cost strategy to assist in monitoring cash flow requirements and the optimal cash return on investment. In general, the Company ensures that it has sufficient cash to cover its operating expenditure requirements, including the fulfillment of financial obligations, but excludes potential effects that cannot reasonably be anticipated in extreme circumstances, such as natural disasters.

5. Market risk

Market risk is the risk that changes in market prices, such as exchange rates, interest rates, or the price of equity instruments, will affect the Company's earnings or the value of financial instruments held. The objective of market risk management is to manage the level of market risk within tolerable limits and to optimize investment returns.

In order to manage market risk, the Company may enter into derivative transactions as required and will therefore incur financial liabilities. All transactions are executed in line with the risk management policy.

(1) Exchange rate risk

The Company is exposed to exchange rate risk arising from sales and purchases that are not denominated in the functional currency of the respective companies. The Company's functional currency is primarily the New Taiwan dollar. The principal currencies in which these transactions are denominated are the NT dollars, Chinese yuan, and US dollars.

The Company keeps abreast of changes in exchange rates and adopts stable and conservative exchange rates as the basis for quotations. It carefully considers current and future changes in exchange rates, and also makes timely use of hedging instruments such as forward exchange to hedge the impact of fluctuations in exchange rates.

(2) Other market risks

The Company is exposed to equity price risk arising from its investment in equity securities. These equity investments are not held for trading but are strategic investments. The Company does not actively trade these investments and its management manages the risk by holding a diverse portfolio of investments.

20) Capital management

It is the board's policy to maintain a solid capital base to sustain the confidence of investors, creditors and the market and to support the development of its operations. Capital comprises the Company's share capital, capital reserve and retained earnings. The board controls the rate of return on capital and also controls the level of dividends on ordinary shares.

The Company's capital management objectives are to safeguard the ability to operate as a going concern in order to continue providing shareholder remuneration and other stakeholder benefits, and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages capital on the same basis as its peers, based on a debt-to-equity ratio (D/E ratio). The Company's D/E ratios at the reporting date are as follows:

	2022.12.31	2021.12.31
Total liabilities	$ 582,406	513,760
Total equity	$ 2,089,766	1,999,578
Debt to equity ratio	27.87%	25.69%

21) Non-cash investing activities

The Company's non-cash investing activities in fiscal 2022 and 2021 are as follows:

	2022	2021
Change in fair value of financial assets measured at FVOCI for the year	$ (146,241)	200,415
Transfer of prepayments for equipment to property, plant and equipment	$ 7,431	-

7. Related party transactions

1) Names and relationships of related parties

The related parties and subsidiaries of the Company with whom the Company had transactions during the period covered by these parent company only financial statements are as follows:

Related party	Relationship with the Company
Asia Ampire (H.K.) Co., Ltd.	Subsidiary of the Company
American Ampire Inc.	Subsidiary of the Company
Ampire Co., Ltd. (B.V.I.)	Subsidiary of the Company
Sino Advance Inc.	Subsidiary of the Company
Tangyu (Dongguan) Electronics Co	Subsidiary of the Company

2) Significant transactions with related parties

1. Operating revenue

	2022	2021
Subsidiary -Sino Advance Inc.	$ 984	-

The selling price of the Company's sales to subsidiaries is not markedly different from the normal selling price. The collection period is T/T 45 days. Receivables from related parties are not covered by collateral and are assessed to be free of any provision for doubtful accounts.

2. Purchases

	2022	2021
Subsidiary -Sino Advance Inc.	$ 427,740	358,944

The Company's purchase prices from its subsidiaries are not significantly different from those from general suppliers. The Company's purchases from its subsidiaries are made on a prepaid basis at its discretion due to demand for business transactions.

The Company has written off operating income from the supply of materials for which the production is entrusted to overseas subsidiaries for accounting treatment, as prescribed by the Tai-Cai-Zheng (VI) No. 00747 letter (1998) issued by the former Securities and Futures Commission, Ministry of Finance.

3. Amounts due to related parties

Account Item	Type of related party	2022.12.31	2021.12.31
Accounts payable - related parties	Subsidiary -Sino Advance Inc.	$ 191,523	161,167

3) Key management transactions

Key management compensation includes:

	2022	2021
Short-term employee benefits	$ 43,204	36,502

8. Assets pledged: Nil.

9. Significant contingent liabilities and unrecognized contractual commitments

Significant unrecognized contractual commitments

	2022.12.31	2021.12.31
Guaranteed notes issued in connection with purchase guarantee	$ 15,000	15,000

10. Losses due to major disaster: Nil.

11. Significant events after the reporting period: Nil.

12. Other

The employee benefits, depreciation and amortization expenses by function are summarized below:

Function / Nature	2022			2021		
	Attributable to operating costs	Attributable to operating expenses	Total	Attributable to operating costs	Attributable to operating expenses	Total
Employee benefit expense						
Salaries expense	59,059	91,376	150,435	52,386	71,885	124,271
Labor and health insurance expense	5,835	5,439	11,274	5,158	5,068	10,226
Pension expense	2,443	2,238	4,681	2,453	(2,260)	193
Directors' remuneration	-	25,753	25,753	-	21,118	21,118
Other employee benefit expense	11,070	2,494	13,564	8,794	2,402	11,196
Depreciation expense	11,600	9,009	20,609	12,229	8,759	20,988
Amortization expense	134	518	652	138	74	212

Additional information on the number of employees and employee benefit expenses for fiscal 2022 and 2021 is as follows:

	2022	2021
Number of employees	163	149
Number of directors who do not concurrently serve as employees	5	5
Average employee benefit expenses	$ 1,139	1,013
Average employee salaries expenses	$ 952	863
Adjustments to average employee salaries expenses	10.31%	11.07%
Supervisors' remuneration	$ 1,290	1,055

Information on the Company's remuneration policy (including for directors, supervisors, managers and employees) is set out below:

1) Employee remuneration policy: The salary of the Company's employees is determined by reference to the salary market, the Company's operating conditions and the organizational structure. Salaries are adjusted whenever necessary in light of market dynamics, changes in the overall economic and industrial climate, and government regulations.
2) Remuneration policy for directors, supervisors and managers: The performance and remuneration of directors, supervisors and managers shall be evaluated by reference to the usual level of remuneration in the industry, as well as the time devoted by the individuals, the responsibilities assumed by the individuals, the achievement of personal goals, the performance in other positions, the remuneration offered by the Company to the same position in recent years, and the achievement of short-term and long-term business goals by the Company, the financial position of the Company, etc. to ascertain the reasonableness of the correlation between individual performance and the Company's operational performance and future risks.

13. Note disclosures

1) Information on significant transactions

Information required by the Regulations Governing the Preparation of Financial Reports by Securities Issuers for fiscal 2022 to be disclosed in connection with the Company's significant transactions is as follows:

1. Lending of funds to others: Nil.
2. Endorsements/guarantees for others: Nil.
3. Securities held at the end of the period (excluding investments in subsidiaries, associates and joint venture interests):

In K share

Holding company	Type and name of securities	Relation with securities issuer	Item	End of period				Remarks
				Number of shares	Carrying amount	Shareholding ratio	Fair value	
Ampire Co	Integrated Digital Technologies, Inc	-	Financial assets at FVPL-non-current	936	-	3.27 %	-	-
Ampire Co	Top Taiwan VIII Venture Capital Co	Ampire Co is a director of the company	Financial assets at FVOCI-non-current	1,449	17,334	3.33 %	17,334	-
Ampire Co	Top Taiwan IX Venture Capital Co	Ampire Co is a director of the company	Financial assets at FVOCI-non-current	7,000	123,428	12.50 %	123,428	-
Ampire Co	Top Taiwan XI Venture Capital Co	Ampire Co is a director of the company	Financial assets at FVOCI-non-current	4,063	69,733	6.25 %	69,733	-
Ampire Co	Top Taiwan XII Venture Capital Co	Ampire Co is a director of the company	Financial assets at FVOCI-non-current	10,000	113,879	7.41 %	113,879	-
Ampire Co	Top Taiwan XIV Venture Capital Co	Ampire Co is a director of the company	Financial assets at FVOCI-non-current	10,000	97,245	4.59 %	97,245	
Ampire Co	Racer Tech Co	-	Financial assets at FVOCI-non-current	1,140	14,706	9.37 %	14,706	

Holding company	Type and name of securities	Relation with securities issuer	Item	End of period				Remarks
				Number of shares	Carrying amount	Shareholding ratio	Fair value	
Ampire Co	Amiccom Electronics Corp	-	Financial assets at FVOCI-non-current	2,800	72,940	5.00 %	72,940	-
Ampire Co	IBASE Technology Inc	-	Financial assets at FVOCI-non-current	1,451	112,163	0.74 %	112,163	

4. Cumulative purchases or sales of the same securities amounting to at least NT$300 million or 20% of the paid-in capital: Nil.
5. Acquisition of real property amounting to at least NT$300 million or 20% of the paid-in capital: Nil.
6. Disposal of real property amounting to at least NT$300 million or 20% of the paid-in capital: Nil.
7. Purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital:

Purchase/sales company	Counterparty	Relation	Transaction				Circumstances under which the terms of the transaction differ from those of general transactions and the reasons therefor		Notes and accounts receivable/payable		Remarks
			Purchase /sales	Amount	Percentage of total purchases/ sales	Credit period	Unit price	Credit period	Balance	Percentage of total notes and accounts receivable/payable	
Sino Advance Inc.	Tangyu Electronics Co	Parent-subsidiary	Sales	(604,598)	(40.83)%	-	-	-	95,039	78.07%	
Tangyu Electronics Co	Sino Advance Inc.	Parent-subsidiary	Purchase	604,598	84.38%	-	-	-	(95,039)	(86.16)%	
Sino Advance Inc.	Ampire Co	Parent-subsidiary	Sales	(427,740)	(28.89)%	-	-	-	191,523	66.83%	
Ampire Co	Sino Advance Inc.	Parent-subsidiary	Purchase	427,740	24.79%	-	-	-	(191,523)	(51.50)%	
Tangyu Electronics Co	Sino Advance Inc.	Parent-subsidiary	Sales	(865,124)	(99.80)%	-	-	-	66,058	99.95%	
Sino Advance Inc.	Tangyu Electronics Co	Parent-subsidiary	Purchase	865,124	58.90%	-	-	-	(66,058)	(90.47)%	

8. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital:

Company with accounts receivable	Counterparty	Relation	Balance of receivables from related parties	Turnover	Overdue receivables from related parties		Subsequent recoveries of receivables from related parties	Provision for loss allowances
					Amount	Treatment		
Sino Advance Inc.	Ampire Co	Parent-subsidiary	191,523	2.43	-		30,720	-

9. Engaged in derivatives trading: Nil.

2) Information on investees (excluding Chinese investees):

Information on the Company's investment business for fiscal 2022 is as follows:

In NT$ K / US$ K / K share

Investing company	Investee	Location	Business	Initial investment amount		Holdings at end of period			Investee profit/loss for the period	Profit/loss on investments recognized in the period	Remarks
				End of period	End of last year	Number of shares	Ratio	Carrying amount			
Ampire Co	Asia Ampire (H.K.) Co., Ltd	HK	Sale of LCD modules	3,000	3,000	674	100.00%	121	-	-	
Ampire Co	American Ampire, Inc.	US	Sale of LCD modules	452	452	14	100.00%	-	-	-	
Ampire Co	Ampire Co., Ltd. (B.V.I.)	BVI	Investment holding	734,415	734,415	23,259	100.00%	315,165	34,580	34,584	
Ampire Co., Ltd. (B.V.I.)	Sino Advance Inc.	Samoa	Sale of LCD modules	713,441 (USD23,224)	713,441 (USD23,224)	23,224	100.00%	315,034 (USD10,255)	34,575 (USD1,160)	34,575 (USD1,160)	

3) Information on investment in mainland China:

1. Information about businesses investing in China:

In NT$ K / US$ K

Chinese investee	Business	Paid-in capital	Investment approach	Cumulative investment remitted from Taiwan at beginning of period	Investment remitted or recovered during the period		Cumulative investment remitted from Taiwan at end of period	Investee's profit/loss for the period	Percentage of the Company's shareholding in direct or indirect investments	Investment gains and losses recognized during the period	Carrying value of investments at end of period	Investment income repatriated up to the period
					Remittance	Recovery						
Tangyu (Dongguan) Electronics Co	Design, manufacture and processing of LCD modules	652,431 (USD21,238)	(2)	646,103 (USD21,032)	-	-	646,103 (USD21,032)	32,131 (USD1,078)	100.00%	32,131 (USD1,078)	246,098 (USD8,011)	-

Note 1: Based on the financial statements audited by the CPA in the same period.
Note 2: Investments were made through Sino Advance Inc. and Ampire Co., Ltd. (B.V.I).
Note 3: The above transactions have been eliminated in the preparation of the consolidated financial statements.

2. Investment quota to China:

Cumulative investment remitted from Taiwan to China at the end of period	Investment approved by MOEA Investment Commission	Investment quota in China set by MOEA Investment Commission
646,103 (US$21,032 K)	724,992 (US$23,600 K)	1,253,860 Note 2

Note 1: The exchange rate of the NT dollar to the U.S. dollar on Dec 31, 2022 was USD1: NTD30.72; the average exchange rate of the NT dollar to the U.S. dollar in 2022 was USD1: NTD29.8063.
Note 2: Net worth 60%.

3. Significant transactions:

Significant direct or indirect transactions between the Company and its investees in China in 2022 were eliminated in the preparation of the consolidated financial statements, as described in the "Information on Significant Transactions."

4) Information on major shareholders:

Shares / Major shareholder	Number of shares held	Shareholding ratio
Amiccom Electronics Corp	6,492,000	5.48%

Notes:

(1) Information on major shareholders in this table is calculated by Taiwan Depository & Clearing Corp on the last business day of each quarter for shareholders holding 5% or more of the Company's common shares and preferred shares that have been delivered without physical registration (including treasury shares). There may be discrepancies between the share capital recorded in the Company's financial statements and the actual number of shares delivered by the Company without physical registration, depending on the basis of preparations and calculations.

(2) Where the above information involves the transfer of shareholdings by shareholders to a trust, it is disclosed by trustors' individual segregated accounts opened by the trustees. For insider equity reporting under the Securities and Exchange Act by shareholders holding more than 10% of the shares, including their own shares plus shares held in trust, and shares with discretionary power over the trust property, please refer to the Market Observation Post System for information on insider equity reporting.

14. Segment information

Please refer to the consolidated financial statements for fiscal 2022.

Ampire Co., Ltd.

Su, Han-Jeh, Chairman of the Board

(For Ampire Co’s 2023 Annual Report use only)