Stock Code: 1471

首利實業股份有限公司
Solytech Enterprise Corporation

2022
Annual Report

Printed on May 15, 2023
Solytech Enterprise Corporation Annual Report is available at:
http://mops.twse.com.tw
Corporate Website: http://www.soly-tech.com

I. Name, Title, Telephone number, and E-mail of the Company's Spokesperson and Deputy Spokesperson:

Spokesperson

Name: CHIH-WEI, CHIU

Title: Special Assistant to the General Manager

Tel: +886 2299-1907

Email: david_chiou@soly-tech.com

Deputy Spokesperson

Name: TA-CHIUN, LIN

Title: Deputy General Manager

Tel: +886 2299-1907

Email: robert_lin@soly-tech.com

II. Address and Contact Information:

Address: 3F., No. 18, Wuquan 7th Rd., Wugu Dist., New Taipei City 248020 , Taiwan (R.O.C.)

Tel: +886 2299-1907

III. Name, Address, Website of the Stock Transfer Agency:

Name: Grand Fortune Securities Co., Ltd, Stock Agency Department

Address: 6F., No. 6, Sec. 1, Zhongxiao W. Rd., Zhongzheng Dist., Taipei City 100405 , Taiwan (R.O.C.)

Website: http://www.gfortune.com.tw

Tel: +886 2371-1658

IV. Name, firm name, address, website, and telephone number of the CPA for the most recent annual financial report

Name of CPA: CPA YONG-JIAN, HSU, CPA HAN-CHI, WU

Accounting Firm Name: PwC Taiwan

Address: 27F., No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City 110208 , Taiwan (R.O.C.)

Website: http://www.pwc.tw

Tel: +886 2729-6666

V. Name of overseas stock exchange and method for accessing information on overseas negotiable securities: None.

VI. Corporate Website: http://www.soly-tech.com

Table of Content

頁次

I. Letter to Shareholders ··· **1**
II. Company Profile ··· **3**
1. Date of Incorporation ··· 3
2. Company History ··· 3
III. Corporate Governance Report ··· **5**
1. Organization ··· 5
2. Directors, General Manager, Deputy General Manager, Associates, Departments and Branches Officer Information ··· 6
3. Remuneration Paid to Directors, General Manager, and Deputy General Manager ··· 11
4. Corporate Governance Status ··· 14
5. Visiting accountant's public expense information ··· 36
6. Information on changing of CPAs ··· 36
7. The Chairman, General Manager, or manager responsible for finance or accounting affairs of the Company has worked in the auditing firm or its affiliated enterprises within the past year ··· 37
8. For the fiscal year 2022 and up until the date of printing of this annual report, disclose the changes in share ownership and pledge by directors, managerial officers, and shareholders who hold more than 10% of the shares ··· 37
9. Information on the relationships between the top ten shareholders who hold a significant proportion of shares and are related as family members within the second degree of kinship or are related parties ··· 38
10. The Company, its directors, managers, and businesses directly or indirectly controlled by the Company shall report their shareholding in the same investee, and the comprehensive shareholding ratio shall be calculated by consolidation ··· 39
IV. Capital Overview ··· **40**
1. Capital and Shares ··· 40
2. Bonds ··· 43
3. Issuance of Preferred Shares ··· 43
4. Global Depository Receipts ··· 43
5. Issuance of Employee Stock Options ··· 43
6. Issuance of New Restricted Employee Shares ··· 43
7. Status of New Shares Issuance in Connection with Mergers and Acquisitions ··· 43
8. Financing Plans and Implementation ··· 43
V. Operational Highlights ··· **44**
1. Business Scope ··· 44
2. Market and Sales Overview ··· 48
3. Employee information of recent two years and as of the date of printing of the annual report ··· 53
4. Environmental Protection Expenditure ··· 53
5. Labor Relations ··· 53
6. Cyber Security Management ··· 54
7. Important Contracts ··· 54

VI. Financial Information ······ 55
1. Profit and Loss Statement and Balance Sheet for the Past Five Years ······ 55
2. Financial Analysis for the Past Five Years ······ 60
3. Audit Committee Review Report for the 2022 Financial Report ······ 63
4. Consolidated Financial Statements of the Parent Company and Subsidiaries Audited and Certified by CPAs of 2022 ······ 64
5. Individual Financial Reports Audited and Certified by CPAs of 2022 ······ 64
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 ······ 64

VII. Review and Analysis of Financial Status and Business Results and Risk Issues ······ 65
1. Analysis of Financial Status ······ 65
2. Analysis of Financial Performance ······ 66
3. Analysis of Cash Flow ······ 67
4. The impact of significant capital expenditures on financial operations in the recent year ······ 68
5. Recent investment policy, main reasons for profits or losses, improvement plans, and investment plans for the next year ······ 68
6. Analysis of Risk Management ······ 68
7. Other important matters ······ 69

VIII. Special Disclosure ······ 70
1. Information of affiliated enterprises ······ 70
2. Private placement of securities during the most recent year and up to the date of printing of this annual report ······ 72
3. Holding or disposal of the Company's stock by subsidiaries during the most recent year and up to the date of printing of this annual report ······ 72
4. Other Necessary Supplementary Notes ······ 72

IX. Matters in the Past Year and as of the Date of Publication of the Annual Report Which Have a Substantial Impact on Owner's Equity as Stipulated in Item 2, Paragraph 2 of Article 36 of the Securities Exchange Law ······ 73

Appendix 1: Consolidated Financial Report of 2022 ...... 74~137
Appendix 2: Individual Financial Report of 2022 ...... 138~198

I. Letter to Shareholders

Dear Shareholders,

Thank you for your love and support for our company. We would also like to express our gratitude to all our colleagues for their hard work and contributions over the past year. In this report, we will provide an overview of our company's performance in the past year and our outlook for the 2023 fiscal year.

1. Operating Performance in 2022

Below is 2022 business report and the plans of subsequent years:

Unit: NT$ thousand

Item/Year	2021	2022	Increase/Decrease	Variation ratio %
Revenue	355,816	237,989	(117,827)	-33.11
Gross Profit (or Loss)	7,794	(2,555)	(10,349)	-132.78
operating loss	(141,141)	(152,711)	(11,570)	8.20
Pre-tax losses	(18,533)	(157,269)	(138,736)	748.59

The Company's 2022 business scopes mainly focused on the development, production , and sales of computer cases, power supply, optical modem, and nano photocatalyst air purifier, which created a revenue of NT$ 237,989 thousand, gross loss NT$ 2,555 thousand, operating loss NT$ 152,711 thousand, and pre-tax losses NT$ 157,269 thousand. Due to the prices of raw materials spike and the declining tendency on placing orders, the capacity utilization is far below optimum. To deal with the fast-changing environment of the COVID-19 pandemic, the Company has been striving for new product developments and product promotions. In terms of capital enrichment, the Company has been renovating and leasing out the plants that were not in operation, dedicated to the improvement of overall operating performance and ensuring sufficient working capital.

2. 2023 Business Plan

In recent years the Company has been facing challenges with regard to the rapid change of computer-related products, intense market competition, and consumers' behavior changes over digital products. In the following years, the Company will be steady toward success and holding the below guideline for management:

(1) Guideline for management

Resource integration on research & development of electronic products and products useful for environmental purification.

(2) Goal of business

In addition to holding steady by focusing on the businesses of gaming and electronics products, the Company also extends the business scope to the products such as sedans, RVs, and large power cords used by engines and yacht shore power systems, which makes diversification. Environment purification has been drawing importance with global attention. Viewing from this, the Company has joined Taiwan Air Quality Health & Safety Association, developed exclusively a series of photocatalytic air purifier products, and obtained many invention patents.

(3) Policies on production & sales

The Company continues to expand its private label business and conduct an outsourcing approach to the low value-adding services such as stamping and assembling, in the aim of optimizing the production cost.

3. Strategic Growth Plan for the Future

(1) Market expansion on the basis of current core competences

The Company has established partnerships with mainstream e-sports brands and will focus on the development of high-end models and low-cost production to enhance its competitive advantage.

(2) Developments in new technology and new products

Apexgaming® has been leading the e-sport market with the product innovation and investment in research & development.

The outbreak of the Covid-19 pandemic has prevented the public from crowding in public spaces. To seize this market opportunity, the team of research & development has developed a non-light pollution of UV-A light of Nanoparticulate titanium dioxide (TiO2), to efficiently decompose the harmful substances. Co-developing with our partner who is the only company certified by Taiwan Photocatalyst Mark

Certification, the Company has carried the nano-photocatalyst (TiO2) on the nickel foam, which has a 3D cross pattern and achieves a high-area adhesion effect, aligning with non-light pollution of UV-A light to decompose the harmful substances such as CO_2 and H2O. This product,therefore, features antibacterial and deodorizing properties, and achieves an outstanding mold-free air purification environment.

The technology has been developed and has obtained eight utility model patents from The Intellectual Property Office in Taiwan:

a. Composite photo-catalyst filter screen and sterilization device thereof

b. Host equipment capable of purifying air

c. Computer power supply with photocatalyst air cleaning effect

d. Heat dissipation apparatus capable of purifying air

e. Speaker with air purification function

f. Vehicle air conditioner photocatalyst air purification device

g. Composite structure of air purifier

h. Air conditioner with air purification function

In addition to the eight utility model patents, the Company also obtained three invention patents from The Intellectual Property Office in Taiwan:

a. Heat Dissipation Device Configured To Provide Air Purification

b. Host Apparatus Configured To Provide Air Purification

c. Composite structure of air purifier

(3) Business on Private Brand

eSports is an emerging and flourishing industry in recent years. To seize this market opportunity, the Company has collaborated with a US company, Apex, to have launched an eSports private brand, Apexgaming®. With the global distribution network in retail channels, the Company at this early stage is focusing on the markets in the US, China, and Europe.

The Company has been dedicating to new technology in the development of photocatalyst products and spotting business opportunities that previously went unnoticed. Our R&D team has developed a series of products with various types, including desktop, portable, vehicle, and commercial types. In October 2022, one of our photocatalyst products was honorably certified and awarded the first Gold Certification Mark of Air Purifiers.

4. Impacts on the competitive, legal ,and general environment

(1) In the face of fierce competition on production capacity, China–United States trade war, the Covid-19 pandemic, and global inflation, the arrangements of product development, resource allocation, and customer service shall be made in a proper manner. In addition, risk control and asset activation efficiency also play an important role.

(2) The operations of the Company are handled in accordance with the law and regulations, and adjusted to changes; therefore, regulatory changes have little impact on the operations.

(3) Careful studies have been conducted to track consumers' needs and the changes in the general environment. Proper coping strategies and policies will be adopted to beat the competition.

Solytech Enterprise Corporation
President: Cheng,Chieh

II. Company Profile

1. Date of Incorporation: October 21, 1982
2. Company History:

1982 – Solytech Enterprise Corporation was established in 1982. Its main business was the trade of textile cloth.

1999 – The stock was listed on Taipei Exchange (TPEx)

2000 – The stock was transferred from TPEx to TWSE for trading and listing.

2002 – Established an electronic business department to increase the Company's competitiveness by enhancing its operational capability and increasing product diversity.

2003 – Reelected directors and supervisors, and Mr. Cheng Chieh elected as the new Chairman of the Company.

2004 – Obtained the approval of MOEAIC to indirect re-invest Deer Electronics (DONG GUAN) Co., Ltd in China.

2005 -- Obtained the approval of MOEAIC to indirect re-invest Supercase International Corporation.
The Company carried out capitalized retained earnings in the amount of NT$104,959 thousand dollars.

2006 -- This year, a total of 894 thousand shares were issued as a result of employee stock options exercised.
Reelected directors and supervisors, and Mr. Cheng Chieh was reappointed as the Chairman of the Company.
MOEAIC approved the capital increase for Supercase International Corporation in China.
Carried out capitalized of retained earnings and employee bonuses for NT$140,788 thousand dollars.
MOEAIC approved the capital increase for Deer Electronics (DONG GUAN) Co., Ltd in China.

2007 -- This year, a total of 381 thousand shares were issued as a result of employee stock options exercised.
Approved by Securities and Futures Bureau to increase capital through the issuance of 10,600 thousand common stock.
Approved by Securities and Futures Bureau to issue 6,000 thousand units of employee stock options.
Buyback 300 thousand treasury stock.

2008 -- Buyback 1,300 thousand treasury stock.
MOEAIC approved the capital increase for Supercase International Corporation in China.
MOEAIC approved the capital increase for Deer Electronics (DONG GUAN) Co., Ltd in China.
This year, a total of 153 thousand shares were issued as a result of employee stock options exercised.

2009 -- Reelected directors and supervisors, and Mr. Cheng Chieh was reappointed as the Chairman of the Company.
MOEAIC approved the capital increase for Deer Electronics (DONG GUAN) Co., Ltd in China.
MOEAIC approved the establishment of Dongguan Solytech Co., Ltd in China.
Approved by Securities and Futures Bureau to increase capital through the issuance of 20,000 thousand common stock.

2010 -- This year, a total of 1,304 thousand shares were issued as a result of employee stock options exercised.

The Company carried out capitalized retained earnings in the amount of NT$47,117 thousand dollars.

Approved by Securities and Futures Bureau to increase capital through the issuance of 20,000 thousand common stock.

The amount of 1,600 thousand shares of treasury stock transferred to employees.

Physical stocks have been fully replaced by electronic stocks and no physical issuance will be made

2011 -- The Board of Directors established a Remuneration Committee.

2012 -- Reelected directors and supervisors, and Mr. Cheng Chieh was reappointed as the Chairman of the Company.

The Board of Directors appointed the second term of the Remuneration Committee.

MOEAIC approved the capital increase for Supercase International Corporation in China.

MOEAIC approved the capital increase for DONGGUAN SOLYTECH ENTERPRISE CORPORATION.

2015 -- Reelected directors and supervisors, and Mr. Cheng Chieh was reappointed as the Chairman of the Company.

The Board of Directors appointed the third term of the Remuneration Committee.

2017 – The Company carried out a capital reduction of NT$560,531,330.

Issuance of 5,000 thousand common stock through private placement of cash capital increase.

2018 -- Reelected directors and supervisors, and Mr. Cheng Chieh was reappointed as the Chairman of the Company.

The Board of Directors appointed the fourth term of the Remuneration Committee.

2020 -- MOEAIC approved to the establishment of DONG GUAN SHUN CHENG TRADE CO., LTD.

MOEAIC approved to the cancellation of Supercase International Corporation in China.

2021 -- Reelected directors and supervisors, and Mr. Cheng Chieh was reappointed as the Chairman of the Company.

The Board of Directors appointed the fifth term of the Remuneration Committee.

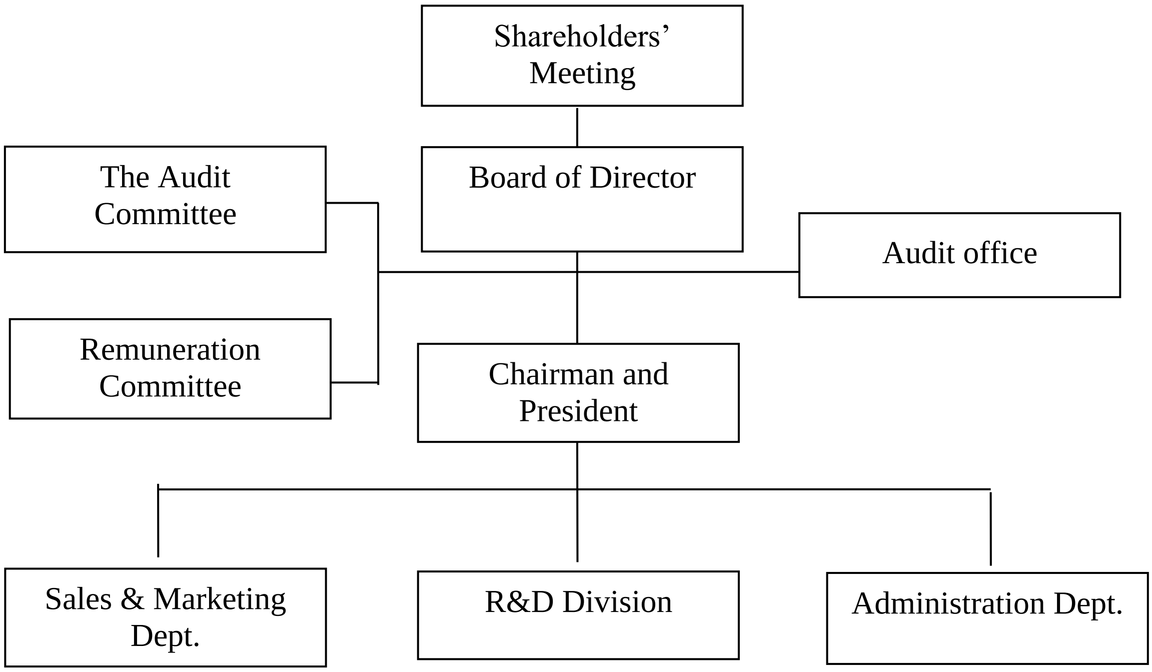
Established an audit committee.

2022 – MOEAIC approved the Company to dispose 50% equity of Deer Electronics (DONG GUAN) Co., Ltd in China.

III. Corporate Governance Report

1. Organization

(1) Organizational Chart



(2) Major Corporate Functions

Department	Functions
Audit office	Responsible for auditing business operating status, abnormal analysis, and improvement suggestions.
Sales & Marketing Dept.	Responsible for planning and execution of marketing strategy and market research, planning of marketing channels, and extended and after-sales service.
Research & Development Division	Responsible for new product development and execution, and improvement of existing products' quality, function, and cost.
Administration Center	Administration Dept. — Responsible for general administrative operations, including procurement and contracting operations, human resource recruitment and planning, personnel administration, education and training, business travel, compensation administration, stock affairs, legal affairs, and other related operations. Finance Dept. — Responsible for financial transactions, fund procurement, and other related matters. Accounting Dept. — Responsible for establishing an accounting system, and handling matters related to accounting, tax law, and cost accounting. IT Dept. — Plan and manage the internal and external computer networks of the Company, and establish and maintain information management systems.

2. Directors, General Manager, Deputy General Manager, Associates, Departments and Branches Officer Information

(1) Directors

1.Directors information

04/22/2023; Unit: Thousand shares

Title	Nationality/ Place of Incorporation	Name	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship			Remark(s)
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	Republic of China	Cheng, Chieh	Male 51~60	07/29/2021	3	06/30/2003	9,290	6.17%	9,290	6.17%	205	0.14%	0	0%	Mechanical Engineering, Hungkuo Delin University of Technology Director of Deer Computer CO.,LTD.	(Note 1)	Director and Chief Operating Officer Director	CHENG, HSIANG LI,KAN-JUNG	Siblings Affinity	(Note 2)
Director	Republic of China	Cheng, Hsiang	Male 61~70	07/29/2021	3	06/30/2003	8,737	5.80%	8,737	5.80%	1,144	0.76%	0	0%	Tungnan University Chairman of Deer Computer CO.,LTD.	(Note 3)	Chairman and General Manager Director	CHENG, CHIEH LI,KAN-JUNG	Siblings Spouses	None
Director	Republic of China	Cheng, Ken-Yi	Male 61~70	07/29/2021	3	06/19/2009	0	0%	0	0%	0	0%	0	0%	Accounting, Feng Chia University Deputy General Manager of Hongyang Venture Capital CO., LTD. Associates of Taiwan International Securities CO.,LTD.	(Note 4)	None	None	None	None
Director	Republic of China	Lee, Kan-Jung	Female 51~60	07/29/2021	3	06/30/2003	1,144	0.76%	1,144	0.76%	8,737	5.81%	0	0%	Open Junior College	None	Chairman and General Manager Director and Chief Operating Officer	CHENG, CHIEH CHENG, HSIANG	Affinity Spouses	None
Independent Director	Republic of China	Chung,Yi-Hao	Male 51~60	07/29/2021	3	06/30/2016	0	0%	0	0%	0	0%	0	0%	Accounting, Chung Yuan Christian University PwC Taiwan KPMG KPMG International Limited	(Note5)	None	None	None	None
Independent Director	Republic of China	Ho, Mei-Ying	Female 51~60	07/29/2021	3	06/26/2018	0	0%	0	0%	0	0%	0	0%	Ph.D., Biochemistry, University of Maryland Graduate Institute of Patent, National Taiwan University of Science and Technology Tsai, Lee & Chen Patent Attorneys & Attorneys at Law	(Note 6)	None	None	None	None
Independent Director	Republic of China	Chang, Ke-Hao	Male 40~50	07/29/2021	3	07/29/2021	0	0%	0	0%	0	0%	0	0%	EMBA, National Cheng Kung University Master of Laws, Fu Jen Catholic University Partner lawyer, Chen, Tsai & Partners Apprentice lawyer, Tatone (T&T) International Law Office	(Note 7)	None	None	None	None

Note 1: General Manager of Solytech Enterprise Corporation, Director of Deer Computer CO.,LTD., Director of FONG YIN INVESTMENT CO., LTD., Representative of Ample Crown International Ltd., Representative of Suntech Trading Limited, Representative of Cosmos Treasure Holdings Ltd., Representative of Premier Action Trading Ltd., Representative of Giant Treasure Limited, Representative of Land Tycoon Limited, Representative of Sure Viva Limited.

Note 2: Where the chairman of the Board of Directors and the general manager or person of an equivalent post (the highest-level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto: To improve operational performance and executive power, the Chairman also serves as General Manager. However, considering the independence of the Board of Directors, the Company has actively trained suitable candidates internally. In addition, to implement corporate governance, the Chairman frequently communicates with the Directors to fully explain the Company's operating conditions and strategic plans. In the future, the Company plans to increase the number of independent directors to enhance the function of the Board and strengthen its supervisory role. Currently, the Company has implemented specific measures: (1) The current three independent directors have expertise in finance, accounting, patents, and legal matters, and can effectively fulfill their supervisory functions. (2) Independent Directors can fully discuss and make recommendations in functional committees for the reference of the Board of Directors, to implement corporate governance. (3) More than half of the Board of Directors are not also employees or managers.

Note 3: Chief Operating Officer of Solytech Enterprise Corporation, Chairman of Deer Computer CO.,LTD., Chairman of FONG YIN INVESTMENT CO., LTD., Chairman of Metagone Biotech Inc., Representative of Ample Crown International Ltd., Representative of Suntech Trading Limited, Representative of Cosmos Treasure Holdings Ltd., Representative of Premier Action Trading Ltd.

Note 4: Director of Grand Fortune Securities, Director of Leader Electronics Inc., Director of Shieh Yih Machinery Industry Co., Ltd, Director of Metagone Biotech Inc., Independent director of Holy Stone Enterprise Co., Ltd., Independent director of Prolific Technology Inc., Representative director of Foryou Capital Corporation, Representative director of Grand Fortune Venture Management Corporation, Representative director of Grand Fortune Venture Capital Corporation.

Note 5: Certified Public Accountant of HUILIEN & CO.,CPAS, Independent director of Kai Chieh International Investment Ltd.

Note 6: M. Y. HO & Partners, General Manager of MY IP Consulting Inc.

Note 7: Attorneys-at-law of Welead Attorneys-at-law, Independent director of SUN BA Power corp.

2. Major shareholders of the institutional shareholders: Not applicable.
3. Major shareholders of the Company's major institutional shareholders: Not applicable
4. Professional Qualifications and Independence Disclosure of Directors and Independent Directors:

Criteria / Name	Qualifications and Experience	Independence (Note)	Number of Other Public Companies in Which the individual is Concurrently Serving as an Independent Director
Chairman Cheng, Chieh	Possesses working experience required for business and corporate business	(1) Not been a person of any conditions defined in Article 30 of the Company Law. (2) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law. (3) Less than half of the seats on the Board of Directors or voting rights are held by individuals who control the directors, supervisors, or employees of other companies. (4) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company. (5) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company for which the provider in the past 2 years has received cumulative compensation exceeding NT$500,000, or a spouse thereof.	0
Director Cheng, Hsiang	Possesses working experience required for business and corporate business	(1) Not been a person of any conditions defined in Article 30 of the Company Law. (2) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law. (3) Less than half of the seats on the Board of Directors or voting rights are held by individuals who control the directors, supervisors, or employees of other companies. (4) Not being in a condition that the chairperson, general manager, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution. (5) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company. (6) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company for which the provider in the past 2 years has received cumulative compensation exceeding NT$500,000, or a spouse thereof.	0
Director Lee, Kan-Jung	Possesses working experience required for business and corporate business	(1) Not been a person of any conditions defined in Article 30 of the Company Law. (2) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law. (3) Not an employee of the Company or any of its affiliates. (4) Not a director or supervisor of the Company or any of its affiliates. (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the Company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the Company under Article 27, paragraph 1 or 2 of the Company Act. (6) Less than half of the seats on the Board of Directors or voting rights are held by individuals who control the directors, supervisors, or employees of other companies. (7) Not being in a condition that the chairperson, general manager, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution. (8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company. (9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company for which the provider in the past 2 years has received cumulative compensation exceeding NT$500,000, or a spouse thereof.	0

<table>
<tr><td>Director
Cheng, Ken-Yi</td><td>Possesses working experience required for business and corporate business</td><td rowspan="4">(1) Not been a person of any conditions defined in Article 30 of the Company Law.
(2) Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.
(3) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of other directors
(4) Not an employee of the Company or any of its affiliates.
(5) Not a director or supervisor of the Company or any of its affiliates.
(6) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the Company or ranking in the top 10 in holdings.
(7) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 4 or any of the persons in 5 and 6 subparagraphs.
(8) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the Company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the Company under Article 27, paragraph 1 or 2 of the Company Act.
(9) Less than half of the seats on the Board of Directors or voting rights are held by individuals who control the directors, supervisors, or employees of other companies.
(10) Not being in a condition that the chairperson, general manager, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution.
(11) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company.
(12) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company for which the provider in the past 2 years has received cumulative compensation exceeding NT$500,000, or a spouse thereof.</td><td>2</td></tr>
<tr><td>Independent Director
Chung,Yi-Hao</td><td>CPA Certification; Possesses working experience required for business and corporate business</td><td>0</td></tr>
<tr><td>Independent Director
Ho, Mei-Ying</td><td>Patent Attorney Certification; Possesses working experience required for business and corporate business</td><td>0</td></tr>
<tr><td>Independent Director
Chang, Ke-Hao</td><td>Passed bar examination; Possesses working experience required for business and corporate business</td><td>1</td></tr>
</table>

5. Diversity and Indigence of The Board of Directors

(1) The Diversity of the Board of Directors

Based on the policy of diversification and strengthening corporate governance to promote the sound development of the composition and structure of the Board of Directors, the Company adopts a candidate nomination system following the provisions of the Company's articles of association to evaluate the academic and professional qualifications, professional background, integrity, or relevant professional qualifications of each candidate. After resolution by the Board of Directors, the Company submits the candidates to the shareholders' meeting for election. The composition of the Board of Directors should not exceed one-third of the total number of directors who also serve as the Company’s executives. The Board of Directors should also develop appropriate diversification policies based on its operations, business models, and development needs, including but not limited to the following:

A. Basic Conditions and Values: Gender, age, nationality, and culture.

B. Professional Acknowledge and Skills: Business judgment ability, accounting and financial analysis ability, management skills, crisis management ability, industry knowledge, international market insight, leadership ability, and decision-making ability.

The Company's current Board of Directors consists of seven members, and the specific management goals and achievements to diversify the composition of the Board of Directors are as follows:

Management goals	Achievements
The number of independent directors exceeds one-third of the total number of directors.	Achieved
The number of directors who are also executives of the Company should not exceed one-third of the total number of directors	Achieved
The term of independent directors shall not exceed three years.	Achieved
Sufficient and diverse professional knowledge and skills.	Achieved

The implementation of the Board of Directors' diversity policy is as follows:

		Basic Composition									Professional Background				Professional Knowledge and Skills					
		Nationality	Gender	Serve as employee	Age			Terms of Independent Director			Accounting	Industry	Finance	Technology	Ability to make operational judgments	Ability to conduct management administration	Ability to lead	Ability to conduct crisis management	Knowledge of the industry	International market perspective
					40-50 years old	51-60years old	61-70 years old	Less than 3 years	3 to 6 years	Over 6 years										
Director	Cheng, Chieh	R.O.C	Male	✓		✓						✓		✓	✓	✓	✓	✓	✓	✓
	Cheng, Hsiang		Male	✓			✓					✓		✓	✓	✓	✓	✓	✓	✓
	Cheng, Ken-Yi		Male				✓				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Lee, Kan-Jung		Female			✓					✓	✓	✓		✓	✓	✓	✓	✓	✓
Independent Directors	Chung,Yi-Hao		Male			✓				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Ho, Mei-Ying		Female			✓			✓			✓	✓	✓	✓	✓	✓	✓	✓	✓
	Chang, Ke-Hao		Male		✓			✓				✓	✓	✓	✓	✓	✓	✓	✓	✓

(2) The independence of the Board of Directors:

The current Board of Directors of our company consists of 7 members, including 3 independent directors and 2 directors with employee status (making up 42.86% and 28.57% of the total board members, respectively). As of the end of 2022, all independent directors have met the requirements of the Financial Supervisory Commission Securities and Futures Bureau regarding independent directors, and there is no situation as described in Article 26-3, Paragraphs 3 and 4 of the Securities Trading Act among the directors and independent directors. The Board of Directors of our company is independent (please refer to pages 7-8 of this annual report for disclosure of professional qualifications of directors and independence of independent directors), and the directors have diverse backgrounds in terms of education, gender, and work experience (please refer to page 6 of this annual report for information on the directors).

(2) General Manager, Deputy General Manager, Assistant Manager, and Department Heads

04/22/2023; Unit: Thousand Shares

Title	Nationality	Name	Gender	Selected Date	Shareholding		Shareholdings of the spouse and minor children		Shareholding by Nominee Arrangement		Experience (Education)	Position Held in Other Company	Manager with spouse or relatives within the second degree of kinship			Remark
					Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage			Title	Name	Relation	
General Manager	R.O.C.	Cheng, Chieh	Male	2003/6/30	9,290	6.17%	205	0.14%	0	0%	Mechanical Engineering, Hungkuo Delin University of Technology Director of Deer Computer CO.,LTD..	(Note 1)	Chief Operating Officer	Cheng, Hsiang	Siblings	(Note 2)
Chief Operating Officer	R.O.C.	Cheng, Hsiang	Male	2003/6/30	8,737	5.80%	1,144	0.76%	0	0%	Tungnan University Chairman of Deer Computer CO.,LTD..	(Note 3)	General Manager	Cheng, Chieh	Siblings	None
Deputy General Manager And Finance and Accounting Manager	R.O.C.	Lin Ta-Chiun,	Male	2006/12/1	0	0%	0	0%	0	0%	School of Management at National Central University Finance director of Picvue Electronics, Ltd. (Overseas Business)	(Note 4)	None	None	None	None
Assistant Manager	R.O.C.	Tseng, Shih-Hsin	Male	2016/1/1	0	0%	0	0%	0	0%	Taipei Municipal Nangang Vocational High School Special Assistant of Compucity Technology Co., Ltd.	None	None	None	None	None

Note 1: General Manager of Solytech Enterprise Corporation, Director of Deer Computer CO.,LTD, Director of FONG YIN INVESTMENT CO., LTD., Representative of Ample Crown International Ltd., Representative of Suntech Trading Limited, Representative of Cosmos Treasure Holdings Ltd., Representative of Premier Action Trading Ltd., Representative of Giant Treasure Limited, Representative of Land Tycoon Limited, Representative of Sure Viva Limited.

Note 2: Where the chairman of the Board of Directors and the general manager or person of an equivalent post (the highest-level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto: To improve operational performance and executive power, the Chairman also serves as General Manager. However, considering the independence of the Board of Directors, the Company has actively trained suitable candidates internally. In addition, to implement corporate governance, the Chairman frequently communicates with the Directors to fully explain the Company's operating conditions and strategic plans. In the future, the Company plans to increase the number of independent directors to enhance the function of the Board and strengthen its supervisory role. Currently, the Company has implemented specific measures: (1) The current three independent directors have expertise in finance, accounting, patents, and legal matters, and can effectively fulfill their supervisory functions. (2) Independent Directors can fully discuss and make recommendations in functional committees for the reference of the Board of Directors, to implement corporate governance. (3) More than half of the Board of Directors are not also employees or managers.

Note 3: Chief Operating Officer of Solytech Enterprise Corporation, Chairman of Deer Computer CO.,LTD, Chairman of FONG YIN INVESTMENT CO., LTD., Chairman of Metagone Biotech Inc., Representative of Ample Crown International Ltd., Representative of Suntech Trading Limited, Representative of Cosmos Treasure Holdings Ltd., Representative of Premier Action Trading Ltd.

Note 4: Independent Director of Tai Twun Enterprise Co., Ltd., Supervisor of FONG YIN INVESTMENT CO., LTD.

3. Remuneration Paid to Directors, General Manager, and Deputy General Manager

(1) Remuneration Paid to Directors

12/31/2022 Unit: Thousand (NTD)

Title	Name	Remuneration: Base Compensation (A) (Note 1)		Remuneration: Severance Pay (B)		Remuneration: Directors Compensation I (Note 2)		Remuneration: Allowances (D) (Note 3)		Ratio of Total Remuneration (A+B+C+D) to Net Income (%) (Note 7)		Relevant Remuneration Received by Directors Who are Also Employees: Salary, Bonuses, and Allowance(E) (Note 4)		Severance Pay (F)		Employee Compensation (G) (Note 5)				Ratio of Total Remuneration (A+B+C+D+E+F+G) to Net Income (%))(Note 7)		Remuneration from ventures other than subsidiaries or from the parent company (Note 8)
		The Company	Companies in the consolidated financial statements (Note 6)	The Company	Companies in the consolidated financial statements (Note 6)	The Company	Companies in the consolidated financial statements (Note 6)	The Company	Companies in the consolidated financial statements (Note 6)	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements (Note 6)	The Company	Companies in the consolidated financial statements (Note 6)	The Company: Cash	The Company: Stock	Companies in the consolidated financial statements (Note 8): Cash	Companies in the consolidated financial statements (Note 8): Stock	The Company	Companies in the consolidated financial statements	
Chairman	Cheng, Chieh	0	0	0	0	0	0	72	72	(0.05)	(0.05)	1,546	4,484	0	0	0	0	0	0	(1.03)	(2.90)	0
Director	Cheng, Hsiang	0	0	0	0	0	0	72	72	(0.05)	(0.05)	1,546	4,108	0	0	0	0	0	0	(1.03)	(2.66)	0
Director	Cheng, Ken-Yi	528	528	0	0	0	0	72	72	(0.38)	(0.38)	0	0	0	0	0	0	0	0	(0.38)	(0.38)	0
Director	Lee, Kan-Jung	528	528	0	0	0	0	72	72	(0.38)	(0.38)	0	0	0	0	0	0	0	0	(0.38)	(0.38)	0
Independent Director	Chung,Yi-Hao	528	528	0	0	0	0	72	72	(0.38)	(0.38)	0	0	0	0	0	0	0	0	(0.38)	(0.38)	0
Independent Director	Ho, Mei-Ying	528	528	0	0	0	0	72	72	(0.38)	(0.38)	0	0	0	0	0	0	0	0	(0.38)	(0.38)	0
Independent Director	Chang, Ke-Hao	528	528	0	0	0	0	72	72	(0.38)	(0.38)	0	0	0	0	0	0	0	0	(0.38)	(0.38)	0

1. Please describe the policy, system, standard, and structure of remuneration to independent directors, and the correlation between duties, risk, and time input with the amount of remuneration:
   According to Article 28 of the Company's bylaws, the remuneration of independent directors is determined separately by the Remuneration Committee, considering the participation, contributions to the Company's operations, attendance rate, and industry standards. The Committee will submit its recommendations to the Board of Directors for approval.
2. In addition to the above disclosure, any other compensation that was received by company directors during the most recent fiscal year for services rendered (e.g. services rendered, as an advisor with non-employee status, to the parent company, to any company listed in the financial reports, or to any Solytech investee enterprise): None

Note 1: Refers to the salaries, duty allowances, and severance pay paid to the directors in 2022.

Note 2: Refers to the amount of directors' compensation approved by the Board of Directors in 2022.

Note 3: Refers to the expenses related to the business execution of the directors in 2022 (including transportation expenses, special expenses, various allowances, dormitories, vehicle provisions, etc.). When providing housing, cars, and other transportation or dedicated personal expenses, the nature and cost of the assets provided, the actual or fair market value of the rent, fuel costs, and other payments should be disclosed. If there is a driver involved, please provide an explanation of the relevant compensation paid to the driver, but this is not included in the directors' remuneration.

Note 4: Refers to the remuneration paid to the directors who also serve as employees (including those who hold positions such as general manager, deputy general manager, other executives, and employees), including various bonuses, incentives, travel expenses, special disbursements, allowances, accommodation, company car, other physical items, other compensations, etc. in 2022. Where housing, cars, other means of transportation, or expenditures exclusively for individuals are offered, the nature and costs of the offered assets, the actual rent or fair market rent, fuel expenses, and other benefits shall be disclosed. In addition, where a driver is provided, please provide an explanation in the notes on the compensation paid to the driver by the Company, but not calculating as remuneration. The salaries recognized in accordance with I"RS 2 "Share-based Payment," including the share subscription warrants issued to employees, new restricted stock award shares issued to employees, and employee stock at cash capital increase, shall also be calculated as remuneration.

Note 5: Refers to those directors who also serve as employees (including general manager, deputy general manager, other managers, and employees) and received employee remuneration (including stock and cash) in 2022, the amount of employee remuneration approved by the Board of Directors in the current year should be disclosed.

Note 6: The total remuneration paid by all companies in the consolidated statements (including the Company) to the Company's directors must be disclosed.

Note 7: The net income after-tax refers to the net income after-tax in the standalone financial statements of 2022.

Note 8: a. Specify the amount of remuneration received by the Company's directors from ventures other than subsidiaries or from the parent company in this field.

b. If the Company's directors receive remuneration from non-subsidiary equity investments, the amount of remuneration received by the Company's directors from non-subsidiary equity investments should be included in the remuneration table, and the column should be renamed "Parent Company and all Non-Subsidiary Equity Investments".

c. The remuneration means pay, compensation (including compensation of employees, directors and supervisors) and business expenses received by the Company's directors who are serving as a director, supervisor or manager of ventures other than subsidiaries or of the parent company.

Note 9: The remuneration disclosed in the table is different from income as defined in the Income Tax Act. This table is therefore provided for disclosure only and is not used for taxation purposes.

(2) Remuneration Paid to General Manager and Deputy General Manager

12/31/2022 Unit: Thousand New Taiwan Dollars

Title	Name	Salary(A) (Note1)		Severance Pay (B)		Bonuses and Allowlist (C) (Note 2)		Employee Compensation (D) (Note 3)				Ratio of total Remuneration (A+B+C+D) to net income (%) (Note 7)		Remuneration from ventures other than subsidiaries or from the parent company (Note 8)
		The Company	Companies in the consolidated financial statements (Note 4)	The Company	Companies in the consolidated financial statements (Note 4)	The Company	Companies in the consolidated financial statements (Note 4)	The Company		Companies in the consolidated financial statements (Note 4)		The Company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
General Manager	Cheng, Chieh	1,320	3,838	0	0	298	718	0	0	0	0	(1.03)	(2.90)	0
Chief Operating Officer	Cheng, Hsiang	1,320	3,527	0	0	298	653	0	0	0	0	(1.03)	(2.66)	0
Deputy General Manager	Lin Ta-Chiun	1,026	2,565	63	63	177	433	0	0	0	0	(0.80)	(1.95)	0

Note 1: Refers to the salaries, duty allowances, and severance pay paid to the general manager and deputy general manager in the most recent year.

Note 2: Refers to the remuneration paid to the managerial officers with the top five remuneration amounts, including various bonuses, incentives, travel expenses, special disbursements, allowances, accommodation, company car, other physical items, other compensations, etc., in the most recent year. Where housing, cars, other means of transportation, or expenditures exclusively for individuals are offered, the nature and costs of the offered assets, the actual rent or fair market rent, fuel expenses, and other benefits shall be disclosed. In addition, where a driver is provided, please provide an explanation in the notes on the compensation paid to the driver by the Company, but not calculating as remuneration. The salaries recognized in accordance with“ IFRS 2 "Share-based “Payment," including the share subscription warrants issued to employees, new restricted stock award shares issued to employees, and employee stock at cash capital increase, shall also be calculated as remuneration.

Note 3: Refers to the amount of employee compensation (including stock and cash) approved by the Board of Directors for general manager and deputy general manager in 2022.

Note 4: The total remuneration paid by all companies in the consolidated statements (including the Company) to managerial officers must be disclosed.

Note 5: Listed the total remuneration paid to the general manager and deputy manager, and the Company should disclose the name within the corresponding salary range.

Note 6: The total amount of remuneration paid to each general manager and deputy general manager by all companies (including the Company) in the consolidated statement should be disclosed. The names of the general manager and deputy general manager should also be disclosed within their respective salary ranges.

Note 7: The net income after-tax refers to the net income after-tax in the standalone financial statements of 2022.

Note 8: a. Specify the amount of remuneration received by the’ Company's general manager and deputy general manager from ventures other than subsidiaries or from the parent company in this field.

b. If the’ Company's general manager and deputy general manager receive remuneration from non-subsidiary equity investments, the amount of remuneration received by the general manager and deputy general manager from non-subsidiary equity investments should be included in Column E of the remuneration table, and the column should be “renamed "Parent Company and all Non-Subsidiary Equity Investments".

c. The remuneration means pay, compensation (including compensation of employees, directors and supervisors) and business expenses received by managerial officers who are serving as a director, supervisor or manager of ventures other than subsidiaries or of the parent company.

Note 9: The remuneration disclosed in the table is different from income as defined in the Income Tax Act. This table is therefore provided for disclosure only and is not used for taxation purposes.

(4) Managerial officers with the top five highest remuneration amounts

12/31/2022, Unit: Thousand New Taiwan Dollars

Title	Name	Salary (A) (Note 2)		Severance Pay (B)		Bonuses and Alliances (C) (Note 3)		Employee Compensation (D) (Note 4)				Ratio of total Remuneration (A+B+C+D) to net income (%) (Note 6)		Remuneration from ventures other than subsidiaries or from the parent company (Note 7)
		The Company	Companies in the consolidated financial statements (Note 5)	The Company	Companies in the consolidated financial statements (Note 5)	The Company	Companies in the consolidated financial statements (Note 5)	The Company		Companies in the consolidated financial statements (Note 5)		The Company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
General Manager	Cheng, Chieh	1,320	3,838	0	0	298	718	0	0	0	0	(1.03)	(2.90)	0
Chief Operating Officer	Cheng, Hsiang	1,320	3,527	0	0	298	653	0	0	0	0	(1.03)	(2.66)	0
Deputy General Manager	Lin Ta-Chiun	1,026	2,565	63	63	177	433	0	0	0	0	(0.80)	(1.95)	0
Assistant Manager	Tseng, Shih-Hsin	1,152	1,152	70	70	198	198	0	0	0	0	(0.90)	(0.90)	0

Note 1: Managerial officers with the top five highest remuneration amounts refers to managers at the Company, in which the standard for determining managers is the applicable scope set forth in Order Tai-Cai-Zheng-San-Zi No. 0920001301 from the former Securities and Futures Commission, Ministry of Finance dated March 27, 2003. The top five highest remuneration amounts are determined based on the sum of salaries, severance pay, bonuses and allowances, and employee compensation received by a managerial officer from all companies in the consolidated financial statements (i.e., A+B+C+D).

Note 2: Refers to the salaries, duty allowances, and severance pay paid to the managerial officers with the top five remuneration amounts in the most recent year.

Note 3: Refers to the remuneration paid to the managerial officers with the top five remuneration amounts, including various bonuses, incentives, travel expenses, special disbursements, allowances, accommodation, company car, other physical items, other compensations, etc., in the most recent year. Where housing, cars, other means of transportation, or expenditures exclusively for individuals are offered, the nature and costs of the offered assets, the actual rent or fair market rent, fuel expenses, and other benefits shall be disclosed. In addition, where a driver is provided, please provide an explanation in the notes on the compensation paid to the driver by the Company, but not calculating as remuneration. The salaries recognized in accordance "it IFRS 2 "Share-based Payment," including the share subscription warrants issued to employees, new restricted stock award shares issued to employees, and employee stock at cash capital increase, shall also be calculated as remuneration.

Note 4: Refers to the amount of employee compensation (including stock and cash) approved by the Board of Directors for managerial officers with the top five remuneration amounts in 2022.

Note 5: The total remuneration paid by all companies in the consolidated statements (including the Company) to managerial officers with the top five highest remuneration amounts must be disclosed.

Note 6: The net income after-tax refers to the net income after-tax in the standalone financial statements of 2022.

Note 7: a. Specify the amount of remuneration received by managerial officers with the top five remuneration amounts from ventures other than subsidiaries or from the parent company in this field.

b. The remuneration means pay, compensation (including compensation of employees, directors and supervisors) and business expenses received by managerial officers with the top five remuneration amounts who are serving as a director, supervisor or manager of ventures other than subsidiaries or of the parent company.

Note 8: The remuneration disclosed in the table is different from income as defined in the Income Tax Act. This table is therefore provided for disclosure only and is not used for taxation purposes.

(5) Comparison and Analysis of Remuneration for Directors, Supervisors, President and Vice Presidents in the Most Recent Two Fiscal Years and Remuneration Policy for Directors, Supervisors, President and Vice Presidents and Explain 'the Company's Policy, Standards, and Composition Regarding Remuneration, the Procedures for Determining Remuneration, and the Correlation between Business Performance and Future Risks:

1. The ratio of total remuneration paid by the Company and by all companies included in the consolidated financial statements for the two most recent fiscal years to directors, supervisors, president and vice presidents of the Company, to the net income.

Title	Year 2021		Year 2022	
	Ratio of total remuneration paid by the Company to directors, supervisors, president and vice presidents to net income (%)	Ratio of total remuneration paid by all companies included in the consolidated financial statements to directors, supervisors, president and vice presidents to net income (%)	Ratio of total remuneration paid by the Company to directors, supervisors, president and vice presidents to net income (%)	Ratio of total remuneration paid by all companies included in the consolidated financial statements to directors, supervisors, president and vice presidents to net income (%)
Director	(29.88)	(59.51)	(3.96)	(7.46)
Supervisor	(3.78)	(3.78)	(Note 1)	(Note 1)
General Manager and Deputy General Manager	(24.30)	(63.10)	(2.86)	(7.51)

Note 1: The Company established the Audit Committee following the legal requirements to replace the role of the supervisor on July 29, 2021.

2. The policy, standards, and composition of remuneration payments, the procedure for determining remuneration, and the relationship between business performance and future risks associated with remuneration payments.

A. 'he director's remuneration paid by the Company shall be determined by 'the Company's Articles of Incorporation and the Remuneration Committee Charter, referencing the usual industry standards, and adjusted according to the following actual circumstances of each director during their term of service.

a. Term of the Board of Director
b. Responsibility during the tenure of the Director
c. Contribution made to the business operation of each Board of Director

B. The remuneration paid to the Company's General Manager and Deputy General Manager is divided into salary and bonus, which is handled following the relevant provisions of 'the Company's personnel regulations and according to the resolutions passed by the Board of Directors as stipulated in 'the Company's Articles of Incorporation and Remuneration Committee Charter. The remuneration paid to the Company's key management personnel include the following:

a. Managers' Remuneration
b. Employee bonuses: The distribution of employee bonuses and dividends is adjusted based on the following criteria.
(a) Operating status
(b) Individual performance of each level Manager
(c) Follows internal regulations to adjust the distribution

4. Corporate Governance Status

(1) Operations of the Board of Directors:

The 13th Board of Directors held a total of seven meetings (A) from January 1st, 2022 to May 15th, 2023.

The attendance of directors was as follows:

Title	Name	Attendance in Person (B)	Attendance on behalf	Attendance Rate (%) 【B / A】(Note 2)	Remark
Chairman	Cheng, Chieh	7	0	100.00%	None
Director	Cheng, Hsiang	7	0	100.00%	None
Director	Cheng, Ken-Yi	7	0	100.00%	None
Director	Lee, Kan-Jung	1	6	14.29%	None
Independent Director	Chung,Yi-Hao	7	0	100.00%	None
Independent Director	Ho, Mei-Ying	6	1	85.71%	None
Independent Director	Chang, Ke-Hao	7	0	100.00%	None

From January 1st, 2022 to May 15th, 2023, attendance record of independent directors at each board meeting.

O: Attendance in Person ☆: Attendance on behalf X: Absence

Title	Name	1st	2nd	3rd	4th	5th	6th	7th
Independent Director	Chung,Yi-Hao	O	O	O	O	O	O	O
Independent Director	Ho, Mei-Ying	O	O	O	O	☆	O	O
Independent Director	Chang, Ke-Hao	O	O	O	O	O	O	O

Other mendable items:

1. If the operation of the Board of Directors falls under any of the following circumstances, the Company shall record the following matters relating to the state of its implementation of corporate governance: the date of the Board meeting, the period, the content of the resolution, the opinions of all independent directors, and ’the Company's countermeasures of the opinions of independent actors:

(1) The matters listed in Article 14-3 of the Securities and Exchange Act:

(2) Resolutions o’ the directors' meetings objected to by independent directors or subject to qualified opinion and recorded or declared in writing:

Date of the Board meeting and Period	Content of Motion	Resolutions o’ the directors' meetings objected to by independent directors
3/30/2022 The 4th Board Meeting of the 13th term	1. Proposal of Assessment of the Effectiveness of Internal Control Systems and the Internal Control System Statement in 2021 2. Evaluation of the Independence and Qualification of the Signing CPAs. 3. Proposed amendment of certain articles of ’the Company's Article. 4. Proposed amendment to certain articles of "Asset Acquisition or Disposal Processing Procedures" of the Company.	Passed without objection
5/31/2022 The 5th Board Meeting of the 13th term	1. The motion of ’the Company's plan to dispose of 50% equity of ’the Company's subsidiary in China, Deer Electronics (DONG GUAN) Co., Ltd, through ’the Company's wholly-owned subsidiary, Premier Action Trading Ltd.	Passed without objection
3/30/2022 The 9th Board Meeting of the 13th term	1. Proposal of Assessment of the Effectiveness of Internal Control Systems and the Internal Control System Statement in 2022. 2. Evaluation of the Independence and Qualification of the Signing CPAs. 3. Proposed pre-approval of non-assurance services to be provided by the audit firm and its affiliates to our company and its subsidiaries. 4. Proposed payment of special bonuses to ’the Company's managers. 5. Proposed amendment of certain articles of ’the Company's Article. 6. Proposed amendment to certain articles of "Asset Acquisition or Disposal Processing Procedures" of the Company.	Passed without objection

2. If there i’ the Directors' avoidance of motions in conflict of interest’ the Directors' names, contents of motions, causes for avoidance and voting should be specified:

(1) On March 30, 2023, at the 9th me^et^ing of the 13th Board of Directors, the proposal of “payment of special bonuses to ’the Company's managers” was discussed. The proceedings were as follows: "As this case involves the granting of special bonuses to managers of the Company, Directors Cheng Chieh and Cheng Hsiang, who also hold positions as managers, have their interests and should recuse themselves from discussion and voting according to the law. Chairman assigned Director Cheng Ken-Yi as the acting chairman." Except for Directors Cheng Chieh and Cheng Hsiang, who have conflicts of interest and did not participate in the discussion and voting due to recusal, the remaining attending directors agreed to pass the proposal after consultation by the acting chairman.

3. The status of self-evaluation of the Board of Directors

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation items
Annual	01/01/2022 to 12/31/2022	The Board of Director	Self-evaluation of the Board of Director (Evaluated by the agenda working group)	1. Participation in the Operation of the Company 2. Improvement of the Quality of the Board of Directors' Decision Making 3. Composition and Structure of the Board of Director 4. Election and continuing education of the directors 5. Internal Control
Annual	01/01/2022 to 12/31/2022	Members of the Board of Directors	Self-evaluation of Board members	1. Alignment of the goals and missions of the Company 2. Awareness o' the Directors' Duties 3. The degree of their participation in and contribution to management of the institution 4. Management of internal relationship and communication 5. Professionalism and Continuing Education of the Director 6. Internal Control

4. Assent of the implementation status of strengthening the functions of the Board of Directors in the current and recent years: The "Rules of Procedure for the Board of Directors" have been established, and the Audit Committee and the Remuneration Committee have performed well.

(2) The status of operations of the Audit Committee

The first term of the Audit Committee was from January 1, 2022, to May 15, 2023. A total of 7 Audit Committee meetings (A) were held in 2022. Independent Director attendance was as follows:

Title	Name	Attendance in Person (B)	Attendance on behalf	Attendance Rate (%) 【B / A】	Remark
Independent Director	Chung,Yi-Hao	7	7	100.00%	None
Independent Director	Ho, Mei-Ying	6	1	85.71%	None
Independent Director	Chang, Ke-Hao	7	7	100.00%	None

Other mentionable items:

1. If the operation of Audit Committee falls under any of the following circumstances, the Company shall record the following matters relating to the state of its implementation of corporate governance: the date of Audit Committee meeting, the period, the content of the resolution, the opinions of all independent directors, and the Company's countermeasures of the opinions of independent directors.
   (1). The matters listed in Article 14-5 of the Securities and Exchange Act (Please refer to Note 1)
   (2). Except for the aforementioned matters, any other resolution items passed by the Board of Directors with the approval of more than two-thirds of all directors, but without the approval of the Audit Committee: None.
2. If there is Independent Directors' avoidance of motions in conflict of interest, the Independent Directors' names, contents of motions, causes for avoidance and voting should be specified: None.
3. Communication between the Independent Directors, internal auditing authorities and CPAs (including major items, mode and results of discussion about the Company's finance and business):
   After the audit supervisor of the Company completes the audit report and follow-up report, they will submit the reports to each Independent Director before the end of the following month, and report at the Audit Committee meeting.
   The communication between the two parties is smooth. The audit supervisor of the Company also maintains smooth communication with the CPA. The Company also has completed the reporting requirements including the next year's audit plan, the execution of the previous year's annual audit plan, and the improvement of internal control deficiencies and abnormal matters within the year according to the regulations of the competent authority.

Note 1:

Date of Audit Committee and Period	Content of motion	Content of objections, reservations, or significant recommendations raised by Independent Directors.	Resolution of Audit Committee	The Company's countermeasures of the opinions of Independent Directors
03/30/2022 The 3rd Audit Committee Meeting of the first term	1. The proposal of "Assessment of Effectiveness of Internal Control System" and "Statement of Internal Control System" for 2021 of the Company. 2. The proposal of the 2021 Annual Business Report and financial statements, including the consolidated financial statements. 3. The Company’s loss carryforward for the year 2021. 4. Evaluation proposal of the independence and qualification of the CPAs. 5. Proposal to amend certain articles of the Company's "Asset Acquisition or Disposal Processing Procedures".	None	Passed without objection	Submitted to the 4th Board of Directors Meeting of the 13th term and implemented according to the resolution.
05/12/2022 The 4th Audit Committee Meeting of the first term	1. Q1 consolidated financial statements for 2022.			Submitted to the 5th Board of Directors Meeting of the 13th term and implemented according to the resolution.
05/31/2022 The 5th Audit Committee Meeting of the first term	1. The motion of the Company's plan to dispose of 50% equity of the Company's subsidiary in China, Deer Electronics ((DONG GUAN)) Co., Ltd, through the Company's wholly-owned subsidiary, Premier Action Trading Ltd.			Submitted to the 6th Board of Directors Meeting of the 13th term and implemented according to the resolution.
08/11/2022 The 6th Audit Committee Meeting of the first term	1. Q2 consolidated financial statements for 2022			Submitted to the 7th Board of Directors Meeting of the 13th term and implemented according to the

				resolution.
11/11/2023 The 7th Audit Committee Meeting of the first term	1. Q3 consolidated financial statements for 2022			Submitted to the 8th Board of Directors Meeting of the 13th term and implemented according to the resolution.
03/30/2023 The 8th Audit Committee Meeting of the first term	1. Proposal of Assessment of the Effectiveness of Internal Control Systems and the Internal Control System Statement in 2022 2. The proposal of the 2022 Annual Business Report and financial statements, including the consolidated financial statements. 3. The Company's loss carryforward for the year 2022. 4. Evaluation of the Independence and Qualification of the Signing CPAs. 5. Proposed pre-approval of non-assurance services to be provided by the audit firm and its affiliates to our company and its subsidiaries. 6. Proposed amendment to certain articles of "Asset Acquisition or Disposal Processing Procedures" of the Company.			Submitted to the 9th Board of Directors Meeting of the 13th term and implemented according to the resolution.
05/11/2023 The 9th Audit Committee Meeting of the first term	1. Proposal of Q1 consolidated financial statements for 2023			Submitted to the 10th Board of Directors Meeting of the 13th term and implemented according to the resolution.

3. Corporate Governance Implementation Status and Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies."

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td>1. Does the Company establish and disclose the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"?</td><td>✓</td><td></td><td>The Company has established the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies". The information has been disclosed on TWSE MOPS.</td><td>None</td></tr>
<tr><td>2. Shareholding structure & shareholders' rights
(1) Does the Company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure?
(2) Does the Company possess the list of its major shareholders as well as the ultimate owners of those shares?
(3) Does the Company establish and execute the risk management and firewall system within its conglomerate structure?
(4) Does the Company establish internal rules against insiders trading with undisclosed information?</td><td>✓</td><td></td><td>(1) The Company has designated appropriate departments, such as Spokesperson, Deputy spokesperson, and Stock Department, to handle shareholders' suggestions and litigation.
(2) The Company keeps abreast of the shareholding status of the directors, managers, and shareholders holding more than 10% of the shares, and timely reports the shareholding status of major shareholders.
(3) The Company and its affiliates operate independently in terms of financial and business operations, with clear division of responsibilities for personnel, assets, and financial management matters.
(4) The Company has established "Forbidden Insiders Trading Rules" to forbid insiders from trading on undisclosed information.</td><td>None</td></tr>
<tr><td>3. Composition and Responsibilities of the Board of Directors
(1) Does the Board develop and implement a diversified policy for the composition of its members?
(2) Does the Company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?
(3) Does the Company establish a standard to measure the performance of the Board and implement it annually, and are performance evaluation results submitted to the Board of Directors and referenced when determining the remuneration of individual directors and nominations for reelection?
(4) Does the Company regularly evaluate the independence of CPAs?</td><td>
(2) ✓
(3) ✓
(4) ✓</td><td>(1) ✓</td><td>(1) The composition of the Company's Board of Directors has different areas of expertise to assist the development and operation of the Company. But the Company has not established related systems or specific management goals.
(2) The Company has established Remuneration Committee and the Audit Committee, but has not established any other functional committees. The establishment of such committees will be evaluated in the future as needed.
(3) The Company has established the "Board of Directors' Performance Evaluation Methods," which evaluates the performance of the members of the Board of Directors every year. The evaluation results are reported to the Board of Directors and used as a reference for selecting or nominating directors and determining individual directors' compensation in the future.
(4) The Company evaluates the independence of CPAs annually. (Note 1)</td><td>(1) The Company will formulate relevant policies in the future.
(2) None
(3) None
(4) None</td></tr>
<tr><td>4. Does the Company appoint a suitable number of competent personnel and a supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors with compliance, handling work related to meetings of the Board of Directors and the shareholders' meetings, and producing minutes of board meetings and shareholders' meetings)?</td><td>✓</td><td></td><td>The Company has established a corporate governance manager responsible for providing the Board of Directors and functional committees with the necessary information for their business operations. The Company updates real-time information on TWSE MOPS and the Company's website. The Company also handles the matters related to the meetings of the Board of Directors and shareholders' meetings, company registration and changes, and the preparation of minutes of the Board of Directors and shareholders' meetings in compliance with relevant laws and regulations.</td><td>None</td></tr>
<tr><td>5. Does the Company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all</td><td>✓</td><td></td><td>The Company has established departments such as Investor Relations and Share Services to communicate with stakeholders according to different situations. We also have a stakeholder section on the Company's website</td><td>None</td></tr>
</table>

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
the issues they care for in terms of corporate social responsibilities?			(www.soly-tech.com) to provide a communication channel with investors, customers, suppliers, and employees.	
6. Does the Company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The Company designates a professional shareholder service agency, Grand Fortune Secures, to deal with shareholder affairs.	None
7. Information Disclosure (1) Does the Company have a corporate website to disclose both financial standings and the status of corporate governance? (2) Does the Company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)? (3) Does the Company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?	✓		(1) The Company has established a website (www.soly-tech.com) to disclose financial and corporate governance information and is updated irregularly for investors to review. (2) The Company has established a website in both Mandarin and English, and provides dedicated email addresses for each relevant business unit. The Company also appointed a spokesperson, a deputy spokesperson, and designated a specialist to handle information collection and disclosure. If there is a corporate briefing, the information will also be posted on the Company's website and the "TWSE MOPS'. (3) The Company is required to announce and report the annual financial statements within three months after the end of each fiscal year. The Company also completed and announced its financial statements for Q1, Q2, and Q3 and filed monthly operating status before the deadline.	None
8. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	✓		The Company's employee welfare measures, education, training, retirement rules, and their implementation, as well as the agreements between labor and management and the status of measures to protect employees' rights and interests, all comply with the regulations of the Competent Authority. (1) Status of employee rights and employee wellness: A. Labor insurance: Following Labor Insurance Act. B. National Health Insurance: Following Enforcement Rules of the National Health Insurance Act. C. Employee Compensation: Distributed by the provisions of the Company's articles of incorporation and approved by the Board of Directors, and reported to the shareholders' meeting. D. Holiday Bonuses: Bonuses are issued for each employee on the Mid-Autumn Festival, Dragon Boat Festival, and Lunar New Year. The amount of the bonus is adjusted depending on the Company's operating conditions. D. Year-end allowance: Allowances are given to each employee on the Mid-Autumn Festival, Dragon Boat Festival, and Lunar New Year. The amount of the allowance is adjusted according to the Company's operating conditions. E. Insurance and Occupational Accident Insurance: We provide group life insurance, accident insurance, injury medical insurance, hospitalization medical insurance, cancer medical insurance, and occupational accident	None

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			insurance to provide employees and their families with complete protection. (2) Investor Relations: The Company discloses information fully through TWSE MOPS and the Company website to enable investors to understand the Company's operating status. The Company also communicates with shareholders through shareholders' meetings and the spokesperson system. (3) Supplier Relationship: The Company has established partnerships with suppliers based on the principle of equality and mutual and built a stable supply chain. We also conduct periodic audits to ensure quality. (4) Stakeholders' rights: A. Customer Responsibility: The Company provides quality products and values customer feedback. B. Shareholder Responsibility: Fully protecting shareholders' rights and interests is the Company's goal. (5) Directors' and supervisors' continuing education records: Please refer to 【Note 2】. (6) Status of risk management policies and risk evaluation: The Company has established management procedures for important management indicators and implements them accordingly. (7) The Implementation Status of Customer Policies: The Company adheres to the business philosophy of customer first. (8) Status of D&O insurance purchased for its directors and supervisors: The director and executive liability insurance coverage with a limit of 3 million US dollars that the Company underwrote in 2022 has not yet expired as of the date of the annual report publication. The renewal process will be completed before the expiration in June 2023, and important information related to the insurance coverage will be reported to the Board of Directors.	
9. Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures: (1) Improvements in the corporate governance evaluation for the fiscal year 2022: A. The annual report was uploaded at least 14 days prior to the shareholders' meeting. B. The board of directors includes at least one female director. (2) Priority areas for future strengthening: A. Establish a dedicated corporate governance officer. B. Implement comprehensive training measures for all directors to enhance the structure and operation of the board of directors. C. Continuously optimizing practices in accordance with new indicators to enhance information transparency and corporate social responsibility. D. Uphold the principles of corporate governance and adhering to relevant regulations to safeguard the rights and interests of investors and stakeholders.				

【Note 1】

Solytech Enterprise Corporation
The 9th board meeting of the 13th term
Assessment Checklist for Evaluating the Independence of certified public accountant:

Independence	Yes	No
Has the certified public accountant ever served as a director or independent director of the Company or its related affiliates?	✔	
Has the certified public accountant served as a shareholder of the Company or its related affiliates?	✔	
Has the certified public accountant not received any salary from the Company or its related affiliates?	✔	
Has the certified public accountant provided services to the Company continuously for seven years?		✔
Has the certified public accountant confirmed that their affiliated accounting firm has complied with relevant independence regulations?	✔	
Has any of the practicing certified public accountants of the accounting firm to which the certifying accountant belongs resigned from a position as a director, officer, or someone who has significant impact on an audit case of the Company within one year?	✔	

Note: The Board of Directors of the Company regularly evaluates the independence of the auditor. This matter was approved during the Board Meeting on March 30, 2023.

Note 2: Solytech Enterprise Corporation

Directors' and supervisors' continuing education records:

Title	Name	Date	Organizer	Course	Course Hours
Director	Cheng, Ken-Yi	07/26/2022	Corporate Operating and Sustainable Department Association	Cross-border investment mergers and acquisitions	3.0
		07/29/2022	Corporate Operating and Sustainable Department Association	Weaknesses and Operating Crisis Observed from Financial Statement	3.0
Independent Director	Chung,Yi-Hao	02/23/2022	CPA Associations R.O.C. (Taiwan)	New Regulations and Amendments to Business Tax Laws	3.0
		02/24/2022		Amending and Filing Business Tax Laws and Regulations	3.0
		03/23/2022		Revision of Enterprise Accounting Standards Bulletin	3.0
		03/29/2022		Corporate Anti-Corruption and Anti-Money Laundering	3.0
		06/16/2022		Interpretation of Auditing Bulletin No. 75	3.0
		06/16/2022		Accountants' response to anti-money laundering measures	3.0
		06/23/2022		Audit Practice Bulletin No. 75 (II)	3.0
		07/19/2022		AML (Anti-Money Laundering) Trends in Recent Years	3.0
		10/24/2022		Investment Business Seminar by MOEAIC	3.0
		10/31/2022		Investment Business Seminar by MOEAIC	3.0
Independent Director	Ho, Mei-Ying	10/05/2022	Securities & Futures Institute	Legal Compliance Seminar for Insider Stock Trading in 2022	3.0
		11/02/2022	Corporate Operating and Sustainable Department Association	Analysis of Employer Responsibility and Policy on Corporate Labor Management under Corporate Governance	3.0
Independent Director	Chang, Ke-Hao	10/12/2022	Securities & Futures Institute	Legal Compliance Seminar for Insider Stock Trading in 2022	3.0

(4) Composition, Responsibilities and Operations of the Remuneration Committee:

A. In the first board meeting of the thirteenth term, held on July 29, 2021, independent directors Mr. Chung, Yi-Hao, Ms. Ho, Mei-Ying, and Mr. Chang, Ke-Hao was appointed as members of the fifth Remuneration Committee. On July 29, 2021, the Remuneration Committee elected Mr. Chung Yi-hao, an independent director, as the convener of the Remuneration Committee.

B. The function of this committee is to evaluate the Company's director and manager remuneration policies and systems from a professional and objective perspective and to provide recommendations to the Board of Directors for their decision-making reference.

C. Members of Remuneration Committee

Title	Criteria / Name	Professional Qualification Requirements and Work Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as a Remuneration Committee Member
Convener and Independent Director	Chung,Yi-Hao	Refer to pages 7-8 for disclosure related to the Directors' professional qualifications and independence of the Independent Director.	(1) Not an employee of the Company or any of its affiliates. (2) Not a director or supervisor of the Company or any of its affiliates. (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the Company or ranking in the top 10 in holdings. (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs. (5) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the Company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the Company under Article 27, paragraph 1 or 2 of the Company Act. (6) Less than half of the seats on the Board of Directors or voting rights are held by individuals who control the directors, supervisors, or employees of other companies. (7) Not being in a condition that the chairperson, general manager, or person holding an equivalent position of the Company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution. (8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company. (9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company for which the provider in the past 2 years has received cumulative compensation, or a spouse thereof. (10) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of other directors. (11) Not been a person of any conditions defined in Article 30 of the Company Law.	0
Independent Director	Ho, Mei-Ying			0
Independent Director	Chang, Ke-Hao			1

=

D. Implementation Status of Remuneration Committee:

(a) There are 3 members in the Remuneration Committee.

(b) The fifth term of the Remuneration Committee starts from July 29th, 2021 to July 28th, 2024.

(c) The remuneration committee held a total of three meetings (A) from January 1, 2022 to May 15, 2023. The membership and attendance of the committee are as follows:

Title	Name	Attendance in Person (B)	Attendance on behalf	Attendance Rate (B / A)	Remark
Convenor	Chung,Yi-Hao	3	0	100.00%	None
Committee member	Ho, Mei-Ying	2	1	66.67%	None
Committee member	Chang, Ke-Hao	3	0	100.00%	None

Other mentionable items:

1. If the Board of Directors declines to adopt or modifies a recommendation of the Remuneration Committee, it should specify the date of the meeting, session, content of the motion, resolution by the Board of Directors, and the Company's response to the Remuneration Committee's opinion: None.
2. Resolutions of the Remuneration Committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.
3. The contents of motion and resolutions of the Remuneration Committee, and the Company's response to the Remuneration Committee's opinion:

Date of Remuneration Committee and Period	Content of Motion	Resolutions of Remuneration Committee Meeting	The Company's response to the remuneration committee's opinion
08/11/2022 The 3rd Remuneration Committee Meeting of 5th term	1. Review the relevant regulations regarding compensation and benefits of the Company.	No objection was received after the chairman consulted all attending committee members. Therefore, the proposal was approved.	No objection was raised by all attending committee members in the Board of Directors meeting. Therefore, the proposal was approved.
11/11/2022 The 4th Remuneration Committee Meeting of 5th term	1. Proposal for the disbursement of year-end and performance bonuses for the management team of the Company for 2022. 2. Proposal to evaluate the compensation and benefits for the directors and management team of the Company for 2023.	No objection was received after the chairman consulted all attending committee members. Therefore, the proposal was approved.	No objection was raised by all attending committee members in the Board of Directors meeting. Therefore, the proposal was approved.
3/30/2023 The 5th Remuneration Committee Meeting of 5th term	1. Proposal to amend certain articles of the "Manager Compensation and Benefits Policy" of the Company. 2. Proposal of the payment of special bonuses to the Company's managers.	No objection was received after the chairman consulted all attending committee members. Therefore, the proposal was approved.	Apart from the directors Cheng Chieh and Cheng Hsiang, who had conflicts of interest and therefore abstained from participating in the discussion and voting of this case, the Board of Directors approved the proposal after the acting chairman consulted with the other attending directors and found no objections.

5. This company has established the Remuneration Committee Charter. The committee shall faithfully conduct corporate affairs, perform the duty of care of a good administrator, and submit its recommendations to the Board of Directors for discussion.
   (1) Conduct regular reviews of this regulation and propose suggestions for revisions.
   (2) Develop and regularly review the annual and long-term performance goals for the directors and managers of the Company, as well as policies, systems, standards, and structures related to remuneration.
   (3) Conduct periodic evaluations of the performance goals achieved by the Company's directors and managers, and establish the content and amount of their individual remuneration.
6. Nomination committee membership and operation information: None.

(5). Fulfillment of CSR and Deviations from the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies"

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
1. Does the Company establish exclusively (or concurrently) dedicated first-line managers authorized by the board to be in charge of proposing the corporate social responsibility policies and reporting to the board?		✓	The Company has not yet established a dedicated department for promoting corporate social responsibility but will set up one when necessary.	The Company will consider establishing a dedicated department for promoting sustainable development based on actual needs in the future.
2. Does the Company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?		✓	The Company has not yet conducted a risk assessment related to environmental, social, and governance issues that are related to the Company's operations following the principle of materiality, nor has it established any relevant risk management policies or strategies.	The Company will establish relevant risk management policies or strategies based on actual needs in the future.
3. Environmental Issues (1). Does the Company establish proper environmental management systems based on the characteristics of their industries?	✓		The manufacturing of related products does not generate any waste, and other general garbage is also handled according to the relevant regulations of the management committee.	None
(2). Does the Company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	✓		The Company is committed to improving resource utilization efficiency to reduce our impact on the natural environment. The Company outsources the responsibility for environmental maintenance-related affairs to achieve the goal of waste classification and resource recycling.	None
(3). Does the Company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	✓		The manufacturing of the Company's products does not generate any waste. Therefore, there is no significant impact on the potential risks and opportunities related to climate change.	None
(4). Does the Company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management?	✓		The office and construction sites have implemented energy-saving measures such as turning off lights not in use and setting air conditioning temperatures following environmental policies, in order to reduce carbon emissions.	None
4. Social issues (1). Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		The Company has established personnel regulations following relevant labor laws and regulations to ensure compliance and protect the rights and interests of employees. Dedicated personnel are responsible for handling related employee matters.	None
(2). Does the Company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries?	✓		The Company values employee rights, and any feedback or complaints are handled by the HR department.	None
(3). Does the Company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	✓		The Company has established access control security measures and passes regular government fire safety inspections and system testing to ensure a safe and healthy work environment for employees. In addition to legal labor and health insurance, the Company provides employees with group insurance and free regular health check-ups and organizes personal and accident safety seminars to establish a safe working environment. There were no work-related accidents in 2022.	None

(4). Does the Company provide its employees with career development and training sessions?	✓		The Company offers internal and external training courses to enrich employees' career skills.	None
(5). Do the Company's products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection and grievance procedure policies implemented?	✓		The marketing and labeling of the Company's products and services comply with relevant laws and international standards, and the Company places great importance on customer rights. The Company is committed to promptly addressing customer complaints and providing complete product information to our customers. The Company has also established policies and procedures to protect customer rights and handle complaints.	None
(6). Does the Company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor and human rights? If so, describe the results.	✓		The Company evaluates whether a supplier is qualified based on the Company's "SPS External Supplier Management Measures" before engaging in business with them. The management of the suppliers focuses on the insurance on product's quality and safety.	None
5. Does the Company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the Company, such as corporate social responsibility reports? Do the reports above obtain assurance from a third-party verification unit?		✓	The Company has not yet prepared any sustainability report that discloses non-financial information.	The Company will consider preparing a sustainability report in the future depending on actual needs.
6. Describe the difference, if any, between actual practice and the corporate social responsibility principles, if the Company has implemented such principles based on the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies: This company has not yet established practical guidelines for sustainable development.				
7. Other useful information for explaining the status of corporate social responsibility practices: None.				

*The Company meets the criteria for disclosing climate-related information.

(6). Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Yes	No	Abstract Illustration	
1. Establishment of ethical corporate management policies and programs (1) Does the Company have a Board-approved ethical corporate management policy and state in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy? (2) Does the Company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the Company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies? (3) Does the Company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the Company enforce the programs above effectively and perform regular reviews and amendments?	✓		(1) The Company adheres to the Company Act, relevant regulations for TWSE/TPEx Listed Companies, and other laws and regulations related to commercial activities as the basic premise for implementing ethical business practices. (2) This company irregularly assigns senior managers to attend business integrity-related seminars organized by competent authority to strengthen the integrity and ethical values of the Company's management, and to ensure the implementation of such values in internal management and external business activities. (3) The internal control system of this company clearly stipulates that when engaging in commercial activities, the Company and their directors, managers, employees, and persons having substantial control over such companies shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts, including the rebate, commission, facilitation payment, or other ways for purposes of acquiring or offering benefits in whatever form to or from clients, agents, contractors, suppliers, public servants, or other stakeholders.	None
2. Fulfill operations integrity policy (1) Does the Company evaluate business partners’ ethical records and include ethics-related clauses in business contracts? (2) Does the Company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations? (3) Does the Company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	✓		(1) The Company upholds fair and transparent business practices. Before conducting any business transactions, the Company assesses the legitimacy and trustworthiness of the Company's agents, suppliers, customers, or any other business partners, and avoid conducting transactions with those who have a record of involvement in unethical conduct. (2) The Company has an audit room, where internal auditors regularly examine the operation of corporate governance and create audit reports presented to the Board of Directors. (3) The Company's directors and managers rescue due to	None

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
(4) Does the Company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits? (5) Does the Company regularly hold internal and external educational trainings on operational integrity?			conflicts of interest. (4) The Company has established an internal control system to ensure the continued effectiveness of its design and implementation. The internal audit personnel conduct annual reviews and revisions to implement a sound corporate governance and risk management system. (5) The Company currently does not hold regular internal or external training on the topic of business integrity.	
3. Operation of the integrity channel (1) Does the Company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up? (2) Does the Company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant post-investigation confidentiality measures? (3) Does the Company provide proper whistleblower protection?	✓		The Company has an audit room that provides a legitimate reporting channel and ensures the confidentiality of the whistleblower's identity and reported content. Any personnel who violate the policy will be disciplined according to the Company's internal management policies.	None
4. Strengthening information disclosure: Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company's website and TWSE MOPS?	✓		(1) The Company has established a website and provides annual report information to disclose the implementation status of the Company's integrity management. (2) The Company has disclosed information to the regulatory authorities and the public through TWSE MOPS and the Company's website in a complete, appropriate, timely, and correct manner.	None
5. If the Company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, please describe any discrepancy between the policies and their implementation: There are no differences.				
6. Other important information to facilitate a better understanding of the Company's ethical corporate management policies: None.				

(7). If the Company has established corporate governance and related rules, please disclose the method for accessing them: The Company has established corporate governance codes, codes of ethics, codes of conduct for integrity in business, codes of conduct for corporate social responsibility and environmental responsibility, and other related regulations to implement and promote corporate governance. The relevant regulations are published on the Company's website and on TWSE MOPS.

(8). Other important information to facilitate a better understanding of the Company's ethical corporate management policies: None.

(9). Implementation Status of Internal Control System

A. Statement of Internal Control:

Solytech Enterprise Corporation
Statement of Internal Control

Date: 3/30/2023

Based on the self-assessment results, statement on the Internal Control System of the Company for the Fiscal Year 2022:

1. The Company hereby declares that it recognizes the responsibility of the Board of Directors and management for the establishment, implementation, and maintenance of the internal control system. The purpose of this system is to achieve the goals of operational effectiveness and efficiency (including profitability, performance, and asset protection), reliable reporting, timely transparency, and compliance with relevant regulations and laws, providing reasonable assurance.
2. The internal control system has inherent limitations and can only provide reasonable assurance for achieving the above three goals, no matter how well-designed it is. Furthermore, the effectiveness of the internal control system may change due to changes in the environment or circumstances. However, the company's internal control system has a self-monitoring mechanism, and if any deficiencies are identified, corrective actions will be taken.
3. According to the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Criteria"), the Company judges the effectiveness of the design and implementation of our internal control system. The Criteria use the process of management control to divide the internal control system into five components: (1) Control Environment, (2) Risk Assessment, (3) Control Activities, (4) Information and Communication, and (5) Monitoring. Each component also includes several elements, which are specified in the Criteria.
4. The Company has already used the aforementioned internal control system evaluation criteria to assess the effectiveness of our internal control system's design and implementation.
5. Based on the evaluation results in the previous item, the Company believes that its internal control system, including supervision and management of subsidiaries, as of December 31, 2022, which covers understanding the degree of achievement of operational effectiveness and efficiency goals, reliable reporting, timeliness, transparency, compliance with relevant regulations and laws, and other internal control system design and implementation, is effective. It can reasonably ensure the achievement of the aforementioned goals.
6. This statement will become the main content of the Company's annual report and public disclosure, and will be publicly available. If there are any false or hidden illegal activities in the aforementioned public content, it will involve legal responsibilities under the Securities and Exchange Act, including Articles 20, 32, 171, and 174.
7. This statement was passed by the Company's Board of Directors on March 30th, 2023, with attendance of 7 directors, of which 0 had dissenting opinions, and all others agreed to the content of this statement. This statement is hereby declared.

Solytech Enterprise Corporation

Chairman: Cheng, Chieh

General Manager: Cheng, Chieh

2. If an accountant is commissioned to review the internal control system, it should be disclosed in the accountant's review report: None

(10). If there has been 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, where the result of such penalty could have a material effect on shareholder equity or securities prices, the annual report shall disclose the penalty, the main shortcomings, and condition of improvement: None.

(11). Major Resolutions of Shareholders' Meeting and Board Meeting during 2022 Year up to the Publication Date of the Annual Report

A. Resolutions and Implementation Status of Shareholders' Meeting of 2022

Meeting Date: 2022/6/21 (Tue) 9:00 AM

Proposals

Proposal No.1 Proposed by Board of Director

Proposal: Proposals of the 2021 Annual Business Report and financial statements of the Corporation.

Resolution: According to the voting results of the attending shareholders, the number of approval votes has exceeded the statutory threshold. The proposal was approved.

Total Votes	Voting Results			% of Attending Shareholders
80,921,100	Approval votes: (electronic transmission:	80,787,169 5,242,232	)	99.83%
	Disapproval votes: (electronic transmission:	44,822 44,822	)	0.05%
	Invalid votes:	0		0.00%
	Abstention Votes/No votes: (electronic transmission:	89,109 89,109	)	0.11%

Implementation Status: Disclosed on TWSE MOPS website after shareholders' meeting.

Proposal No.2 Proposed by Board of Director

Proposal: Approval of loss carryforward for the year 2021.

Resolution: According to the voting results of the attending shareholders, the number of approval votes has exceeded the statutory threshold. The proposal was approved.

Total Votes	Voting Results			% of Attending Shareholders
80,921,100	Approval votes: (electronic transmission:	80,824,107 5,279,170	)	99.88%
	Disapproval votes: (electronic transmission:	21,106 21,106	)	0.02%
	Invalid votes:	0		0.00%
	Abstention Votes/No votes: (electronic transmission: 權：	75,887 75,887	)	0.09%

Implementation Status: Disclosed on TWSE MOPS website after shareholders' meeting.

Discussion Items

Discussion No.1 Proposed by Board of Director

Explanation: Discussion to amend certain articles of the Company's Articles of Incorporation.

Resolution: According to the voting results of the attending shareholders, the number of approval votes has exceeded the statutory threshold. The proposal was approved.

Total Votes	Voting Results			% of Attending Shareholders
80,921,100	Approval votes: (electronic transmission:	80,831,117 5,286,180	)	99.88%
	Disapproval votes: (electronic transmission:	13,851 13,851	)	0.01%
	Invalid votes:	0		0.00%
	Abstention Votes/No votes: (electronic transmission	76,132 76,132	)	0.09%

Implementation Status: The Company change registration has been processed following the law. Approved by the Ministry of Economic Affairs under Official Letter No. 11101127660 on July 11, 2022.

Discussion No.2 Proposed by Board of Director

Explanation: Discussion to amend certain articles of the Company's "Asset Acquisition or Disposal Procedure".

Resolution: According to the voting results of the attending shareholders, the number of approval votes has exceeded the statutory threshold. The proposal was approved.

Total Votes	Voting Results			% of Attending Shareholders
80,921,100	Approval votes: (electronic transmission:	80,801,117 5,256,180	)	99.85%
	Disapproval votes: (electronic transmission:	43,847 43,847	)	0.05%
	Invalid votes:	0		0.00%
	Abstention Votes/No votes: (electronic transmission:	76,136 76,136	)	0.09%

Implementation Status: After the shareholders' meeting, relevant operations were announced on TWSE MOPS website following the law and processed per the revised management regulations.

2. Important Resolutions of the Board of Directors during 2022 and as of the date of publication of this annual report

Minutes of the 4th Meeting of the 13th term Board of Directors (excerpt)

Meeting time: 03/30/2022 (Wed) 10:30 AM

Proposal: Assessment of the Effectiveness of Internal Control Systems and the Internal Control System Statement in 2021

Resolution: No objection was received after the Chairman consulted all attending Directors. Therefore, the proposal was approved.

Proposal: 2021 Annual Business Report and financial statements, including the consolidated financial statements.

Resolution: No objection was received after the Chairman consulted all attending Directors. Therefore, the proposal was approved.

Proposal: The Company's loss carryforward for the year 2021.

Resolution: No objection was received after the Chairman consulted all attending Directors. Therefore, the proposal was approved.

Proposal: Evaluation proposal of the independence and qualification of the CPAs.

Resolution: No objection was received after the Chairman consulted all attending Directors. Therefore, the proposal was approved.

Proposal: Proposed amendment of certain articles of the Company's Article.

Resolution: No objection was received after the Chairman consulted all attending Directors. Therefore, the proposal was approved.

Proposal: Proposal to amend certain articles of the Company's "Asset Acquisition or Disposal Processing Procedures".

Resolution: No objection was received after the Chairman consulted all attending Directors. Therefore, the proposal was approved.

Proposal: Notice of convening the Annual Shareholders' meeting of the Company for 2022.

Resolution: No objection was received after the Chairman consulted all attending Directors. Therefore, the proposal was approved.

Minutes of the 5th Meeting of the 13th term Board of Directors (excerpt)

Meeting time: 05/12/2022 (Thu) 10:30 AM

Proposal: Proposal to apply for a short-term credit limit from the Chang Hwa Bank, Szuyuan Branch.

Resolution: No objection was received after the Chairman consulted all attending Directors. Therefore, the proposal was approved.

Proposal: Q1 consolidated financial statements for 2022.

Resolution: No objection was received after the Chairman consulted all attending Directors. Therefore, the proposal was approved.

Minutes of the 6th Meeting of the 13th term Board of Directors (excerpt)

Meeting time: 05/31/2022 (Tue) 11:40 AM

Proposal: The motion of the Company's plan to dispose of 50% equity of the Company's subsidiary in China, Deer Electronics (DONG GUAN) Co., Ltd, through the Company's wholly-owned subsidiary, Premier Action Trading Ltd.

Resolution: No objection was received after the Chairman consulted all attending Directors. Therefore, the proposal was approved.

Minutes of the 7th Meeting of the 13th term Board of Directors (excerpt)

Meeting time: 08/11/2022 (Thu) 2:30 PM

Proposal: Proposal to apply for a general credit limit from Bank of Taiwan, Xin-Zhuang Branch.

Resolution: No objection was received after the Chairman consulted all attending Directors. Therefore, the proposal was approved.

Proposal: Q2 consolidated financial statements for 2022

Resolution: No objection was received after the Chairman consulted all attending Directors. Therefore, the proposal was approved.

Proposal: Review the relevant regulations regarding compensation and benefits of the Company.

Resolution: No objection was received after the Chairman consulted all attending Directors. Therefore, the proposal was approved.

Minutes of the 8th Meeting of the 13th term Board of Directors (excerpt)

Meeting time: 11/11/2022 (Fri) 10:30 AM

Proposal: Q3 consolidated financial statements for 2022

Resolution: No objection was received after the Chairman consulted all attending Directors.

Proposal: Draft of the Company's internal audit plan for the year 2023.

Resolution: No objection was received after the Chairman consulted all attending Directors. Therefore, the proposal was approved.

Proposal: Proposal for the disbursement of year-end and performance bonuses for the management team of the Company for 2022.

Resolution: No objection was received after the Chairman consulted all attending Directors. Therefore, the proposal was approved.

Proposal: Proposal to evaluate the compensation and benefits for the directors and management team of the Company for 2023.

Resolution: No objection was received after the Chairman consulted all attending Directors. Therefore, the proposal was approved.

Proposal: Proposed formulation of "Procedures for Handling Material Information" of the Company

Resolution: No objection was received after the Chairman consulted all attending Directors. Therefore, the proposal was approved.

Minutes of the 9th Meeting of the 13th term Board of Directors (excerpt)

Meeting time: 3/30/2023 (Thu) 11:00 AM

Proposal: Proposal of Assessment of the Effectiveness of Internal Control Systems and the Internal Control System Statement in 2022.

Resolution: No objection was received after the Chairman consulted all attending Directors. Therefore, the proposal was approved.

Proposal: The proposal of the 2022 Annual Business Report and financial statements, including the consolidated financial statements.

Resolution: No objection was received after the Chairman consulted all attending Directors. Therefore, the proposal was approved.

Proposal: The Company’s loss carryforward for the year 2022.

Resolution: No objection was received after the Chairman consulted all attending Directors. Therefore, the proposal was approved.

Proposal: Evaluation of the Independence and Qualification of the Signing CPAs.

Resolution: No objection was received after the Chairman consulted all attending Directors. Therefore, the proposal was approved.

Proposal: Proposed pre-approval of non-assurance services to be provided by the audit firm and its affiliates to our company and its subsidiaries.

Resolution: No objection was received after the Chairman consulted all attending Directors. Therefore, the proposal was approved.

Proposal: Proposal to amend certain articles of the "Managerial Remuneration Regulations" of the Company.

Resolution: No objection was received after the Chairman consulted all attending Directors. Therefore, the proposal was approved.

Proposal：Proposed payment of special bonuses to the Company's managers.

Proceeding: As this case involves the granting of special bonuses to managers of the Company, Directors Cheng Chieh and Cheng Hsiang, who also hold positions as managers, have their interests and should recuse themselves from discussion and voting according to the law. Chairman assigned Director Cheng Ken-Yi as the acting chairman.

Resolution: Apart from the directors Cheng Chieh and Cheng Hsiang, who had conflicts of interest and therefore abstained from participating in the discussion and voting of this case, the Board of Directors approved the proposal after the acting chairman consulted with the other attending directors and found no objections.

Proposal: Proposed amendment of certain articles of the Company's Article.

Resolution: No objection was received after the Chairman consulted all attending Directors. Therefore, the proposal was approved.

Proposal: Proposed amendment to certain articles of the "Asset Acquisition or Disposal Processing Procedures" of the Company.

Resolution: No objection was received after the Chairman consulted all attending Directors.

Therefore, the proposal was approved.

Proposal: Proposed amendment to certain articles of the "Standard Operating Procedures for Handling Director Requests" of the Company.

Resolution: No objection was received after the Chairman consulted all attending Directors. Therefore, the proposal was approved.

Proposal: Proposed amendment to certain articles of the "Rules of Procedure for Board Meetings" of the Company.

Resolution: No objection was received after the Chairman consulted all attending Directors. Therefore, the proposal was approved.

Proposal: Matters related to convening the 2023 annual shareholders' meeting of the Company.

Resolution: No objection was received after the Chairman consulted all attending Directors. Therefore, the proposal was approved.

Minutes of the 10th Meeting of the 13th term Board of Directors (excerpt)

Meeting time: 5/11/2023 (Thu) 11:30 AM

Proposal: Q1 consolidated financial statements for 2023

Resolution: No objection was received after the Chairman consulted all attending Directors. Therefore, the proposal was approved.

Proposal: The establishment of a Corporate Governance Officer within the company.

Resolution: No objection was received after the Chairman consulted all attending Directors. Therefore, the proposal was approved.

(12) Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the Board of Directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof: None.

(13) A summary of resignations and dismissals, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, of the Company's chairperson, general manager, chief accounting officer, chief financial officer, chief internal auditor, chief corporate governance officer, and chief research and development officer: None.

5.Visiting accountant's public expense information

Unit: Thousand (NTD)

The Accounting Firm	Name	Audit Period of the Accountant	Audit Fees (Note 1)	Non-Audit Fees	Total	Remark
PwC Taiwan	Yong-jian, Hsu	2022/1/1~2022/12/31	2,455	0	2,455	None
	Han-Chi, Wu					

Note 1: Audit fees refer to the fees paid by the Company to the auditing accountant for financial report auditing, review, re-audit, and tax certification.

(1). The Company should disclose the amount of audit fees and non-audit fees paid to the engagement auditor and its affiliated accounting firm and related enterprises, as well as the nature of non-audit services: None.

(2). If the accounting firm is changed and the audit fees paid for the year of change are less than the audit fees for the previous year, the amounts and reasons for the change in audit fees before and after the change should be disclosed: None.

(3). If the audit fees have decreased by more than 10% compared to the previous year, the amount, proportion, and reasons for the decrease in audit fees should be disclosed: None.

(4). The audit fees referred to in the preceding paragraphs refer to the fees paid by the Company to the auditor for financial report audit, review, compilation, financial forecast review, and tax certification: NT$2,455 thousand.

6. Information on changing of CPAs: There has been no change in CPAs up to the date of printing of this annual report.

7. The Chairman, General Manager, or manager responsible for finance or accounting affairs of the Company has worked in the auditing firm or its affiliated enterprises within the past year: None.
8. For the fiscal year 2022 and up until the date of printing of this annual report, disclose the changes in share ownership and pledge by directors, managerial officers, and shareholders who hold more than 10% of the shares:

(1) Changes in shareholdings of directors, managers, and major shareholders:

Unit: Share

Title	Name	2022		For the fiscal year 2022 and up until April 22th, 2023	
		Increase (decrease) in number of shares held	Increase (decrease) in pledged shares	Increase (decrease) in number of shares held	Increase (decrease) in pledged shares
Chairman and General Manager	Cheng, Chieh	0	0	0	0
Director and Chief Operating Office	Cheng, Hsiang	0	0	0	0
Director	Cheng, Ken-Yi	0	0	0	0
Director	Lee, Kan-Jung	0	0	0	0
Independent Director	Chung,Yi -Hao	0	0	0	0
Independent Director	Ho, Mei-Ying	0	0	0	0
Independent Director	Chang, Ke-Hao	0	0	0	0
Deputy General Manager And Finance and Accounting Manager	Lin, Ta-Chiun	0	0	0	0
Assistant Manager	Tseng, Shih-Hsin	0	0	0	0

(2) The related parties involved in the transfer of shareholding exceeding 10% by directors, managers, and shareholders: None.

(3) Changes in the pledge of shareholding exceeding 10% by directors, managers, and shareholders: None.

9. Information on the relationships between the top ten shareholders who hold a significant proportion of shares and are related as family members within the second degree of kinship or are related parties:

Date: 4/22/2023; Unit: Thousand Shares; Percentage: %

Shareholdings / Name	Shareholdings		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		The names and relationships of the top ten shareholders who have related-party transactions or are spouses or close relatives within the second degree of kinship.		Remark
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Cheng, Chieh	9,290	6.17	205	0.14	0	0	Cheng, Hsiang Lee, Kan-Jung	Siblings Affinity	None
Cheng, Hsiang	8,737	5.80	1,144	0.76	0	0	Cheng, Chieh Lee, Kan-Jung	Siblings Spouses	None
Representative ofLishin International Investment Co., Ltd. Huang, Chiu-Lien (Note 2)	2,558 (Note 2)	1.70 (Note 2)	0 (Note 2)	0 (Note 2)	0 (Note 2)	0 (Note 2)	None	None	None
Yeh, Sheng-Feng (Note 2)	1,877	1.25	(Note 2)	(Note 2)	(Note 2)	(Note 2)	None	None	None
Hou, Hsien-Chung (Note 2)	1,700	1.13	(Note 2)	(Note 2)	(Note 2)	(Note 2)	None	None	None
Wang, Wen-Ling (Note 2)	1,526	1.01	(Note 2))	(Note 2)	(Note 2)	(Note 2)	None	None	None
Lin, Hui-Fen (Note 2)	1,470	0.98	(Note 2)	(Note 2)	(Note 2)	(Note 2)	None	None	None
Mega Securities entrusted to Hsieh Mei-Chun Trust Account	1,353	0.90	(Note 2)	(Note 2)	(Note 2)	(Note 2)	None	None	None
Li, Chi-Sheng (Note 2)	1,309	0.87	(Note 2)	(Note 2)	(Note 2)	(Note 2)	None	None	None
Lee, Kan-Jung	1,144	0.76	8,737	5.81	0	0	Cheng, Hsiang Cheng, Chieh	Spouses Affinity	None

Note 1: The shareholding ratio is calculated based on the shareholding data as of the latest record date of April 22, 2023, and calculated based on a total issued share of 150,414,536 shares.

Note 2: The shareholder did not provide relevant information.

10. The Company, its directors, managers, and businesses directly or indirectly controlled by the Company shall report their shareholding in the same investee, and the comprehensive shareholding ratio shall be calculated by consolidation:

Date: 12/31/2022; Unit: Thousand Shares; %

Investee	Investments by the Company		Investments by directors, managers, and businesses directly or indirectly controlled by the Company		Comprehensive investment	
	Shares	%	Shares	%	Shares	%
Ample Crown International Ltd. (Note 1)	64,390	100.00%	0	0	64,390	100.00%
FONG YIN INVESTMENT CO., LTD. (Note 1)	1,450	100.00%	0	0	1,450	100.00%
HUA DA VENTURE CAPITAL CORPORATION (Note 2)	5	1.09%	0	0	5	1.09%
METAGONE BIOTECH INC. (Note 2)	6,946	19.52%	1,801	5.06%	8,747	24.58%

Note 1: Refers to investments accounted for using equity method by the Company.
Note 2: Refers to financial assets measured at fair value through profit or loss by the Company.

IV. Capital Overview
1. Capital and Shares
(1) Source of Capital
A. Issued Shares

Unit: Except for the issued price, all other amounts are in NTD; Thousand shares

Month/Year	Par Value	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Source of Capital	Capital Increased by Assets Other than Cash	Other
The year before 2000	10	149,000	1,490,000	117,128	1,171,280	Capital for company establishment, cash capital increase, retained earnings, and capital surplus to increase capitalization, etc.	0	None
10/2005	10	149,000	1,490,000	127,624	1,276,239	Capitalization of retained earnings and employee bonuses (Note 1)	0	None
05/2006	10	149,000	1,490,000	128,508	1,285,079	Conversion of employee stock options into new shares issuance (Note 2)	0	None
08/2006	10	149,000	1,490,000	142,587	1,425,867	Capitalization of retained earnings and employee bonuses (Note 3)	0	None
01/2007	10	149,000	1,490,000	142,597	1,425,967	Conversion of employee stock options into new shares issuance (Note 4)	0	None
05/2007	10	200,000	2,000,000	142,951	1,429,507	Conversion of employee stock options into new shares issuance (Note 5)	0	None
10/2007	10	200,000	2,000,000	153,573	1,535,727	Cash capital increase and conversion of employee stock options into new shares issuance (Note 6)	0	None
12/2007	10	200,000	2,000,000	153,578	1,535,777	Conversion of employee stock options into new shares issuance (Note 7)	0	None
05/2008	10	200,000	2,000,000	153,582	1,535,817	Conversion of employee stock options into new shares issuance (Note 8)	0	None
07/2008	10	200,000	2,000,000	153,731	1,537,307	Conversion of employee stock options into new shares issuance (Note 9)	0	None
08/2008	10	200,000	2,000,000	155,452	1,554,520	Conversion of employee stock options into new shares issuance (Note 10)	0	None
12/2009	10	200,000	2,000,000	175,452	1,754,520	Cash capital increase (Note 11)	0	None
05/2010	10	200,000	2,000,000	176,701	1,767,010	Conversion of employee stock options into new shares issuance (Note 12)	0	None
08/2010	10	200,000	2,000,000	181,468	1,814,677	Capitalization of retained earnings and conversion of employee stock options into new shares issuance (Note 13)	0	None
09/2010	10	250,000	2,500,000	201,468	2,014,677	Cash capital increase (Note 14)	0	None
12/2017	10	250,000	2,500,000	150,415	1,504,145	Reduce capital to make up losses and private placement of common stock for cash increase (Note15)	0	None
08/2019	10	350,000	3,500,000	150,415	1,504,145	Increase in Authorized Capital (Note 16)	0	None

Note 1: Approved by the letter No. 09401196710 issued on October 12, 2005.
Note 2: Approved by letter No. 09501080380 issued on May 1, 2006.
Note 3: Approved by the letter No. 09501184250 issued on August 22, 2006.
Note 4: Approved by letter No. 09601009740 issued on January 18, 2007.
Note 5: Approved by the letter No. 09601108660 issued on May 18, 2007.
Note 6: Approved by letter No. 09601249090 issued on October 12, 2007.
Note 7: Approved by letter No. 09601319330 issued on December 31, 2007.
Note 8: Approved by letter No. 09701113240 issued on May 19, 2008.
Note 9: Approved by letter No. 09701185470 issued on July 24, 2008.
Note 10: Approved by letter No. 09701220210 issued on August 29, 2008.
Note 11: Approved by letter No. 10601165660 issued on December 29, 2009.
Note 12: Approved by letter No. 09901096420 issued on May 14, 2010.
Note 13: Approved by letter No. 09901181170 issued on August 10, 2010.
Note 14: Approved by letter No. 09901199700 issued on September 2, 2010.
Note 15: Approved by letter No. 10601165660 issued on December 8, 2017.
Note 16: Approved by letter No. 10801092230 issued on August 7, 2019.

B. Type of stock

04/22/2023; Unit: Share

Type of stock	Authorized capital stock				
	stock outstanding			Unissued Stock	Total
	Listed stock	Private placement securities	Total		
Common Stock	145,414,536	5,000,000	150,414,536	199,585,464	350,000,000

C. Information regarding the comprehensive declaration system: None.

(2). Shareholder structure

Date: 04/22/2023

shareholder structure / Number	Government agency	Financial institution	Other corporations	Foreign institutions and foreigners	Individual	Total
Number of people	0	0	153	29	34,200	34,382
Shareholdings	0	0	4,296,189	1,080,430	145,037,917	150,414,536
Percentage (%)	0.00	0.00	2.86	0.72	96.43	100.00

Note: The Company’s stock transfer was suspended from April 22, 2023 to June 20, 2023.

(3). Shareholding structure

A. Common stock

Each share has a par value of NT$10 dollars；Date: 04/22/2023

Shareholding Classes	Number of shareholders	Shareholdings	Shareholdings %
1 to 999	22,215	1,803,188	1.25%
1,000 to 5,000	8,242	19,471,490	12.90%
5,001 to 10,000	1,916	15,600,131	10.37%
10,001 to 15,000	570	7,429,466	4.94%
15,001 to 20,000	427	7,969,746	5.30%
20,001 to 30,000	365	9,420,929	6.26%
30,001 to 40,000	187	6,720,685	4.47%
40,001 to 50,000	125	5,885,190	3.91%
50,001 to 100,000	197	14,192,743	9.44%
100,001 to 200,000	87	12,045,776	8.01%
200,001 to 400,000	23	6,887,005	4.58%
400,001 to 600,000	7	3,387,989	2.25%
600,001 to 800,000	4	2,713,300	1.80%
800,001 to 1,000,000	2	1,783,000	0.67%
1,000,001 and above (inclusive)	14	35,103,898	23.34%
Total	34,381	150,414,536	100.00%

Note: The Company's stock transfer was suspended from April 22, 2023 to June 20, 2023.

B. Special stock: None.

(4). List of Major Shareholders

Shareholders with a shareholding of 5% or more or the top ten shareholders by shareholding, including their names, shareholding amounts, and percentage of shareholding:

Date: 04/22/2023; Unit: Share

Major Shareholders \ Share	Shareholdings	%
Cheng, Chieh	9,290,500	6.17%
Cheng, Hsiang	8,737,838	5.80%
Representative of Lishin International Investment Co., Ltd.	2,558,417	1.70%
Yeh, Sheng-Feng	1,877,934	1.25%
Hou, Hsien-Chung	1,700,000	1.13%
Wang, Wen-Ling	1,526,000	1.01%
Lin, Hui-Fen	1,470,732	0.98%
Mega Securities entrusted to Hsieh Mei-Chun Trust Account	1,353,330	0.90%
Li, Chi-Sheng	1,309,000	0.87%
Lee, Kan-Jung	1,144,661	0.76%

Note: The Company's stock transfer was suspended from April 22, 2023 to June 20, 2023.

(5) Recent two-year data on per-share market price, net asset value, earnings, dividends, and related information:

Item \ Year			2021	2022	Fiscal year 2022 and up until 3/31/2023
Market price per share (Note 1)	Highest		15.90	11.20	8.29
	Lowest		4.95	6.40	7.59
	Average		10.34	8.97	7.90
Net asset value per share (Note 2)	Before distribution		6.82	10.04	9.97
	After distribution		6.82	10.04	9.97
Earnings per share	Weighted Average Shares (Thousand shares)		150,415	150,415	150,415
	Earnings per share (Note 3)		(0.12)	(1.05)	(0.02)
dividend per share	Cash dividend		0	0	(Undistributed)
	Stock dividend	Stock dividends from earnings	0	0	
		Capital Surplus Stock Distribution	0	0	
	Accumulated unpaid dividends (Note 4)		0	0	
ROI Analysis	P/E Ratio (Note 5)		0	0	0
	P/B Ratio (Note 6)		0	0	(Undistributed)
	Cash dividend yield (Note 7)		0	0	

*If there is a stock dividend distributed by increasing capital from earnings or capital surplus, the market price and cash dividend information adjusted retroactively according to the number of shares issued should be disclosed.

Note 1: The highest and lowest market prices of common stock for each year shall be listed, and the average market price for each year shall be calculated based on the trading value and volume for each year.

Note 2: Please use the number of shares issued at the end of the year as the basis and fill in according to the distribution decided at the shareholders' meeting for the following year.

Note 3: If there is a need for retroactive adjustment due to situations such as free stock dividends, the earnings per share before and after adjustment should be listed.

Note 4: If there are regulations in the issuance conditions of equity securities that the unpaid dividends until the end of the year shall be accumulated and distributed in a profitable year, the accumulated unpaid dividends up to the end of the year shall be disclosed separately.

Note 5: P/E ratio = Average closing price per share for the year / Earnings per share for the year.

Note 6: P/B ratio = Average closing price per share for the year / Cash dividend per share for the year.

Note 7: Cash dividend yield = Cash dividend per share / Average closing price per share for the year.

Note 8: The per-share net worth and per-share earnings should be filled in with the latest quarterly information audited (reviewed) by the accountant up to the date of printing of the annual report. The remaining fields should be filled in with data for the current year up to the date of printing of the annual report.

(6) Dividend Policy and Implementation Status

A. Dividend Policy: The dividend distribution policy of the Company is stipulated as follows in its articles of association:

The annual net profit after tax of the Company shall be distributed in the following order:

(a) To make good the deficit (or loss)

(b) Set aside ten percent of such profits as a legal reserve. However, when the legal reserve amounts to the authorized capital, this shall not apply.

(c) In accordance with laws and regulations, set aside or reverse special surplus reserves. For the provision of special surplus reserves, if it is the net decrease in other equity reduction items accumulated in previous periods and the net increase in fair value of investment properties, the same amount should be provided from the undistributed earnings of the previous period as special surplus reserves. If the undistributed earnings of the previous period are insufficient, the remaining amount shall be provided from the current year's after-tax net profit and other items outside the current year's after-tax net profit, and added to the number of undistributed earnings for the current period.

The remaining amount may be allocated as the distributable surplus, which shall be proposed by the Board of Directors and approved by the Shareholders' Meeting when distributed through the issuance of new shares.

According to Article 240 of the Company Act, the Company authorizes the Board of Directors to distribute dividends or legal reserve and capital surplus in cash which Article 240 of the Company Act stipulates, either in whole or in part, with a decision made by at least two-thirds of the directors in attendance and a majority of the attending directors. The resolution should be reported to the shareholders' meeting.

Considering the future funding needs, long-term financial planning, and shareholders' demand for cash inflows, the Company will allocate no less than 10% of the distributable profits to distribute shareholder dividends each year. However, if the accumulated distributable profits are less than 5% of the paid-in capital, no distribution is required. When distributing shareholder dividends, cash or stock may be used, with the cash dividend not less than 10% of the total dividend amount. If the cash dividend per share is less than one NT dollar, the entire cash dividend may be changed to be distributed as stock dividends.

B. Proposed Distribution of Dividend: The Board of Directors has decided not to distribute any remuneration to directors and employees for the fiscal year 2022, but it has not yet been resolved by the shareholders' meeting.

C. Explain if a material change in dividend policy is expected: None.

(7) Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting: The proposed resolution at this shareholders’ meeting is not to distribute dividends, which have no impact on the Company's business performance.

(8) Compensation of Employees and Directors

A. Information Relating to Compensation of Employees, Directors and Supervisors in the Company's Articles

Article 28 of the Company's Articles of Incorporation stipulates that:

If the Company generates profits in a fiscal year, after setting aside the amount required for making up the accumulated deficit, the Company shall allocate 5% to 10% of the remaining balance for employee compensation and no more than 3% for director compensation. The allocation shall be determined by the Board of Directors and reported to the shareholders' meeting. The employee compensation mentioned above may be issued in the form of stocks or cash and may include employees of subsidiary companies who meet certain conditions. The relevant measures shall be authorized by the Board of Directors.

B. The basis for estimating the amount of employee, director, and supervisor profit-sharing compensation this year: The Board of Directors has decided not to distribute any remuneration to directors and employees for the fiscal year 2022.

C. Distribution of Compensation of Employees, Directors and Supervisors for 2022 Approved in the Board of Directors Meeting: The Board of Directors has decided not to distribute any remuneration to directors and employees for the fiscal year 2022.

D. The actual distribution of employee, director, and supervisor profit-sharing compensation for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor profit-sharing compensation, additionally the discrepancy, cause, and how it is treated: None.

(9) Status of Share Buyback Program: None.

2. Bonds: None.

3. Issuance of Preferred Shares: None.

4. Global Depository Receipts: None.

5. Issuance of Employee Stock Options: None.

6. Issuance of New Restricted Employee Shares: None.

7. Status of New Shares Issuance in Connection with Mergers and Acquisitions: None.

8. Financing Plans and Implementation: None.

V. Operational Highlights

1. Business Scope

(1) Business Scope

A. The main business of the Company:

The main business of the Company is the production and sale of power supplies, computer chassis, and electronic components.

B. Current products and business proportion:

Unit: Thousand (NTD)

Product	Sales revenue for the year 2022	Business proportion (%)
Power Supply	165,535	69.56%
Computer Chassis	60,161	25.28%
Other	12,293	5.16%
Total	237,989	100.00%

C. New products development:

Product Category	New Products under Development
Power Supply	·The Company produces its own brand power supply for gaming, Apex gaming, manufacturing high-wattage and high-efficiency power supplies for gaming. With new technologies, such as the half-bridge and full-bridge+LLC resonance+DC to DC circuit architecture, the Company has developed power supplies that meet 80Plus standards, achieving gold/platinum ratings for wattage levels ranging from 1200W to 1650W. ·Manufacture and develop power products that comply with DOE Lot 6.0 high energy efficiency standard.
Chassis	· Design and develop computer chassis for our gaming brand, Apexgaming. · OEM/ODM server case products. · OEM/ODM slim chassis and ATX tower computer chassis.
Cooling fans and liquid cooling systems	Design and develop high-volume, low-noise cooling fans, and all-in-one water-cooling radiators for our gaming brand, Apexgaming.
Charging cables for RVs and yachts	·Design and develop our own brand Apex Sports power cords, including high-amperage power cords for use in RVs, motorhomes, generators, and shore power systems for yachts.
Photocatalyst air purifier	·Design and develop our brand, Hypure air purifiers, including a full range of desktop, portable, car-use, and commercial air purifier products. ·Utilizing the latest nano photocatalyst patented technology, our brand Apexgaming incorporates it into our power supplies, PC chassis, cooling fans, and other products, to create a healthy gaming environment where the air is purified.

2. Industry Overview

1. Current Status and Development of the Industry

(1) Power Supply (SPS)

SPS is the most fundamental power product in the field of electrical and electronic technology, serving as the power supply heart of electronic products and playing an important role. Therefore, it has a great impact on the industry. Currently, the mainstream technology of power supply can be divided into four major parts: power input, power conversion, power output, and power control system.

SPS products technology has been developed for more than 50 years since 1970. Among them, SPS product technology for information usage has matured with the booming development of the personal computer industry. Despite of special regional requirements, the product design specifications have almost reached standardization. Currently, there are less chances to have significant breakthroughs in product process technology or market development, and the market growth rate is gradually slowing down. The Company provides customers with high-quality products at a reasonable price, pursues cost reduction, and enhances overall competitive advantages through technological upgrades and product innovation.

In addition, the Company has established a partnership with professional power cord manufacturer to expand the product line for RVs and yachts, targeting the vast consumer markets of North America and China. Furthermore, due to the impact of COVID-19, maintaining social distance and avoiding crowded enclosed spaces has indirectly driven up the demand for RVs. The Company view this challenge as an opportunity and remain optimistic about the potential of this market.

(2) Chassis

In the computer chassis industry, related technologies have become mature and highly competitive. In addition to the Company’s original metal processing process, the Company has also collaborated with multiple manufacturers in recent years to achieve horizontal integration, integrating applications of different materials and developing a more diversified range of related products.

(3) Gaming Computer Industry

With the flourishing development of smartphones and mobile communication devices, the purchasing behavior of PCs has changed, resulting in a sluggish PC market in recent years. However, the sales of gaming PCs have grown against the trend. The gaming industry not only drives sales in the post-PC era but also drives upstream and downstream peripheral industries, including computer chassis and power products.

Gaming PCs differ from ordinary computers, with gamers demanding high-quality hardware, greater flexibility, and personalization. The Company has complete design and production capabilities. In addition to collaborating with mainstream gaming brand manufacturers, the Company also launches its own brand, Apexgaming, to provide gamers with more diversified options to meet their needs.

Furthermore, with the increasing awareness of health consciousness among the public, prolonged computer use for work or gaming can lead to many adverse health effects. Therefore, in addition to the gaming computer chassis and power supplies mentioned above, we have also simultaneously launched a series of products, including gaming chairs, electric height-adjustable desks, anti-electromagnetic radiation clothing, blue-light-blocking glasses, gaming wrist guards, nano photocatalytic power supply/fan modules, and desktop air purifiers. We hope to provide computer users with a comprehensive protection solution.

(4) Photocatalytic Air Purifier

Due to the global outbreak of COVID-19 in recent years, many people in Taiwan have purchased air purifiers to improve indoor air quality. Although various brands of air purifiers on the market claim to improve air quality and reduce the risk of viruses and bacteria, their solutions still rely primarily on dust-collecting filters, which require the replacement of consumables and are also not environmentally friendly.

To replace air purifiers with dust-collecting filters, the Company is actively promoting sustainable development by improving energy efficiency and using environmentally friendly recycled materials. The Company has developed a nano photocatalytic air purifier. Considering patent and product planning, the product lines include a series of air purifier products, from portable to household to commercial use.

To provide customers with confidence and assurance, the Company’s products have been awarded the "Air Purifier Gold Seal" by the Taiwan Air Quality and Health Safety Association. The certification mark is evaluated and awarded by industry experts based on criteria such as research and development, purification efficiency, quality assurance, and safety control. Only those who perform well in these evaluation categories can obtain this mark.

2. Relationship with Up-, Middle- and Downstream Companies

Upstream	Middle stream	Downstream
Iron industry	Computer Chassis	Personal Computer
Copper Foil Industry		
Chemical Raw Material Industry	Motherboard	Industrial Computer
IC Industry		
Printed Circuit Board Industry	Power Supply	Server Computer
Mold Industry		
Computer Software Industry	Other Computer Parts	System Assembly

3. Product Trends and Competition

(1) Product Trends

A. High-level Power Supply

With the growth of the gaming market, the demand for power wattage and efficiency has increased. We have divided the desktop power supply market into the entry-level market, mainstream market, and high-end market.

The demand in the entry-level market is currently dominated by 300W-400W power supplies. Consumers in this market segment have low requirements, and the technical threshold of products is also low. Currently, the demand market is mainly in emerging markets such as China, Southeast Asia, South America, and India.

In the mainstream market, the product distribution is between 400W to 700W. In addition to the higher wattage requirements, efficiency is also a concern. Mainstream products generally meet the efficiency standards of 80+ Bronze or higher.

The high-end market requires power supplies above 700W, which meet 80+ Gold or higher efficiency requirements.

B. Chassis cases and gaming peripherals

In addition to computer cases and gaming peripherals, the Company has developed our own brand and will focus more on shaping the concept of "gaming health" to differentiate ourselves from other brands in the future. The Company already launched a product, an electric height-adjustable desk, which can prevent lower back pain caused by long periods of sitting.

C. Photocatalytic air purifier

In the post-pandemic era, people in Taiwan have become more aware of the importance of air purification and how to reduce the risk of being invaded by viruses again. Solytech has developed several products, including desktop, portable, and automotive air purifiers, based on several inventions and new patents. In addition, the Company has received Taiwan's first-ever photocatalytic air purifier certification, providing consumers with a reliable purchasing direction. In the future, the Company will continue to move towards the development of mobile and commercial air purifiers.

(2) Competitive Situation

In recent years, Taiwan's PC industry has moved to China, and the low technological threshold of this industry has caused Chinese PC manufacturers to become the main competitors of Taiwan's PC industry, leading to intense competition and a decrease in profits. However, due to relatively high specifications and quality in the high-end power supply market, there are still limited competitors in the market.

In response to industry competition, the same trade is focues on arget low-margin production lines.the Company will focus more on high-margin products and the global market layout of our self-owned brand, Apexgaming.

(3) Overview of Research and development

A. R&D expenditures for the latest fiscal year and up to the date of printing of this annual report

Unit: NT$ thousand dollars

Year	2022	2023/1 to 2023/3
R&D Expenditures	10,279	1,778

B. Successfully developed technology or product

Product category	Successfully developed technology or product
Power Supply	・The ATX power supply utilizes new technologies, including half-bridge and full-bridge designs, LLC resonant frequency technology, and DC-DC development for mid-range power with 80+ Platinum or higher efficiency ratings. ・The power supply products meet the high energy efficiency standards of DOE Lot 6.0. ・The 850W-1650W power supplies are suitable for gaming PCs with 80+ Platinum or higher efficiency ratings. ・The power supply products comply with the latest EU safety regulations under the 62368 directive.
Chassis	・Developed several OEM mid- to high-level gaming chassis ・Developed several slim chassis ・Developed and applied special spray coatings ・Developed several new designs of panels ・Several server chassis
Electric adjustable desk	·Electric adjustable desk ·Electric adjustable desk converter ·Multiple monitor mount
Power Cord	·RV Use Extension Cord ·Shore Power Use Extension Cord
Photocatalyst Air Purifier	· High-efficiency ATX PC power supplies which were awarded bronze and gold prizes with air purification function. · Cooling fan with air purification function · Computer chassis with air purification function ·Desktop air purifier · Car-use air purifier · Portable air purifier · Wall-mounted smart nanometer photocatalyst air purifier ·Air purifier that can be added to VRV and indoor air conditioning equipment · Smart mobile air purifier

4. Long-term and Short-term Development

(1) Short-term Development

a. Actively developing the Company’s own brand, Apexgaming.

b. Provide customers and the market with complete products and services and increase the market share.

c. Master new product specifications and architectures to ensure the applicability of product specifications.

d. Strengthen product integration, combine existing channels as the main sales channels, and perform bundled sales to extend the product sales period.

(2) Long-term Development

a. Continuously improving the manufacturing process, enhancing production capability, upgrading production technology and product quality, and reducing costs to enhance the Company's competitiveness.

b. Enhance product design capability and reduce mold development time.

c. Continuously and actively develop important e-commerce platforms and major sales channels to increase market share.

d. Persistently develop new products, devoting to product diversity and expanding the customer base.

2. Market and Sales Overview

(1) Market Analysis

A. Sales regions of major products

Unit: NT$ thousand dollars

Region / Year	Domestic sales	Export					Total
		Asia			Americas	Others	
		Taiwan	China	Hongkong	US	Others	
2021	56,641	6,448	178,895	0	74,268	39,564	355,816
2022	40,199	5,743	118,795	0	54,077	19,175	237,989

B. Market Share, Future Supply and Demand of the Market, and Growth Potential of the Company’s Main Products

In addition to gaming peripherals, the Company's future product development direction will also combine our manufacturing advantages with external design to increase the production of power cords for RVs, ships, and other related industries, as well as a series of products such as nanometer photocatalyst air purifiers. The Company maintains our existing OEM/ODM markets and actively develops our brand, Apexgaming, to reduce uncertainty from brand customers. Currently, the Company’s products are being actively promoted and sold in global markets.

To further develop the future potential of our nanometer photocatalyst air purifier product line, the Company has registered our brand, "HYPURE," and is actively investing in the development of products that promote healthy air quality.

C. Competitive Niches, Favorable and Unfavorable Factors Affecting the Company’s Development, and Countermeasures to Deal with Such Factors

(1) Competitive Niches:

Power Supply	Maintains good supply relationship with main suppliers with stable supply sources, high-quality products, and the ability to properly manage delivery times and prices. Besides, the Company has professional personnel and laboratories for electromagnetic compatibility and safety regulations testing. The Company’s experienced engineers conduct testing during the product development stage to shorten the testing and shipping time, reduce the number of tests required, and minimize costs. The Company also provides customers with design support and application technology to ensure that our products are compatible with their overall systems.
Chassis Case	‧Complete Product line: The Company has a complete range of desktop computer cases in various sizes and types and is also a professional manufacturer of power supplies that enables us to meet customers' needs for one-stop shopping, contributing to market expansion and revenue growth. ‧Stable Quality: The Company's main customers are mainly from the European and American markets which have high requirements for quality. And the customers are satisfied with our products, regardless of quality, delivery time, price, and development capabilities. Therefore, the Company has established a long-term and stable business relationship with the customers, which has helped us maintain steady growth. ‧Strong R&D department: The Company’s R&D team members have many years of experience in product development, with capabilities in mold design, production and manufacturing, and appearance modeling. They can complete various new products in a short time.

Gaming Computer (Own Brand Business)	· With the advantages of design and manufacturing, the Company has established relevant business channels worldwide over the past 20 years. In recent years, due to the rise of e-commerce, the sales channels for information products have gradually shifted to e-commerce platforms, which presents a good opportunity for new brands. · For gamers, computer chassis and power supply products have already become standardized. Generally, gamers do not have a high dependence on existing brands. The Company has the advantages of production and cost, and aims to provide "self-production and self-sales to achieve the highest cost-performance ratio". By directly facing the distribution channels and consumers and cooperating with relevant marketing strategies, this approach has led to higher achievement in sales channels for our company.
Photocatalytic Air Purifier	· The Company's products have passed inspections by world-renowned certification organizations such as SGS and TUV. The Company is also the only company in Taiwan to receive certification from the Taiwan Photocatalyst Association for our photocatalyst products that meet the EU IEC/EN62471 photobiological safety standards. The Company has developed a series of high-efficiency photocatalysts air purifiers with ultraviolet UVA light, which is harmless to human eyes and skin. These air purifiers can effectively eliminate bacteria and odors. · The Company has been awarded a total of 3 invention patents and 8 utility model patents, and these have been actively promoted by government agencies.

(2) Favorable Factors:

- The Company continues to invest in the research of application support technology for our products, training professional talents, and investing in equipment to provide integrated technology for power supply mainframes and peripheral accessories.
- With the ability to design and develop key components, the Company ensures a stable source of future profits.
- The Company has established stable supply relationships with the major raw material suppliers with good quality, controlled delivery times, and prices that can be managed based on order batches. The strictly controls the delivery times of raw materials to reduce inventory pressure.
- Worldwide sales channels enable the Company to actively collect market trends, design and develop products according to customer needs, and maintain long-term good cooperative relationships with our customers.

(3) Unfavorable Factors:

In recent years, due to rising raw material costs, labor shortages, and increased wage costs, it has become more difficult to cultivate R&D and technical personnel, leading to relatively higher operating costs. The prevalence of low-priced computers has also led to price compression in computer peripherals, affecting profitability. Additionally, the ongoing US-China trade war has had a significant impact.

(4) Countermeasures to Deal with Such Factors:

A. Power Supply

- To ensure product quality, it is important to verify and improve during the design phase. Therefore, the Company has established rigorous and effective verification procedures.
- To effectively ensure product life and extend product value, in addition to product management, important technical documents such as product design, changes, and processes can be effectively controlled to reduce development and design costs and enhance product quality advantages.
- The Company values customer satisfaction and the extension of international competitiveness. The Company cooperates with suppliers, customers, and various departments to help the Company complete the global supply chain layout from a global perspective.
- The Company regards customers as partners, jointly participates in product development and design, improves technical research and development capabilities, and reduces production costs.

B. Computer Chassis

- The Company has outsourced the chassis case business to effectively control production costs and shift our focus to design and business development.
- Re-planned the manufacturing base of chassis cases, and allocated assets effectively.

C. Power Cord for RV and Marine

- Due to the current global COVID-19 pandemic, people around the world have changed their lifestyles, reduced gatherings and placing more emphasis on individual leisure travel, which has driven demand for RVs and camping trailers.

D. Nano-photocatalyst Power Supply/Fan Module and Desktop Air Purifier

- Due to the global attention to epidemic prevention policies since the outbreak of COVID-19, people are avoiding crowded public places. Therefore, the Company's R&D team has developed a series of products using nano photocatalytic technology, which has received multiple new patent certifications from the Taiwan Intellectual Property Office of the Ministry of Economic Affairs.

Patents:

a. Cooling device which purifies the air (patent number I742797)
b. Host equipment that purifies the air (patent number I779330)
c. Composite structure air purifier (patent number I790064)

New patents:

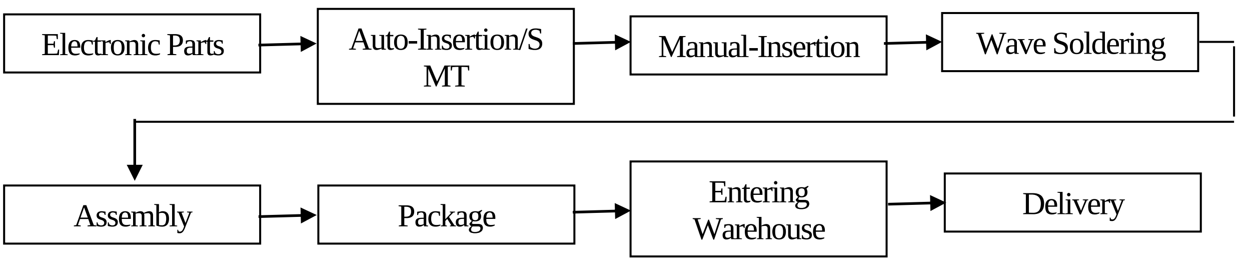
d. Cooling device which purifies the air (patent number M603770)
e. Host equipment that purifies the air (patent number M608796)
f. Composite structure air purifier (patent number M625313)
g. Composite photocatalyst filter screen and its sterilization device (patent number M618264)
h. Photocatalyst air purification device for car air conditioner (patent number M619500)
i. Power supply with photocatalytic air purification effect (patent number M604911)
j. Air conditioner with air purification function (patent number M631545)
k. Speaker with air purification function (patent number M614439)

(2). Main products applications and manufacturing process

1. Main products applications

Main Product	Application
Power Supply	Provide stable voltage to drive the operation of electronic equipment.
Computer Chassis	Necessary component for computer assembly.
Photocatalytic Air Purifier	Improves air quality, reduces the risk of viruses and bacteria in the environment, and efficiently removes odors.

2. The production process of the power supply is as follows:



(3). Supply situation of major raw materials:

Product	Major raw materials	Main supplier
Power supply	Transformer and electronic wire	City Hanma (Dong guan) Electronic Co.,LTD, Mancon Electronic (Dong guan) Co.,LTD

(4). List of major customers for purchases and sales

The names of customers who accounted for over 10% of the total sales (purchases) amount in any of the past two years, along with the corresponding sales (purchases) amount and percentage, and an explanation of any changes in their levels of business:

1. Information of major suppliers for the past two years:

Unit: NT$ thousand dollars

2021					2022				2023/1 to 2023/3 (Note 2)			
Item	Name	Amount	Percentage of net purchases for the entire year (%)	Relationship with the issuer	Name	Amount	Percentage of net purchases for the entire year (%)	Relationship with the issuer	Name	Amount	Percentage of net purchases accounted for until the end of the previous quarter of the current year (%)	Relationship with the issuer
1	Company T	70,621	21.74	None	Company V	25,270	20.32	None	Company V	5,795	18.11	None
2	Company V	32,714	10.07	None	Others	99,061	79.68	None	Company Y	3,639	11.38	None
3	Others	221,555	68.19						Others	22,555	70.51	None
Total	Net Purchase	324,890	100.00		Net Purchase	124,331	100.00		Net Purchase	31,989	100.00	-

Note 1: The names of suppliers whose purchases account for more than 10% of the total purchases in the past two years, along with their purchase amounts and percentages, shall be listed. However, if the contract stipulates that the names of suppliers cannot be disclosed, or if the trading party is an individual who is not a related party, a code may be used instead.

Note 2: Before the date of the annual report, financial data that has been audited or reviewed by a certified public accountant for companies whose shares have been listed or traded in securities firms shall be disclosed.

Explanation of the main reasons for changes in major suppliers: Due to a severe global shortage and imbalance between supply and demand, the main raw materials required for production by company T have experienced a significant price increase, coupled with supply chain disruptions. As a result, trading has been suspended since the second half of 2021.

2. Major Sales Customers in the Past Two Years:

Unit: NT$ thousand dollars

2021					2022				2023/1 to 2023/3 (Note 2)			
Item	Name	Amount	Percentage of net purchases for the entire year (%)	Relationship with the issuer	Name	Amount	Percentage of net purchases for the entire year (%)	Relationship with the issuer	Name	Amount	Percentage of net purchases accounted for until the end of the previous quarter of the current year (%)	Relationship with the issuer
1	CompanyN	71,335	20.05	None	CompanyO	56,971	23.94	None	CompanyO	11,786	22.96	None
2	CompanyO	63,170	17.75	None	CompanyU	37,227	15.64	None	CompanyX	8,832	17.21	None
3	CompanyU	48,468	13.62	None	CompanyW	24,981	10.50	None	Others	30,714	59.83	None
4	Other	172,843	48.58		Other	118,810	49.92					
Total	Net Purchase	355,816	100.00		Net Purchase	237,989	100.00	Total	Net Purchase	51,332	100.00	-

Note 1: The names of suppliers whose purchases account for more than 10% of the total purchases in the past two years, along with their purchase amounts and percentages, shall be listed. However, if the contract stipulates that the names of suppliers cannot be disclosed, or if the trading party is an individual who is not a related party, a code may be used instead.

Note 2: Before the date of the annual report, financial data that has been audited or reviewed by a certified public accountant for companies whose shares have been listed or traded in securities firms shall be disclosed.

Explanation of the reasons for the major changes in sales customers:

(1) In 2022, Company W, a well-known overseas home appliance brand, invested in a subsidiary engaged in electronic business in mainland China. The main business of the subsidiary is computer peripherals and gaming equipment. In recent years, mainland China has been affected by the pandemic, with most people working from home, learning online, and engaging in online entertainment, leading to a relatively small increase in PC shipments.

(2) Company N's profit margins for orders were already thin, and the prices of raw materials were affected by the pandemic, leading to even worse profit margins or negative gross margins for orders. Therefore, since the second half of 2021, the Company has stopped taking orders.

(5). Production output in the past two years.

Unit: NT$ thousand dollars

Year / Production / Main Products	2021			2022		
	Productivity	Output	Value	Productivity	Output	Value
Power Supply	-	271	172,414	-	180	112,094
Computer Chassis (Note 2)	-	-	-	-	-	-
Other	-	63	4,775	-	39	5,179
Total	-	334	177,189	-	219	117,273

Note 1: Production capacity refers to the quantity that the Company can produce under normal operation by utilizing the existing production equipment, after taking into account necessary downtime and holidays.

Note 2: Production of computer chassis has been outsourced since July 2018, after being produced in-house before that.

6. Sales volume of recement two-year

Unit: NT$ thousand dollars

Sales Volume / Year / Main Products	2021				2022			
	Domestic sales		Export		Domestic sales		Export	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Power Supply	49	45,191	210	140,431	24	29,826	202	135,709
Computer Chassis (Note 1)	7	8,843	105	75,119	5	6,806	76	53,355
Optical modem	-	-	127	71,335	-	-	-	-
Other (Note2)	6	2,607	106	12,290	5	3,567	22	8,726
Total (Note 3)	(Note 3)	56,641	(Note 3)	299,175	(Note 3)	40,199	(Note 3)	197,790

Note 1: The sales volume (value) of computer cases includes the components of institutional cases.

Note 2: Includes OEM products, gaming products, and network 3C peripheral products, etc.

Note 3: The total sales volume is not shown due to different units of measurement.

3. Employee information of recent two years and as of the date of printing of the annual report:

Year		2021	2022	For the fiscal year 2022 and up until 05/15/2023
Number of the employees	Sales and Marketing	11	9	10
	R&D	6	5	4
	Administration	18	18	17
	Total	35	32	31
Average Age		47.13	48.51	48.23
Average Length of Service		12.90	14.00	14.2
Educational distribution	PhD	0%	0%	0%
	Master	5.71%	9.38%	6.45%
	University	80.00%	75.00%	80.65%
	High School	8.58%	9.38%	6.45%
	Below high school	5.71%	6.24%	6.45%

4. Environmental Protection Expenditure

(1) Any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents: The Company has not received any penalties or fines from regulatory agencies due to environmental incidents for the fiscal year 2022 and up until the date of printing of this annual report.

(2) Countermeasures and potential expenditures: None.

5. Labor Relations

(1) Employee Benefit Plans, Employee Education Program, Employee Training Program, Employee Retirement System and its Implementation, Labor Management Agreements and Measures for Preserving Employees' Rights and Interests

A. Employee Benefit Plans

The employee welfare measures of our company are provided through the operation of the Company and the Employee Welfare Committee, offering diverse employee benefits to enhance employee morale and promote labor-management harmony, aiming to create a good working environment for employees.

a. Benefits

(a) Health Insurance
(b) Annual Leave
(c) Year-End Bonus
(d) Employee Stock Purchase Program
(e) Regular Health Examination

b. Welfare Committee

(a) Group Insurance
(b) Holiday Bonus
(c) Birthday Allowance
(d) Wedding and Funeral Subsidies
(e) Department Banquet
(f) Discounts of Appointed Store

B. Employee Education Program

The Company has established an "Employee Education and Training Policy" to create an employee training system and provide diverse learning channels to enhance employee competence and cultivate professional talents for the Company. In addition, the Company conducts regulatory training in compliance with relevant laws and regulations and encourages employees to obtain relevant certifications.

C. Employee Training Program

Employees recommended by their supervisors have the opportunity to participate in various external training courses, which allow them to broaden their horizons and enhance their skills.

D. Employee Retirement System and its Implementation

The Company and its domestic subsidiaries have established a retirement program with specified benefits following the provisions of the Labor Standards Act, applicable to the service years of all regular employees before the implementation of the "Labor Pension Act" on July 1, 2005, and the subsequent service years of employees who choose to continue to apply the Labor Standards Act.

For employees who meet the retirement requirements, the payment of retirement benefits is calculated based on the service years and the average salary for the six months before retirement. For service years within 15 years (inclusive), two units are given for every one year of service. And for service years exceeding 15 years, one unit is given for every one year of service, with a cumulative maximum of 45 units. The Company has fully set aside the required amount in an account supervised by the Labor Pension Supervisory Committee of the Bank of Taiwan.

E. Labor-Management Agreements and Measures for Preserving Employees' Rights and Interests

The Company upholds the concept of "valuing senior employees and embracing new colleagues". Therefore, all employees are covered by labor insurance, national health insurance, and group insurance, and entitled to various insurance benefits. The Company has also established an employee welfare committee, which legally contributes to employees' retirement pensions and establishes retirement policies for employees.

(2) Any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to labor disputes

Due to the Company's proactive approach to providing employee benefits and safety measures, there have been no labor disputes in the past two years.

6. Cyber security management

(1) Describe the framework for managing cyber security risks, cyber security policies, specific management plans, and the resources invested in cyber security management.

To ensure the security of the network, prevent disasters, data loss of computer files, and strengthen personal data protection, the Company has developed the following measures focusing on potential risks that may occur in business operations:

A. Threats of Computer Virus

Computer viruses may come from various sources, such as visited websites, malicious email attachments, removable storage media, or downloaded malicious programs. Therefore, the Company has established a multi-layered defense and detection system, with internationally recognized antivirus systems installed on all endpoints. The system is centrally monitored and controlled to reduce the risk of malicious program infections and attacks.

B. Cyber Attack

Internet hacker attacks have an impact on business operations. Therefore, the Company has established necessary protection measures such as segmenting important network segments and access control, firewalls, intrusion detection, and prevention mechanisms. In addition, the Company regularly conducts vulnerability scans and application protection for websites that provide external connectivity services and implements a security vulnerability reporting and patching mechanism to reduce the probability of vulnerabilities and attacks.

C. Interruption of Operation

The Company has implemented necessary same-site/off-site backups and restoration drills for important operational services and data. In the event of unavoidable damage or disruption to the main operating system or database, the Company can restore operations within the time limit stipulated by different services.

D. Security Management

Important data centers are equipped with access control management, authentication of login systems, password management, access authorization, and other mechanisms.

E. Cyber Security Resources

The Company has designated information security personnel responsible for cyber security by regularly inspecting security devices. The Company also prepares a yearly budget to update and maintain security devices such as firewalls, endpoint antivirus systems, and backup storage systems.

(2) Losses incurred, potential impact, and response measures due to significant cyber security incidents for the current and previous fiscal year until the date of the annual report printing:

The Company has implemented necessary same-site/off-site backups and restoration drills for important operational services and data. In the event of unavoidable damage or disruption to the main operating system or database, the Company can restore operations within the time limit stipulated by different services.

7. Important Contracts

The contracting parties, major content, restrictive clauses, and the commencement dates and expiration dates of supply/distribution contracts, technical cooperation contracts, engineering/construction contracts, long-term loan contracts, and other contracts that would affect shareholders' equity, where said contracts were either still effective as of the date of publication of the annual report, or expired in the most recent fiscal year: None.

VI. Financial Information

1. Profit and Loss Statement and Balance Sheet for the Past Five Years

(1) Profit and Loss Statement and Balance Sheet

1.1 Balance Sheet (compiled based on the consolidated financial statements)

Unit: NT$ thousand dollars

Item \ Year		Financial information for the past five years (Note 1)					
		2018	2019	2020	2021	2022	For the fiscal year 2022 and up until March 31th, 2023
Current Assets		758,775	565,939	1,152,989	791,140	1,393,002	1,397,680
Property, plant and equipment (Note 2)		499,391	413,770	223,014	82,104	44,169	44,294
Intangible Assets		0	0	0	0	0	0
Other assets (Note 2)		430,950	286,165	218,998	315,126	299,405	279,388
Total assets		1,689,116	1,265,874	1,595,001	1,188,370	1,736,576	1,721,362
Current Liabilities	Before distribution	677,349	580,555	536,061	158,159	105,994	104,079
	After distribution	677,349	580,555	536,061	158,159	105,994	104,079
Non-current liabilities		6,851	36,561	15,573	3,907	45,071	42,327
Total Liabilities	Before distribution	684,200	617,116	551,634	162,066	151,065	146,406
	After distribution	684,200	617,116	551,634	162,066	151,065	146,406
Equity attributable to owners of the parent company		1,004,932	648,788	1,043,407	1,026,355	1,510,837	1,499,938
Share capital		1,504,145	1,504,145	1,504,145	1,504,145	1,504,145	1,504,145
Additional Paid-In Capital		3,763	3,539	3,539	3,539	585,480	585,480
Retained earnings	Before distribution	(575,087)	(930,898)	(534,665)	(552,318)	(706,336)	(709,469)
	After distribution	(575,087)	(930,898)	(534,665)	(552,318)	(706,336)	(709,469)
Other equity interest		72,111	72,002	70,388	70,989	127,548	119,782
Treasury stock		0	0	0	0	0	0
Non-controlling interests		(16)	(30)	(40)	(51)	74,674	75,018
Total equity	Before distribution	1,004,916	648,758	1,043,367	1,026,304	1,585,511	1,574,956
	After distribution	1,004,916	648,758	1,043,367	1,026,304	1,585,511	1,574,956

Note 1: The financial statements of the above years have been audited and certified by an accountant.

Note 2: The Company has not conducted any asset revaluation as of the date of the annual report printing.

Note 3: The appropriation of profits and losses has not yet been discussed in a shareholders' meeting.

1.2 Balance Sheet (compiled based on the individual financial statements)

Unit: NT$ thousand dollars

Item \ Year		2018	2019	2020	2021	2022	For the fiscal year 2022 and up until March 31th, 2023
		Financial information for the past five years (Note 1)					
Current Assets		772,322	574,583	514,087	434,656	395,983	Not applicable
Property, plant and equipment (Note 2)		60,957	57,809	44,000	42,906	40,520	
Intangible Assets		0	0	0	0	0	
Other assets (Note 2)		579,086	234,285	587,003	636,219	1,134,399	
Total assets		1,412,365	866,677	1,145,090	1,113,781	1,570,902	
Current Liabilities	Before distribution	404,611	217,549	101,043	87,126	57,981	
	After distribution	404,611	217,549	101,043	87,126	57,981	
Non-current liabilities		2,822	340	640	300	2,084	
Total Liabilities	Before distribution	407,433	217,889	101,683	87,426	60,065	
	After distribution	407,433	217,889	101,683	87,426	60,065	
Equity attributable to owners of the parent company		1,004,932	648,788	1,043,407	1,026,355	1,510,837	
Share capital		1,504,145	1,504,145	1,504,145	1,504,145	1,504,145	
Additional Paid-In Capital		3,763	3,539	3,539	3,539	585,480	
Retained earnings	Before distribution	(575,087)	(930,898)	(534,665)	(552,318)	(706,336)	
	After distribution	(575,087)	(930,898)	(534,665)	(552,318)	(706,336)	
Other equity interest		72,111	72,002	70,388	70,989	127,548	
Treasury stock		0	0	0	0	0	
Non-controlling interests		0	0	0	0	0	
Total equity	Before distribution	1,004,932	648,788	1,043,407	1,026,355	1,510,837	
	After distribution	1,004,932	648,788	1,043,407	1,026,355	1,510,837	

Note 1: The financial statements of the above years have been audited and certified by an accountant.
Note 2: The Company has not conducted any asset revaluation as of the date of the annual report printing.
Note 3: The appropriation of profits and losses has not yet been discussed in a shareholders' meeting.

2.1 Profit and Loss Statement (compiled based on the consolidated financial statements)

Unit: The units used in this report are in thousands of New Taiwan dollars, except for earnings per share (loss) which are in New Taiwan dollars.

Item \ Year	Financial information for the past five years (Note 1)					
	2018	2019	2020	2021	2022	For the fiscal year 2022 and up until March 31th, 2023
Revenue	1,282,302	930,189	1,085,366	355,816	237,989	51,332
Gross Profit (loss)	(84,351)	(58,804)	108,467	7,794	(2,555)	5,546
Operating loss	(332,445)	(316,397)	(105,164)	(141,141)	(152,711)	(24,786)
Non-operating income and expenses	3,824	(42,338)	524,903	122,608	(4,558)	21,653
Profit (Loss) Before Tax	(328,621)	(358,735)	419,739	(18,533)	(157,269)	(3,133)
Net Income (Loss) from Continuing Operations for the Period	(324,466)	(356,539)	396,093	(18,538)	(157,299)	(3,133)
Loss from discontinued operations	0	0	0	0	0	0
Net income (loss) for the period	(324,466)	(356,539)	396,093	(18,538)	(157,299)	(3,133)
Other comprehensive income (net of tax) for the current period	(7,600)	605	(1,484)	1,475	61,824	(7,422)
Total comprehensive income	(332,066)	(355,934)	394,609	(17,063)	(95,475)	(10,555)
Net profit (loss) attributable to owners of the parent company	(319,739)	(356,524)	396,101	(18,526)	(157,283)	(3,133)
Loss attributable to non-controlling interests	(4,727)	(15)	(8)	(12)	(16)	0
The total comprehensive income (loss) attributable to owners of the parent company	(327,339)	(355,920)	394,619	(17,052)	(97,459)	(10,899)
Total comprehensive income (loss) attributable to non-controlling interests	(4,727)	(14)	(10)	(11)	1,984	344
Earnings (loss) per share	(2.13)	(2.37)	2.63	(0.12)	(1.05)	(0.02)

Note 1: The financial statements of the above years have been audited and certified by an accountant.

2.2 Profit and Loss Statement (compiled based on the individual financial statements)

Unit: The units used in this report are in thousands of New Taiwan dollars, except for earnings per share (loss) which are in New Taiwan dollars.

Item \ Year	Financial information for the past five years (Note 1)					
	2018	2019	2020	2021	2022	For the fiscal year 2022 and up until March 31th, 2029
Revenue	457,385	292,067	393,760	196,888	130,164	Not applicable
Gross Profit (loss)	13,550	21,105	101,017	8,466	3,295	
Operating loss	(72,879)	(61,336)	35,755	(54,689)	(58,392)	
Non-operating income and expenses	(246,458)	(296,346)	363,419	36,163	(98,891)	
Profit (Loss) Before Tax	(319,337)	(357,682)	399,174	(18,526)	(157,283)	
Net Income (Loss) from Continuing Operations for the Period	(319,739)	(356,524)	396,101	(18,526)	(157,283)	
Loss from discontinued operations	0	0	0	0	0	
Net income (loss) for the period	(319,739)	(356,524)	396,101	(18.526)	(157,283)	
Other comprehensive income (net of tax) for the current period	(7,600)	604	(1,482)	1,474	59,824	
Total comprehensive income	(327,339)	(355,920)	394,619	(17,052)	(97,459)	
Net profit (loss) attributable to owners of the parent company	(319,739)	(356,524)	396,101	(18,526)	(157,283)	
Loss attributable to non-controlling interests	0	0	0	0	0	
The total comprehensive income (loss) attributable to owners of the parent company	(327,339)	(355,920)	394,619	(17,052)	(97,459)	
Total comprehensive income (loss) attributable to non-controlling interests	0	0	0	0	0	
Earnings (loss) per share	(2.13)	(2.37)	2.63	(0.12)	(1.05)	

Note 1: The financial statements of the above years have been audited and certified by an accountant.

(2) Names of auditors who have signed off on the financial statements for the past five years, along with their audit opinions.

Year	Accounting Firm	CPA	Audit opinions
2018	PwC Taiwan	Sheng-Chung, Hsu, Han-Chi, Wu	Unqualified opinion
2019	PwC Taiwan	Yong-jian, Hsu (Note 1), Han-Chi, Wu	Unqualified opinion
2020	PwC Taiwan	Yong-jian, Hsu , Han-Chi, Wu	Unqualified opinion
2021	PwC Taiwan	Yong-jian, Hsu, Han-Chi, Wu	Unqualified opinion
2022	PwC Taiwan	Yong-jian, Hsu Han-Chi, Wu	Unqualified opinion

Note 1: There has been a change in the signing certified public accountant of PwC Taiwan due to an internal reorganization.

2. Financial Analysis for the Past Five Years

(1) Consolidated Financial Analysis for the Last Five Years

Items	Year	Financial information for the past five years (Note 1)					
		2018	2019	2020	2021	2022	For the fiscal year 2022 and up until March 31th, 2023
Financial Structure (%)	Debt to asset ratio	40.51	48.75	34.59	13.64	8.70	8.51
	Long term capital to property, plant and equipment ratio	202.60	165.63	474.83	1254.76	3691.69	3651.38
Solvency (%)	Current ratio	112.02	97.48	215.09	500.22	1314.23	1342.90
	Quick ratio	95.76	77.99	194.20	399.75	1224.60	1258.29
	Interest coverage ratio	(28.27)	(36.17)	43.80	(10.79)	(77.54)	(20.03)
Operating Capacity	Receivables turnover ratio	3.01	3.27	4.45	2.15	3.45	3.32
	Average cash recovery day	121.26	111.62	82.02	169.76	105.79	109.93
	Inventory turnover rate	12.52	10.08	9.04	2.54	1.92	2.05
	Accounts payable turnover ratio	5.03	5.99	5.76	2.65	4.89	4.29
	Days sales outstanding	29.15	36.21	40.37	143.70	190.10	178.04
	Property, plant and equipment turnover rate	2.40	2.04	3.41	2.33	3.77	4.64
	Total asset turnover rate	0.66	0.63	0.76	0.26	0.16	0.12
Profitability	Return on assets	(16.18)	(23.62)	28.19	(1.24)	(10.69)	(0.17)
	Return on equity	(27.69)	(43.12)	46.82	(1.79)	(12.05)	(0.20)
	Return on equity	(21.85)	(23.85)	27.91	(1.23)	(10.46)	(0.21)
	Net profit rate	(25.30)	(38.33)	36.49	(5.21)	(66.10)	(6.10)
	Earnings per share	(2.13)	(2.37)	2.63	(0.12)	(1.05)	(0.02)
Cash Flow	Cash flow ratio	(Note 3)	(Note 3)	(Note 3)	(Note 3)	1.36	34.10
	Cash flow adequacy ratio	(Note 4)	(Note 4)	(Note 4)	(Note 4)	(Note 4)	(Note 4)
	Cash Re-investment Ratio	(Note3)	(Note3)	(Note3)	(Note3)	0.08	2.08
Leverage	Operating leverage	(Note2)	(Note2)	(Note2)	(Note2)	(Note2)	(Note 2)
	Financial leverage	(Note2)	(Note2)	(Note2)	(Note2)	(Note2)	(Note 2)

Reasons for changes in various financial ratios for the past two years: (If the percentage of increase or decrease is less than 20%, no analysis is required.)

1. The debt-to-asset ratio decreased mainly due to the cash inflow from the disposal of part of the equity of a subsidiary in 2022, resulting in an overall increase in total assets.
2. The ratio of long-term funds to property, plant, and equipment increased mainly due to the disposal of part of the equity of a subsidiary in 2022. The difference between the disposal price and the book value was credited to capital surplus, resulting in an increase in total equity.
3. The current ratio and quick ratio increased mainly due to the cash inflow from the disposal of part of the equity of a subsidiary in 2022, resulting in an increase in current assets.
4. The interest coverage ratio decreased mainly due to the increase in losses in 2022 compared to 2021.
5. The accounts receivable turnover ratio increased mainly due to the decrease in average accounts receivable in 2022 compared to 2021.
6. The average collection period decreased mainly due to the increase in accounts receivable turnover ratio.
7. The inventory turnover ratio decreased mainly due to the decrease in overall revenue in 2022, resulting in a decrease in cost of goods sold compared to 2021.
8. The accounts payable turnover ratio increased mainly due to the decrease in average accounts payable in 2022 compared to 2021.
9. The average day payable increased mainly due to the decrease in inventory turnover ratio.
10 The property, plant, and equipment turnover ratio increased mainly due to the activation of assets in 2022, which involved the leasing of a mainland factory and its transfer to investment property.
11. The total asset turnover ratio decreased mainly due to the cash inflow from the disposal of part of the equity of a subsidiary in 2022, resulting in an overall increase in total assets. The changes in asset turnover ratio were 759%, equity turnover ratio 572%, ratio of profit before tax to paid-up capital 749%, net profit margin 1169%, and loss per share 749%, mainly due to the increase in losses in 2022 compared to 2021.

Note 1: The financial statements for the above-mentioned years were audited or reviewed by certified public accountants.
Note 2: Financial leverage and operating leverage are not disclosed for the years with negative operating income.
Note 3: Cash flow ratio and reinvestment ratio are not disclosed due to the negative net cash flow from operating activities.
Note 4: Cash flow adequacy ratio is not disclosed due to the negative average net cash flow from operating activities.

(2) Individual Financial Analysis for the Last Five Years

Item	Year	Financial information for the past five years (Note 1)					For the fiscal year 2022 and up until March 31th, 2023
		2018	2019	2020	2021	2022	
Financial Structure (%)	Debt to asset ratio	28.85	25.14	8.88	7.85	3.82	Not applicable
	Long term capital to property, plant and equipment ratio	1653.22	1122.88	2372.83	2392.80	3733.76	
Solvency (%)	Current ratio	190.88	264.12	508.78	498.88	682.95	
	Quick ratio	77.56	75.12	501.32	381.09	670.13	
	Interest coverage ratio	(80.82)	(98.62)	114.97	(13.32)	(217.52)	
Operating Capacity	Receivables turnover ratio	2.70	2.48	3.44	2.40	3.19	
	Average cash recovery day	135.18	147.17	106.10	152.08	114.42	
	Inventory turnover rate	611.34	106.24	83.34	25.44	11.07	
	Accounts payable turnover ratio	2.78	3.51	604.22	179.02	5.57	
	Days sales outstanding	0.59	3.43	4.37	14.34	32.97	
	Property, plant and equipment turnover rate	7.45	4.92	7.74	4.53	3.12	
	Total asset turnover rate	0.29	0.26	0.39	0.17	0.10	
Profitability	Return on assets	(19.91)	(31.03)	39.65	(1.55)	(11.68)	
	Return on equity	(27.35)	(43.12)	46.82	(1.79)	(12.40)	
	Return on equity	(21.26)	(23.70)	26.33	(1.23)	(10.46)	
	Net profit rate	(69.91)	(122.07)	100.59	(9.41)	(120.83)	
	Earnings per share	(2.13)	(2.37)	2.63	(0.12)	(1.05)	
Cash Flow	Cash flow ratio	(Note 3)	(Note 3)	463.66	(Note 3)	235.70	
	Cash flow adequacy ratio	(Note 4)	(Note 4)	(Note 4)	(Note 4)	1248.05	
	Cash Re-investment Ratio	(Note 3)	(Note 3)	53.79	(Note 3)	24.17	
Leverage	Operating leverage	(Note 2)	(Note 2)	10.99	(Note 2)	(Note 2)	
	Financial leverage	(Note 2)	(Note 2)	1.11	(Note 2)	(Note 2)	

Reasons for changes in various financial ratios for the past two years: (If the percentage of increase or decrease is less than 20%, no analysis is required.)

1. The debt-to-assets ratio decreased mainly due to the partial disposal of subsidiary equity in 2022, with the difference between the disposal price and book value being credited to capital surplus. This resulted in an increase in the amount of investment under the equity method and an increase in total assets.
2. The ratio of long-term funds to property, plant, and equipment increased mainly due to the partial disposal of subsidiary equity in 2022, with the difference between the disposal price and book value being credited to capital surplus, resulting in an increase in total shareholders' equity.
3. The current ratio and quick ratio increased mainly because all short-term borrowings were repaid in 2022, leading to a decrease in current liabilities.
4. The interest coverage ratio decreased mainly because the loss increased in 2022 compared to 2021.
5. The accounts receivable turnover ratio increased mainly due to a decrease in average accounts receivable in 2022 compared to 2021.
6. The average collection period decreased mainly due to an increase in the accounts receivable turnover ratio.
7. The inventory turnover ratio decreased mainly because of a decrease in overall revenue in 2022, leading to a decrease in cost of goods sold compared to 2021.
8. The accounts payable turnover ratio decreased mainly because the average accounts payable increased in 2022 compared to 2021.
9. The average sales period increased mainly due to a decrease in the inventory turnover ratio.
10. The turnover ratios of property, plant, and equipment and total assets decreased mainly because of a decrease in revenue in 2022 compared to 2021.
11. The changes in asset turnover ratio were 654%, equity turnover ratio 593%, ratio of profit before tax to paid-up capital 749%, net profit margin 1184%, and loss per share 749%, mainly due to the increase in losses in 2022 compared to 2021.

Note 1: The financial statements for the above-mentioned years were audited or reviewed by certified public accountants.
Note 2: Financial leverage and operating leverage are not disclosed for the years with negative operating income.
Note 3: Cash flow ratio and reinvestment ratio are not disclosed due to the negative net cash flow from operating activities.
Note 4: Cash flow adequacy ratio is not disclosed due to the negative average net cash flow from operating activities.

Note 4: The following calculation formula should be listed at the end of this table in the annual report:

1. Financial Structure
   (1) Debt to asset ratio=Total liabilities/Total assets
   (2) Long term capital to property, plant and equipment ratio=(Total equity+Non-current liabilities)/Net property, plant and equipment
2. Solvency
   (1) Current ratio=Current assets/Current liabilities
   (2) Quick ratio=(Current assets-Inventories-Prepaid expenses)/Current liabilities
   (3) Interest coverage ratio=net profit before income tax and interest expense/Current interest expense
3. Operating Capacity
   (1) Receivables turnover ratio=Net sales/Average account receivables
   (2) Average cash recovery day=365/Receivables turnover
   (3) Inventory turnover rate=Cost of sales/Average Inventories
   (4) Accounts payable turnover ratio=Cost of goods sold/Average account payable
   (5) Days sales outstanding =365/Inventory turnover rate
   (6) Property, plant and equipment turnover rate=Net sales/Average property, plant and equipment
   (7) Total asset turnover rate=Net sales/Average total assets
4. Profitability
   (1) Return on assets (%)=[Profit after tax+Interest expense ×(1-Tax rate)]/Average asset
   (2) Return on equity (%)=Profit after tax/Average shareholders' equity
   (3) Net profit rate (%)=Net Income/Total revenue
   (4) Earnings per share=(Interests attributable to parent company owner-Preferred shares dividend)/Weighted average number of shares outstanding during the period
5. Cash Flow
   (1) Cash flow ratio=Operating cash flow/Current liabilities
   (2) Cash flow adequacy ratio=Cash flow from operations of the last five years/(Capital expenditures+Mandatory debt repayment+Dividends of the last five years)
   (3) Cash Re-investment Ratio=(Cash flow from operations-Cash dividends)/(Property, plant, and equipment+Long-term investments+Non-current assets+Working capital)
6. Leverage
   (1) Operating leverage=(Operating revenue- variable operating costs and expenses)/Operating income
   (2) Financial leverage=Operating income/(Operating income-Interest expense)

Note 5: When measuring the above formula for calculating earnings per share, special attention should be paid to the following:

1. Use the weighted average number of common shares outstanding, not the year-end issued share base.
2. In the case of cash capital increases or treasury stock transactions, consider the period of circulation when calculating the weighted average number of shares.
3. In the case of earnings capitalization or capital surplus capitalization, when calculating the earnings per share of previous years and semi-annual periods, the increase ratio should be adjusted retrospectively, and the period of the increase should not be considered.
4. If the preferred stock is non-convertible cumulative preferred stock, its annual dividends (whether paid or not) should be deducted from or added to the net income after tax. If the preferred stock is non-cumulative, in the case of net income, the preferred stock dividend should be deducted from the net income after tax; if there is a loss, no adjustment is necessary.

Note 6: When measuring cash flow analysis, the following points should be carefully noted:

1. Net cash flow from operating activities refers to the net cash inflow in the cash flow statement from operating activities.
2. Capital expenditures refer to the annual cash outflow for capital investments.
3. Inventory increases are only calculated if the ending balance is greater than the beginning balance. If inventory decreases at the end of the year, it is calculated as zero.
4. Cash dividends include cash dividends for common and preferred stock.
5. Gross value of real estate, plants and equipment refers to the total value of real estate, plants and equipment before accumulated depreciation is deducted.

Note 7: The issuer should classify all operating costs and expenses into fixed and variable by nature. If any estimation or subjective judgment is involved, reasonableness should be considered and consistency should be maintained.

Note 8: If the stock has no par value or the par value per share is other than NT$10, the calculation of the ratio based on the subscribed capital shall be changed to the ratio based on the equity attributable to the parent company's owners in the balance sheet.

3. Audit Committee Review Report for the 2022 Financial Report:

Solytech Enterprise Corporation
2022 Audit Committee's Review Report

The 2022 business report, individual financial report, consolidated financial report, and appropriation of profit or loss of the Company were prepared by its Board of Directors and certified by Hsu, Yong-Jian and Wu, Han-Chi, PwC Taiwan, and issued an accountant audit report. The 2022 individual financial report, consolidated financial report, business report as well as the appropriation of profit or loss were reviewed by the Committee and found true and correct. The Committee hereby submits the aforementioned reports and proposal for approval in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Submitted during the:
2023 Annual Meeting of Shareholders of Solytech Enterprise Corporation

Convener of Audit Committee: Chung,Yi-Hao

March 30, 2023

4. Consolidated Financial Statements of the Parent Company and Subsidiaries Audited and Certified by CPAs of 2022:
   Please refer to Appendix 1, pages 73 to 139.
5. Individual Financial Reports Audited and Certified by CPAs of 2022:
   Please refer to Appendix 2, pages 140 to 205
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: None.

VII. Review and Analysis of Financial Status and Business Results and Risk Issues

1. Analysis of Financial Status

Unit: NT$ thousand dollars

Item \ Year	2021	2022	Discrepancy	
			Amount	%
Current assets	791,140	1,393,002	601,862	76.08
Investments accounted for using equity method	0	0	0	0
Property, plant, and equipment	82,104	44,169	(37,935)	(46.20)
Intangible assets and other assets	315,126	299,405	(15,721)	(4.99)
Total assets	1,188,370	1,736,576	548,206	46.13
Current liabilities	158,159	105,994	(52,165)	(32.98)
Non-current liabilities	3,907	45,071	41,164	1053.60
Total liabilities	162,066	151,065	(11,001)	(6.79)
Share capital	1,504,145	1,504,145	0	0
Capital surplus	3,539	585,480	581,941	16443.66
Retained earnings	(552,318)	(706,336)	(154,018)	27.89
Other equity	70,989	127,548	56,559	79.67
Non-controlling interests	(51)	74,674	74,725	(146519.61)
Total equity	1,026,304	1,585,511	559,207	54.49

Explanation of Changes:

1. Current assets: The increase in current assets is mainly due to the cash inflow from the disposal of partial equity in subsidiaries in fiscal year 2022.
2. Property, plant, and equipment: The reclassification of partial buildings as investment properties and disposal of some assets in fiscal year 2022 caused this change.
3. Total assets: Considering the above changes, total assets increased.
4. Current liabilities: The decrease in short-term borrowings and accounts payable at the end of fiscal year 2022 resulted in the decrease in current liabilities.
5. Non-current liabilities: The increase in the amount of security deposits received from leasing out buildings in fiscal year 2022 led to this change.
6. Capital surplus: The sale of partial equity in subsidiaries in fiscal year 2022 resulted in the difference between the sale price and the book value being credited to capital surplus.
7. Retained earnings: The net loss incurred in fiscal year 2022 led to this change.
8. Other equity: The increase in exchange differences resulting from the conversion of foreign currency funds borrowed and lent among subsidiaries of the Group led to this change.
9. Non-controlling interests: The increase in non-controlling interests at the end of fiscal year 2022 is mainly due to the sale of partial equity in subsidiaries.
10. Total equity: Considering the above changes, total equity increased.

2. Analysis of Financial Performance

(1) The main reasons for the significant changes in operating revenue, net profit, and pre-tax profit over the past two years are as follows:

Unit: NT$ thousand dollars

Item / Year	2021	2022	Increase or decrease	
			Amount	%
Revenue	355,816	237,989	(117,827)	(33.11)
Operating cost	(348,022)	(240,544)	107,478	(30.88)
Gross profit (loss)	7,794	(2,555)	(10,349)	(132.78)
Operating expenses	(148,935)	(150,156)	(1,221)	0.82
Other non-operating income and expenses	0	0	0	0
Operating loss	(141,141)	(152,711)	(11,570)	8.20
Non-operating revenue and expenses	122,608	(4,558)	(127,166)	(103.72)
Pre-Tax Income	(18,533)	(157,269)	(138,736)	748.59
Income tax expense	(5)	(30)	(25)	500.00
Net loss for the year	(18,538)	(157,299)	(138,761)	748.52
Other comprehensive income	1,475	61,824	60,349	4,091.46
Comprehensive Income	(17,063)	(95,475)	(78,412)	459.54
The year's net loss belongs to the parent company's owner.	(18,526)	(157,283)	(138,757)	748.99
Net comprehensive income attributable to the parent company's owners for the current year.	(17,052)	(97,459)	(80,407)	471.54

Explanation of the changes:

1. Revenue: The decrease in revenue in 2022 is mainly due to the impact of the epidemic on raw material costs, with some orders even having negative gross profit. As a result, some customers were eliminated, leading to a decrease in revenue.
2. Operating cost and gross profit: With the overall revenue decreasing throughout the year, operating costs also decreased proportionally. Additionally, due to the activation of assets, some factory buildings were gradually leased out and some production line employees were laid off, resulting in a one-time increase in costs. Operating costs changed by 30.88% over the two periods, and gross profit changed from a profit in 2021 to a loss.
3. Non-operating income and expenses: Due to the reversal of a liability provision estimated in 2020 from the sale of an overseas subsidiary, the changes in the two periods reached 103.72% in 2021.
4. Profit before tax, net profit for the year, total comprehensive income for the year, net profit attributable to owners of the parent company for the year, total comprehensive income attributable to owners of the parent company for the year: Overall, the net loss for 2022 increased compared to 2021.
8. Income tax expenses: The income tax expenses in 2022 are mainly due to interest income generated by fixed deposits of a subsidiary, with the estimated income tax for the year being recognized.
9. Other comprehensive income: The increase in exchange differences arising from foreign currency borrowings between the parent company and its subsidiaries resulted in a change in foreign operation financial reports.

(2) Expected Sales Volume and Its Basis

The Company's main products are power supplies and computer chassis products. Due to the significant price differences among our various products, it is not appropriate to use sales volume as a measurement basis. However, the overall sales strategy focuses on continuously developing new products to meet the increasing demand for sales orders.

(3) Possible Impact on the Company's Future Financial and Business Operations and Response Plan

The reasons for the changes in the Company's major business operations (e.g. adjustments to selling prices or costs, changes in product mix and quantities, or replacement of old and new products) and if significant changes have occurred or are expected to occur in the Company's operating policies, market conditions, economic environment, or other internal or external factors, the facts and effects of these changes and their potential impact on the Company's future financial and business operations, as well as the Company's plans to respond to these changes:

In recent years, both Taiwan and China have increased their basic wages, and the US-China trade war will have a significant impact on products exported to the US, resulting in a substantial increase in direct or indirect operating costs and significant changes in industry competition. However, this also provides the Company with an opportunity to adjust its future business model and set positive performance growth as the Company's goal.

By integrating the Company's existing resources and external resources appropriately, the Company aims to reduce costs and expand its customer base, maintain existing customers, and establish a good cooperation model to win in the competitive industry. The Company will use information integration to respond to rapidly changing industry environments. Looking forward, the Company will devote itself to the development of new products and strengthen its management mechanisms to cope with environmental changes.

3. Analysis of Cash Flow

(1) Explanation of the changes in cash flow for the year 2022:

Unit: NT$ Thousand

Cash at the beginning of the period	Net cash flows from operating activities for the full year	Full-year cash inflow	The amount of cash surplus (deficit)	Expected remedial measures for cash shortfall
				Investment plan and financial plan
528,907	1,445	(254,022)	274,885	None

Analysis of Cash Flow Changes in Fiscal Year 2022:

1. The pre-tax net loss of NT$157,269 thousand in 2022 was offset by a decrease in inventory and a net loss on the valuation of financial assets, resulting in a net cash inflow of NT$1,445 thousand from operating activities.
2. Due to the net inflow of NT$654,682 thousand from the disposal of equity interest in Deers Electronics (DONG GUAN) Co., Ltd. in 2022, the cash flow from investing activities was a net outflow of NT$250,257 thousand after deducting the amount of NT$917,806 thousand from the increase in interest income from converting bank current deposits into fixed-term deposits.
3. Financing activities had a net cash outflow of NT$41,881 thousand, primarily due to the repayment of bank short-term borrowings to reduce interest expenses, resulting in a net cash outflow of NT$70,000 thousand.
4. The impact of exchange rate changes for the current period was an additional cash outflow of NT$36,671 thousand. In total, the net cash outflow at the end of the period was NT$254,022 thousand.

(2) The plan to improve insufficient liquidity: None.

(3) Analysis of future one-year cash flow liquidity:

Unit: NT$ Thousand

Cash at the beginning of the period	Expected net cash flows from operating activities for the full year	Expected full-year cash inflow	Expected amount of cash surplus (deficit)	Expected remedial measures for cash shortfall
				Investment plan and financial plan
274,885	(64,298)	78,544	353,429	None

Note 1: Operating Activities: The Company expects a decrease in accounts payable, resulting in a net outflow from operating activities.

Note 2: Investment Plans: There are no significant investment plans.

Note 3: Financing Plans: The Company has sufficient funds on hand, and there is a net inflow of cash from financing activities.

4. The impact of significant capital expenditures on financial operations in the recent year.
   (1) Utilization and source of significant capital expenditures: None.
   (2) Expected benefits from significant capital expenditures: None.
5. Recent investment policy, main reasons for profits or losses, improvement plans, and investment plans for the next year:

Unit: NT$ Thousand

Item \ Explanation	Amount	Policy	Main reasons for profit or loss	Improvement plan	Investment plan for the next year
Ample Crown International Ltd.	(100,297)	Reinvestment in China	Insufficient capacity utilization resulted in operational losses for the subsidiary in China.	Continuously strengthening the operational management of subsidiaries and adjusting products	None

6. Analysis of Risk Management
   (1). Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures
      A. Interest rate
      As the interest rate for borrowing in TWD is relatively low and the borrowing amount of the Company is relatively small, the impact of interest expenses and rate fluctuations on the Company's profit and loss is minimal. In the future, the Company's financial department will continue to monitor changes in interest rates and keep in touch with banks to ensure favorable and flexible borrowing rates to minimize the impact of interest rate changes.
      B. Foreign exchange rates
      The Company is export-oriented, therefore, changes in foreign exchange rate impact the Company’s revenue and profits. To avoid the risk of foreign exchange rates, the manager of the Finance department is responsible for the Company’s risk management on the foreign exchange rates, by closely monitoring market trends, seeking advice from banks, and assessing hedging tools as needed. The Company also utilizes strict controls and tracking measures to manage our foreign currency positions and risk to minimize the impact of foreign exchange rates on our profits.
      C. Inflation
      The Company will continue to devote itself to reducing various costs, closely monitoring the supply and demand and price changes of raw materials, adjusting inventory promptly, and striving to reduce operating costs to reduce the impact on profits and losses. The Company will also closely monitor future changes in inflation and adjust product prices and raw material inventory appropriately.
   (2). Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions
      A. The Company has established "procedures for lending funds to others" and "procedures for endorsing guarantees" as the policy basis for lending funds to others and endorsement guarantee transactions. In 2022, the Company did not encounter significant events in lending funds to others or endorsing guarantees.
      B. The Company has established a "Procedure for Acquisition or Disposition of Assets" as the policy basis for engaging in derivative trading. In the future, the finance department of the Company will continue to pay close attention to foreign exchange rate trends and timely operate foreign exchange hedging tools to reduce the impact of exchange rate fluctuations on the Company's profits.。
   (3). Future Development Plan and Expected Development Expenses to be Invested
   To respond to market changes and competition and create product differentiation for competitive advantage, in the future, in addition to staying in the PC industry, the Company

will actively explore non-PC related industries, such as electric height-adjustable desks, camping RVs and yacht power cords, nano photocatalytic air purification products, and so on. In this process of change, a high-level R&D team is required to cooperate with each other, and most products are outsourced to OEM. The Company will focus on the design and development of new products internally to provide better services to customers and create higher revenue-added value. The estimated R&D expenses for 2023 are NT$30 million.

(4). Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales

The Company consistently pays close attention to any changes in local and foreign policies and makes appropriate amendments to our systems when necessary. As of the date of publication of this annual report, changes in related laws have not had a significant impact on our operations.

(5). Effects of and Response to Changes in Technology (Including Cyber Security Risk) and the Industry Relating to Corporate Finance and Sales

With the advancement of technology and the widespread use of mobile devices, the Company has implemented internal and external network isolation for these devices. Direct access to the Company's internal network from mobile devices is prohibited and must be filtered through security equipment such as firewalls, intrusion detection, antivirus detection, and security authentication. Over the years, the Company has dedicated significant resources, including human resources, materials, and funding, to research and development. The Company has developed new process technologies and materials in response to industry trends to ensure the Company's competitive advantage in the market.

(6). The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company’s Response Measures

Since its inception, the Company has consistently maintained an ethical business philosophy and fulfilled its social responsibilities. The Company has always maintained a good corporate image. Therefore, there is no impact on the Company due to changes in corporate image.

(7). Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans: None.

(8). Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans: None.

(9). Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration: None.

(10). Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10%: None.

(11). Effects of, Risks Relating to and Response to the Changes in Management Rights: None.

(12). Litigation or Non-Litigation Matters. If there has been any material impact upon shareholders' equity or prices for the Company's securities as a result of any litigation, non-litigious proceeding, or administrative dispute involving the Company that was finalized or remained pending during the most recent 2 fiscal years or during the current fiscal year up to the prospectus publication date, the prospectus shall disclose the facts in dispute, amount in dispute, commencement date, main parties involved, and current status of the case: None.

(13). Other Major Risks and countermeasures

A. Cyber Security: Strengthen the firewall and network controls to prevent virus intrusion.

B. Device Security: Install endpoint antivirus software according to computer types to enhance the detection of malicious software behavior.

C. Data Information Security: Implement data snapshot technology to prevent malicious virus tampering and implement the 3-2-1 backup principle for data backup. As hacker attack techniques continue to evolve and new methods emerge, it is impossible to eliminate the occurrence of network security attacks. However, the Company has implemented significant cybersecurity measures to minimize the impact of network threats.

7. Other Important Matters: None.

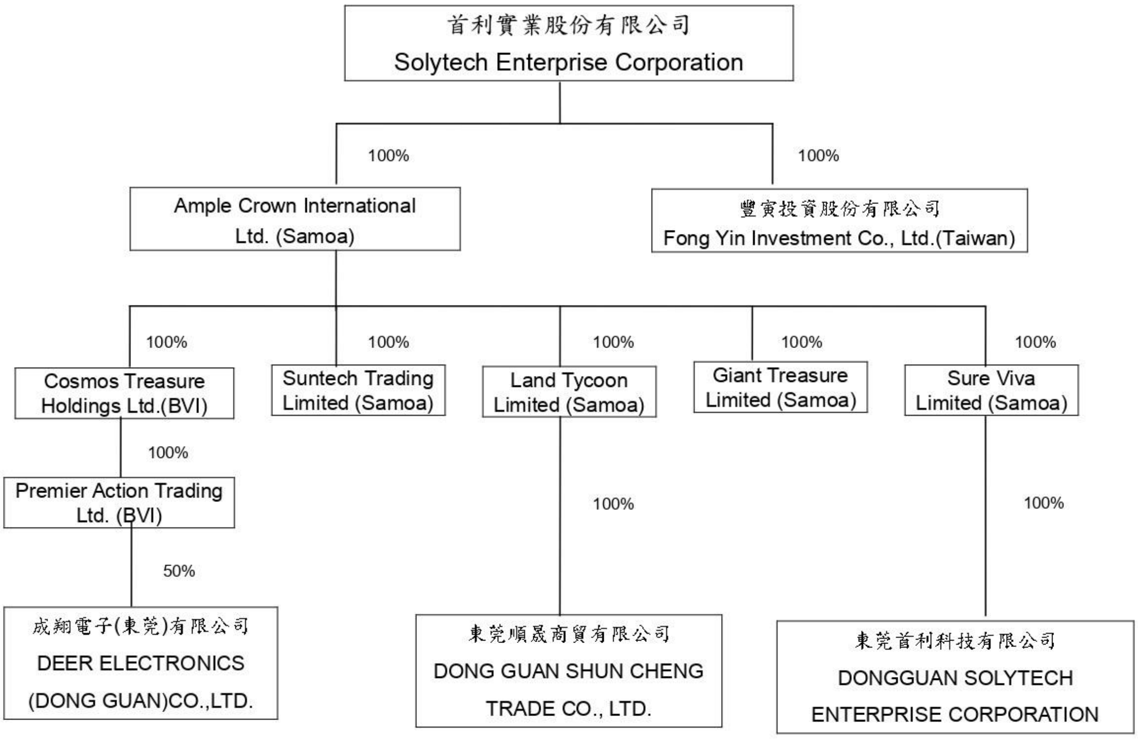
VIII. Special Disclosure

1. Information of affiliated enterprises

(1) Consolidated business report of the affiliated enterprises

A. Affiliated enterprises organization chart

12/31/2022



B. Basic information of affiliated enterprises

Name	Date of establishment	Address	Paid-in capital	Main business items
Ample Crown International Ltd.	2003.05.02	VISTRA CORPORATE SERVICES CENTRE, GROUND FLOOR NPF BUILDING, BEACH ROAD, APIA, SAMOA	US$64,390,001	Holding company
FONG YIN INVESTMENT CO., LTD.	2009.11.13	3F., No. 18, Wuquan 7th Rd., Wugu Dist., New Taipei City 248020 , Taiwan (R.O.C.)	NTD14,500,000	Investment company
Cosmos Treasure Holdings Ltd.	2004.07.02	VISTRA CORPORATE SERVICES CENTRE, WICKHAMS CAY II, ROAD TOWN, TORTOLA, VG1110, BRITISH VIRGIN ISLANDS	US$64,320,000	Holding company
Suntech Trading Limited	2003.10.31	VISTRA CORPORATE SERVICES CENTRE, GROUND FLOOR NPF BUILDING, BEACH ROAD, APIA, SAMOA	US$1	Redirect company
Land Tycoon Limited	2016.05.25	VISTRA CORPORATE SERVICES CENTRE, GROUND FLOOR NPF BUILDING, BEACH ROAD, APIA, SAMOA	US$70,001	Holding company
Giant Treasure Limited	2016.05.25	VISTRA CORPORATE SERVICES CENTRE, GROUND FLOOR NPF BUILDING, BEACH ROAD, APIA, SAMOA	US$1	Holding company
Sure Viva Limited	2016.05.25	VISTRA CORPORATE SERVICES CENTRE, GROUND FLOOR NPF BUILDING, BEACH ROAD, APIA, SAMOA	US$1	Holding company
Premier Action Trading Ltd.	2005.01.01(Note1)	VISTRA CORPORATE SERVICES CENTRE, WICKHAMS CAY II, ROAD TOWN, TORTOLA, VG1110, BRITISH VIRGIN ISLANDS	US$44,820,000	Holding company
DEER ELECTRONICS (DONG GUAN) CO., LTD.	2005.01.01(Note1)	Red Gate Mountain Industrial Zone, Changshantou, Qingxi Town, Dongguan City, China.	US$29,320,000	Manufacturing and selling power supplies, transformers, converters, and other electronic products for computers
DONG GUAN SHUN CHENG TRADE CO., LTD.	2020.02.28	No.19, Jinpeng Road, Fenggang Town, Dongguan City, Guangdong Province, China.	US$70,000	Buy and sale of computer chassis
DONGGUAN SOLYTECH ENTERPRISE CORPORATION	2010.01.05	Red Gate Mountain Industrial Zone, Changshantou, Qingxi Town, Dongguan City, China.	US$15,500,000	Manufacturing and selling power supplies, transformers, converters, and other electronic products for computers

Note 1: Purchase date

C. Information on the common shareholders of entities deemed to have control and subordinate relationships: None

D.Information on directors, supervisors, and general managers of affiliated enterprises

Company	Title	Name or representative	Shareholdings	%
Ample Crown International Ltd.	Director	Solytech Enterprise Corporation Representative: Cheng, Chieh, Cheng, Hsiang, Lee, Chen-Nan	64,390,001	100%
FONG YIN INVESTMENT CO., LTD.	Directors and supervisors	Solytech Enterprise Corporation Director: Cheng, Chieh, Cheng, Hsiang, Chiu,Chih-Wei Supervisor: Ta-Chiun, Lin	14,500,000	100%
Cosmos Treasure Holdings Ltd.	Director	Ample Crown International Ltd. Representative: Cheng, Chieh, Cheng, Hsiang, Lee, Chen-Nan	64,320,000	100%
Suntech Trading Limited	Director	Ample Crown International Ltd. Representative: Cheng, Chieh, Cheng, Hsiang, Lee, Chen-Nan	1	100%
Land Tycoon Limited	Director	Ample Crown International Ltd. Representative: Cheng, Chieh	70,001	100%
Giant Treasure Limited	Director	Ample Crown International Ltd. Representative: Cheng, Chieh	1	100%
Sure Viva Limited	Director	Ample Crown International Ltd. Representative: Cheng, Chieh	1	100%
Premier Action Trading Ltd.	Director	Cosmos Treasure Holdings Ltd. Representative: Cheng, Chieh, Cheng, Hsiang, Lee, Chen-Nan	44,820,000	100%
DEER ELECTRONICS (DONG GUAN) CO., LTD.	Director	Premier Action Trading Ltd. Representative: Lee, Chen-Nan	US$14,660,000 (Note 1)	50%
DONG GUAN SHUN CHENG TRADE CO., LTD.	Director	Land Tycoon Limited Representative: Yang, Shou Wen	US$70,000 (Note 1)	100%
DONGGUAN SOLYTECH ENTERPRISE CORPORATION	Director	Sure Viva Limited Representative: Yang, Shou Wen	US$15,500,000 (Note 1)	100%

Note 1: DEER ELECTRONICS (DONG GUAN) CO., LTD., DONGGUAN SOLYTECH ENTERPRISE CORPORATION., and DONG GUAN SHUN CHENG TRADE CO., LTD. all three companies have no actual issued shares, therefore their capital contributions are recorded instead.

E. Operation Overview of Affiliated Enterprise:

Unit: NT$ thousand

Company	Total Assets	Total liabilities	Net worth	Operating revenue	Operating profit	Profit and loss for the period
Ample Crown International Ltd.	984,504	0	984,504	0	0	(100,297)
FONG YIN INVESTMENT CO., LTD.	18,342	15	18,327	0	0	2,015
Suntech Trading Limited	49,617	39,789	9,828	67,389	(3,027)	(1,659)
Cosmos Treasure Holdings Ltd.	1,406,102	0	1,406,102	0	(96)	(224,189)
Giant Treasure Limited	0	0	0	0	0	0
Land Tycoon Limited	(15,565)	0	(15,565)	0	0	(9,697)
Sure Viva Limited	(415,861)	0	(415,861)	0	0	135,248
Premier Action Trading Ltd.	659,670	6	659,664	0	0	(240,339)
DEER ELECTRONICS (DONG GUAN) CO., LTD.	401,613	342,162	59,451	175,133	(15,020)	(259,512)
DONGGUAN SOLYTECH ENTERPRISE CORPORATION	25,593	441,454	(415,861)	0	(11,428)	135,248
DONG GUAN SHUN CHENG TRADE CO., LTD.	9,224	24,789	(15,565)	55,138	(8,275)	(9,697)
Shenzhen Qianhai Shunsheng Technology Co., Ltd.	24	295	(271)	0	(64)	(64)
Henan Shouxiang Electronics Co., Ltd. (Note1)	279,908	586,550	(306,642)	700,098	(37,703)	(43,857)

Note1: Henan Shouxiang Electronics Co., Ltd., formerly known as Henan Jizhi Union Electronics Co., Ltd.

(2) Consolidated Financial Statements of Affiliated Enterprise:

Solytech Enterprise Corporation and its subsidiaries

Statement for Consolidated Financial Statements of Affiliated Enterprise

During the fiscal year 2022 (from January 1, 2022 to December 31, 2022), the Company, which should be included in the preparation of the consolidated financial statements of related companies according to the criteria for the preparation of consolidated financial statements of related companies and related reports in the consolidated business report, is the same as that which should be included in the preparation of the consolidated financial statements of parent and subsidiary companies in accordance with International Financial Reporting Standard No. 10. Furthermore, the relevant information that should be disclosed in the consolidated financial statements of related companies has already been disclosed in the aforementioned consolidated financial statements of parent and subsidiary companies. Therefore, no separate consolidated financial statements of related companies will be prepared.

Hereby declare.

Company: Solytech Enterprise Corporation
Chairman: Cheng, Chieh
03/30/2023

(3) Affiliated enterprise report: None.

2. Private placement of securities during the most recent year and up to the date of printing of this annual report: None.
3. Holding or disposal of the Company's stock by subsidiaries during the most recent year and up to the date of printing of this annual report: None.
4. Other necessary supplementary explanations: None.

IX. Matters in the Past Year and as of the Date of Publication of the Annual Report Which Have a Substantial Impact on Owner's Equity as Stipulated in Item 2, Paragraph 2 of Article 36 of the Securities Exchange Law: None.

Appendix 1
Consolidated Financial Report of 2022

Solytech Enterprise Corporation and Subsidiaries

Representation Letter

The entities that are required to be included in the combined financial statements of Solytech Enterprise Corporation and Subsidiaries as of and for the year ended December 31, 2022, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, “Consolidated Financial Statements”. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Solytech Enterprise Corporation and Subsidiaries and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

Solytech Enterprise Corporation and Subsidiaries

March 30, 2023

INDEPENDENT AUDITORS' REPORT

(112) No. Cai-Shen-Bao-22004856

The Board of Directors and Shareholders
Solytech Enterprise Corporation

Opinion

We have audited the accompanying consolidated financial statements of Solytech Enterprise Corporation and Subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the accompanying consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the International Financial Reporting Standards that have been approved by and published by the Financial Supervision Commission, International Accounting Standards and Standing Interpretations Committee.

Basis for Opinion

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

Key Audit Matters

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

Key audit matter for the Group's consolidated financial statements for the year ended December 31, 2022 is stated as follows:

Assessment of Allowance for inventory valuation losses

Explanatory Notes

Please refer to Note 4(13) for the accounting policy related to inventory valuation, Note 5(2) for the accounting estimation and uncertainties for inventory valuation, and Note 6(5) for the explanation of the allowance for inventory valuation losses, as disclosed in the consolidated financial statements. The balance of Inventories and Allowance for inventory valuation losses of the Group were NT$92,799 thousand and NT$24,596 thousand as of December31, 2022.

The Group manufactures and sales power supplies and computer cases. Due to the short life cycle and intense market competition of electronic products, there is a higher risk of inventory valuation losses and obsolescence. The inventories of the Group are evaluated by Lower of Cost or Market Method; for inventory that has exceeded a certain age and for specifically identified obsolete inventory, the net present value is based on historical market price information for dealing with obsolete inventory.

Due to the rapid technological changes in the industry of the Group and the high subjectivity involved in the assessment of obsolete inventories and the Lower of Cost or Market method used for their valuation, there is a high degree of estimation uncertainty. Considering the significant impact of Allowance for inventory valuation losses on the financial statements, we believe that the assessment of Allowance for inventory valuation losses of the Group is one of the most important audit matters for the year.

Audit procedures in response

Our audit procedures regarding the provision for inventory obsolescence and impairment of specific obsolete inventories aged beyond a specific period are summarized as follows:

1. Based on our understanding of the Group's operations and industry, we evaluated the reasonableness of the policy and procedures adopted by the Group for the Allowance for inventory valuation losses.
2. We verified the appropriateness of the inventory aging report system used by the Group for inventory valuation to ensure the consistency with the policy in the report.
3. We discussed with the management and obtained supporting documents on the net realizable value of specific obsolete and damaged inventories, and evaluated the reasonableness of the Allowance for inventory valuation losses.

Assessment of Allowance for uncollectible accounts receivables (including other receivables)

Explanatory Notes

Please refer to Note 4(10) "Financial Assets Impairment" in the consolidated financial statements for the accounting policy on the evaluation of Allowance for uncollectible accounts receivables. For information on the accounting estimation and uncertainties related to the impairment of Accounts receivables, please refer to Note 5(2) in the consolidated financial statements. For details on the Allowance for uncollectible accounts receivables, please refer to Note 6(4) and 7(2) in the consolidated financial statements. As of December 31, 2022, the Accounts receivables of the Group was NT$81,443 thousand (of which NT$49,442 thousand was deducted for Allowance for uncollectible accounts receivables).

The Group's Allowance for uncollectible accounts receivables is estimated based on historical experience, forward-looking information, and other known reasons or objective evidence of expected impairment losses. Any estimated uncollectible amount is recognized as an allowance for Accounts receivables in the current period. The Group regularly review the reasonableness of their loss estimation. Due to the subjective judgment of management in assessing the Allowance for uncollectible accounts receivables and the estimation uncertainty associated with various industry indicators and the likelihood of collecting accounts after the reporting period, we consider the evaluation of the Allowance for uncollectible accounts receivables of the Group as one of the most significant matters in the current audit, considering its material impact on the financial statements.

Audit procedures in response

The procedures performed by the auditor in response to the aforementioned matters are as follows:

1. Based on the understanding of the Group's operations and customer credit standards and in accordance with accounting principles, evaluate the reasonableness of the policies and procedures adopted for the Allowance for uncollectible accounts receivables, including the grouping and aging analysis of customer credit standards.
2. Evaluate the reasonableness of the estimated Allowance for uncollectible accounts receivables by management.
3. Evaluate the reasonableness of the Group's expected impairment loss estimation based on the adoption of the provision matrix.
4. Perform subsequent receivables tests to substantiate the adequacy of the Allowance for uncollectible accounts.

Fair value of financial assets - unlisted (OTC) equity securities in illiquid markets

Explanatory Notes

Regarding the accounting policy for measuring the fair value of financial assets - unlisted (OTC) equity securities in illiquid markets, please refer to Note 4(7) of the consolidated financial statements; for the accounting estimation and uncertainties related to fair value measurement, please refer to Note 5(2) of the consolidated financial statements; and for the explanation of fair value measurement of financial instruments, please refer to Note 12(3) of the consolidated financial statements.

The Group’s unlisted (OTC) equity investments in companies with illiquid market are recognized as financial assets measured at fair value through profit or loss. The management uses Market Approach for evaluating the fair value of these investments, with the main assumption of the determination of comparable companies and obtaining their most recent published carrying amount per share as a reference, as well as a deduction for market liquidity. Due to the subjectivity of fair value measurement of financial instruments, which relies on management's judgment and involves multiple assumptions and significant unobservable inputs, any changes in judgment and estimation may significantly impact the accounting estimation and have a high degree of estimation uncertainty. As the fair value measurement of unlisted (OTC) equity investments in companies with no active market has a significant impact on the current consolidated financial statements, we consider it one of the most important audit matters.

Audit procedures in response

The procedures undertaken with respect to the fair value measurement of unlisted stocks in inactive markets held by the Group are summarized as follows:

1. Understand and evaluate the Group's policies and procedures for the fair value measurement and disclosure of unlisted stocks in inactive markets, and the related valuation process.
2. Obtain the valuation expert's report used by the Group, and assess the expert's independence, expertise, and objectivity.
3. Evaluate the reasonableness of selecting comparable companies in the valuation report, including assessing the similarities between the business characteristics of the comparing objects and the Group under review, and comparing with other comparable market benchmarks.
4. Review the input values and calculation formulas used in the valuation model, and verify the relevance and reliability of the relevant information and supporting documents.

Other Matter–To issue an audit report on the parent company only financial statements

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the

reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

PricewaterhouseCoopers Taipei, Taiwan

Yong Jian Syu
CPA

Han Ci Wu

Former Securities Administration Commission of the Ministry of Finance
Approved Assurance No. : (84) No. Taiwan-Financial-Securities-VI-13377
Former Securities and Futures Administration Commission of the Ministry of Finance
Approved Assurance No. : (90) No. Taiwan-Financial-Securities-VI-157088

March 30, 2023

SOLYTECH ENTERPRISE CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%
	Current Assets					
1100	Cash and cash equivalents	6(1)	$ 274,885	16	$ 528,907	45
1136	Current Financial assets at amortized cost	6(3)	917,806	53	-	-
1170	Accounts receivables, net	6(4)	59,855	3	65,943	6
1200	Other receivables	7	21,588	1	20,065	2
130X	Inventories	6(5)	68,203	4	129,650	11
1410	Prepayments		26,792	2	29,242	2
1479	Other current assets, others	8	23,873	1	17,333	1
11XX	Current Assets		1,393,002	80	791,140	67
	Non-current assets					
1510	Financial assets at fair value through profit or loss – non-current	6(2)	94,877	5	141,294	12
1600	Property, plant and equipment	6(6) and 8	44,169	3	82,104	7
1755	Right-of-use assets	6(7)	17,192	1	9,807	1
1760	Investment property - net	6(9) and 8	165,166	10	146,610	12
1900	Other non-current assets	6(11) (14)	22,170	1	17,415	1
15XX	**Non-current assets**		343,574	20	397,230	33
1XXX	**Total assets**		$ 1,736,576	100	$ 1,188,370	100

(Continued)

SOLYTECH ENTERPRISE CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%
	Current Liabilities					
2100	Short-term borrowings	6(12)	$ -	-	$ 70,000	6
2170	Accounts payable		38,903	2	59,472	5
2200	Other payables	6(13)	34,129	2	25,540	2
2230	Current income tax liabilities		16	-	-	-
2250	Current provisions	6(15)	6,176	-	-	-
2280	Current Lease liabilities		10,923	1	2,217	-
2399	Other current liabilities, others		15,847	1	930	-
21XX	**Current Liabilities**		105,994	6	158,159	13
	Non-current liabilities					
2580	Non-current lease liabilities		6,438	1	110	-
2600	Other non-current liabilities		38,633	2	3,797	1
25XX	**Non-current liabilities**		45,071	3	3,907	1
2XXX	**Total Liabilities**		151,065	9	162,066	14
	Equity attributable to owners of the parent					
	Share capital	6(16)				
3110	Share capital - common stock		1,504,145	87	1,504,145	127
	Capital surplus	6(17)				
3200	Capital surplus		585,480	34	3,539	-
	Retained earnings	6(18)				
3350	Accumulated deficit		(706,336)	(41)	(552,318)	(47)
	Other equity	6(19)				
3400	Other equity interest		127,548	7	70,989	6
31XX	**Equity attributable to owners of the parent**		1,510,837	87	1,026,355	86
36XX	Non-controlling interests	6(19)	74,674	4	(51)	-
3XXX	**Total equity**		1,585,511	91	1,026,304	86
	Significant contingent liabilities and unrecognised contract commitments	9				
3X2X	**Total liabilities and equity**		$ 1,736,576	100	$ 1,188,370	100

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

Chairperson：Cheng, Chieh　　Manager：Cheng, Chieh　　Accounting Manager：Lin, Ta-Chiun

SOLYTECH ENTERPRISE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except for the loss per share in New Taiwan dollars)

	Items	Notes	2022 Amount	2022 %	2021 Amount	2021 %
4000	Sales revenue	6(20) and 14	$ 237,989	100	$ 355,816	100
5000	Operating costs	6(5)	(240,544)	(101)	(348,022)	(98)
5900	Gross (loss) profit from operations		(2,555)	(1)	7,794	2
	Operating expenses	6(23)				
6100	Selling expenses		(31,269)	(13)	(29,480)	(8)
6200	General & administrative expenses		(98,665)	(42)	(108,649)	(31)
6300	Research and development expenses		(10,279)	(4)	(11,064)	(3)
6450	Expected credit gains (losses)	12(2)	(9,943)	(4)	258	-
6000	Total operating expenses		(150,156)	(63)	(148,935)	(42)
6900	Operating loss		(152,711)	(64)	(141,141)	(40)
	Non-operating income and expenses					
7100	Interest income		6,816	3	446	-
7010	Other income	6(21)	59,522	25	49,732	14
7020	Other gains and losses	6(22)	(69,721)	(29)	73,956	21
7050	Finance costs		(1,175)	(1)	(1,526)	-
7000	Total non-operating income and expenses		(4,558)	(2)	122,608	35
7900	**Loss before income tax**		(157,269)	(66)	(18,533)	(5)
7950	Income tax expense	6(25)	(30)	-	(5)	-
8200	**Loss for the year**		($ 157,299)	(66)	($ 18,538)	(5)
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Gains on remeasurements of defined benefit plan	6(14)	$ 3,265	1	$ 873	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation of foreign financial statements		58,559	25	602	-
8300	**Other comprehensive income for the year**		$ 61,824	26	$ 1,475	-
8500	**Total comprehensive income for the year**		($ 95,475)	(40)	($ 17,063)	(5)
	Loss attributable to:					
8610	Owners of the parent		($ 157,283)	(66)	($ 18,526)	(5)
8620	Non-controlling interests		(16)	-	(12)	-
	Total		($ 157,299)	(66)	($ 18,538)	(5)
	Comprehensive income attributable to:					
8710	Owners of the parent		($ 97,459)	(41)	($ 17,052)	(5)
8720	Non-controlling interests		1,984	1	(11)	-
	Total		($ 95,475)	(40)	($ 17,063)	(5)
	Losses per share	6(26)				
9750	Basic and diluted losses per share		($ 1.05)		($ 0.12)	

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

Chairperson：Cheng, Chieh Manager：Cheng, Chieh Accounting Manager：Lin, Ta-Chiun

SOLYTECH ENTERPRISE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Common stock	Capital surplus: Difference between consideration and carrying amount of subsidiaries acquired or disposed	Capital surplus: Changes in recognition of equity	Accumulated deficit	Exchange differences on translation of foreign financial statements	Total	Non-controlling interests	Total equity
		EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT							
2021									
Balance at January 1		$ 1,504,145	$ -	$ 3,539	($ 534,665)	$ 70,388	$ 1,043,407	($ 40)	$ 1,043,367
Net loss for the year		-	-	-	(18,526)	-	(18,526)	(12)	(18,538)
Other comprehensive income	6(14)	-	-	-	873	601	1,474	1	1,475
Total comprehensive (loss) income		-	-	-	(17,653)	601	(17,052)	(11)	(17,063)
Balance at December 31		$ 1,504,145	$ -	$ 3,539	($ 552,318)	$ 70,989	$ 1,026,355	($ 51)	$ 1,026,304
2022									
Balance at January 1		$ 1,504,145	$ -	$ 3,539	($ 552,318)	$ 70,989	$ 1,026,355	($ 51)	$ 1,026,304
Net loss for the year		-	-	-	(157,283)	-	(157,283)	(16)	(157,299)
Other comprehensive income	6(14)	-	-	-	3,265	56,559	59,824	2,000	61,824
Total comprehensive (loss) income		-	-	-	(154,018)	56,559	(97,459)	1,984	(95,475)
Difference between consideration and carrying amount of subsidiaries disposed	6(19)	-	581,941	-	-	-	581,941	-	581,941
Changes in non-controlling interests	4(3)	-	-	-	-	-	-	72,741	72,741
Balance at December 31		$ 1,504,145	$ 581,941	$ 3,539	($ 706,336)	$ 127,548	$ 1,510,837	$ 74,674	$ 1,585,511

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

Chairperson：Cheng, Chieh Manager：Cheng, Chieh Accounting Manager：Lin, Ta-Chiun

SOLYTECH ENTERPRISE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income (loss) before income tax		($ 157,269)	($ 18,533)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense (including investment property and right-of-use assets)	6(23)	21,106	19,849
Amortization expense	6(23)	1,275	1,307
Expected credit losses (gains)	12(2)	9,943	(258)
Impairment loss	6(10)	-	5,975
Net loss on financial assets at fair value through profit or loss	6(22)	46,417	22,257
Gain on disposal of investment		-	(127,947)
Gain on disposal of property, plant and equipment	6(22)	(4,770)	(36)
Loss on disposal of investment property	6(22)	5,679	-
Interest income		(6,816)	(446)
Dividend income	6(21)	(120)	-
Interest expense		1,175	1,526
Changes in operating assets and liabilities:			
Changes in operating assets			
Accounts receivables		5,268	41,727
Other receivables (including related parties)		6,933	55,051
Inventory		63,210	(30,721)
Prepayments		2,716	(16,379)
Other current assets		(6,535)	1,509
Other non-current assets		(2,379)	253
Changes in operating liabilities			
Accounts payable (including related parties)		(15,800)	(48,787)
Other payables		9,120	(26,824)
Provisions	6(15)	6,053	(554)
Other current liabilities		13,584	(4,171)
Cash outflow generated from operations		(1,210)	(125,202)
Interest received		4,799	446
Interest paid		(2,013)	(1,576)
Income tax paid		(251)	(47)
Cash dividends received		120	-
Net cash flows from (used in) operating activities		1,445	(126,379)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of financial assets at amortized cost		(917,806)	-
Acquisitions of property, plant and equipment	6(27)	(6,442)	(2,819)
Proceeds from disposal of property, plant and equipment		23,283	108
Proceeds from disposal of subsidiaries		654,682	-
Acquisition of investment property	6(9)	(3,974)	-
Increase in other non-current assets		-	(67)
Net cash used in investing activities		(250,257)	(2,778)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings		120,000	270,000
Repayments of short-term borrowings		(190,000)	(280,000)
Repayments of long-term borrowings		-	(30,224)
Payments of lease liabilities	6(7)	(6,627)	(2,193)
Increase (decrease) in other non-current liabilities		34,746	(340)
Net cash used in financing activities		(41,881)	(42,757)
Effect of exchange rate		36,671	2,193
Net decrease in cash and cash equivalents		(254,022)	(169,721)
Cash and cash equivalents at beginning of year		528,907	698,628
Cash and cash equivalents at end of year		$ 274,885	$ 528,907

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

Chairperson：Cheng, Chieh　　Manager：Cheng, Chieh　　Accounting Manager：Lin, Ta-Chiun

Solytech Enterprise Corporation and Subsidiaries
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in Thousands of New Taiwan Dollars)
(Unless Specified otherwise)

I. GENERAL

Solytech Enterprise Corporation (the "Corporation") was incorporated on October 21, 1982. The main business activities of the corporation and its subsidiaries (the "Group") include manufacturing and selling power supplies, computer cases, and electronic components.

II. THE AUTHORIZATION OF FINANCIAL STATEMENTS

The accompanying consolidated financial statements were authorized for issue by the Board of Directors on March 30, 2023.

III. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

i. The impact of the newly adopted and revised International Financial Reporting Standards (IFRS) applied the endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The following table lists the standards and interpretations of the newly adopted, revised, and amended IFRS under the FSC's approval and effective as of the year 2022.

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 3「Conceptual Framework Index」	January 1, 2022
Amendments to IAS 16「Property Plant and Equipment：The price prior to achieving the predetermined usage status」	January 1, 2022
Amendments to IAS 37「Loss-making contract - Cost of fulfilling contract」	January 1, 2022
2018-2020 Annual improvement in the cycle	January 1, 2022

After assessing the above standards and interpretations, the Group has determined that there is no significant impact on the Group's financial condition and performance.

ii. The impact of the not yet adopted and revised International Financial Reporting Standards (IFRS) applied the endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The following table lists the standards and interpretations of the newly adopted, revised, and amended IFRS under the FSC's approval as of the year 2023.

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 1「Disclosures of accounting policies」	January 1, 2022
Amendments to IFRS 8「Definition of accounting estimates」	January 1, 2022
Amendments to IFRS 12「Deferred taxes related to assets and liabilities arising from transactions with a single transaction」	January 1, 2022

After assessing the above standards and interpretations, the Group has determined that there is no significant impact on the Group's financial condition and performance.

iii. The impact of IFRSs issued by IASB but not yet endorsed and issued into effect by the FSC

The following table lists the standards and interpretations of the newly adopted, revised, and amended IFRS issued by the IASB but not yet approved by FSC.

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 10 and IAS 28「Disposals or contributions of assets between an investor and its related entities or joint ventures」	To be determined by IASB
Amendments to IFRS 16「Lease liability from sale and leaseback」	January 1, 2024
IFRS 17「Insurance Contracts」	January 1, 2023
Amendments to IFRS 17「Insurance Contracts」	January 1, 2023
Amendments to IFRS 17「First-time adoption of IFRS 17 and IAS 9 – comparative information」	January 1, 2023
Amendments to IAS 1「Classification of current or noncurrent liabilities」	January 1, 2024
Amendments to IAS 1「Noncurrent liabilities with contract clause」	January 1, 2024

After assessing the above standards and interpretations, the Group has determined that there is no significant impact on the Group 's financial condition and performance.

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The main accounting policies adopted in this consolidated financial report are explained as follows. Unless otherwise indicated, these policies are consistently applied throughout all reporting periods.

i. Statement of Compliance

The accompanying consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the International Financial Reporting Standards that have been approved by and published by the Financial Supervision Commission, International Accounting Standards and Standing Interpretations Committee (collectively, "Taiwan-IFRSs").

ii. Basis of Preparation

1. The consolidated financial statements have been prepared on a historical cost basis, except for:
   (1) Financial assets measured at fair value through profit or loss.
   (2) Defined benefit assets recognized as the net amount of retirement fund assets reduced by the present value of defined benefit obligations.
2. The preparation of financial statements in accordance with the IFRSs requires the use of significant accounting estimates and the application of management judgments in the process of applying the Group's accounting policies. For items involving significant judgments or complexity, or significant assumptions and estimates for consolidated financial statements, please refer to Note 5.

iii. Basis of Consolidation

1. The basis for the consolidated financial statements

(1) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(2) All intra-group transactions, balances, and unrealized gains and losses are eliminated in full. Appropriate adjustments of accounting policies of the subsidiaries have been made to be uniform with the accounting policies of the Group.

(3) Components of profit or loss and other comprehensive income of subsidiaries are attributed to the shareholders of the parent company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the shareholders of the parent company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(4) Changes in parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (ig. transactions with non-controlling interests) are equity transactions, which are transactions with owners in their capacity as owners. The differences between the adjustment amount of non-controlling interests and the fair value of consideration paid or received are recognized in equity.

2. Subsidiaries included in the consolidated financial statements are as follows：

			Percentage of ownership		
Investor	Subsidiary	Main business	December 31, 2022	December 31, 2021	Note
Solytech Enterprise Corporation	AMPLE CROWN INTERNATIONAL LTD.	Holding company	100	100	
Solytech Enterprise Corporation	FONG YIN INVESTMENT CO., LTD.	Investment company	100	100	
AMPLE CROWN INTERNATIONAL LTD.	SUNTECH TRADING LTD.	Order swapping company	100	100	
AMPLE CROWN INTERNATIONAL LTD.	COSMOS TREASURE HOLDINGS LTD.	Holding company	100	100	
AMPLE CROWN INTERNATIONAL LTD.	GIANT TREASURE LIMITED	Holding company	100	100	
AMPLE CROWN INTERNATIONAL LTD.	LAND TYCOON LIMITED	Holding company	100	100	
AMPLE CROWN INTERNATIONAL LTD.	SURE VIVA LIMITED	Holding company	100	100	

COSMOS TREASURE HOLDINGS LTD.	PREMIER ACTION TRADING LTD.	Holding company	100	100	

Investor	Subsidiary	Main business	Percentage of ownership December 31, 2022	Percentage of ownership December 31, 2021	Note
SURE VIVA LIMITED	DONGGUAN SOLYTECH ENTERPRISE CORPORATION	Manufacturing power suppliers	100	100	
PREMIER ACTION TRADING LTD.	DEER ELECTRONICS(DONGGUAN) CO.,LTD	Manufacturing power suppliers	50	100	Note
LAND TYCOON LIMITED	DONG GUAN SHUN SHENG TRADE CO.,LTD	Buying and selling computer cases	100	100	
DONGGUAN SOLYTECH ENTERPRISE CORPORATION	SHENZHEN QIANHAI SHUN CHENG ENTERPRISE CORPORATION	Developing and selling electronic system equipment	75	75	

In consideration of business strategies and asset revitalization, on May 31, 2022, the Board of Directors resolved to dispose of 50% equity interest in DEER ELECTRONICS(DONG GUAN) CO.,LTD to DONG GUAN NENG GUANG INDUSTRIAL INVESTMENT CO.,LTD.

3. Subsidiaries excluded from the consolidated financial statements：None.
4. Adjustments and treatments for subsidiaries with different balance sheet dates：None.
5. Significant restrictions：None.
6. Details of subsidiaries that have material non-controlling interests：

   (1)Transaction with non-controlling interest

   In consideration of business strategies and asset revitalization, on May 31, 2022, the Board of Directors resolved to dispose of 50% equity interest in DEER ELECTRONICS(DONG GUAN) CO.,LTD（”DEER”）to DONG GUAN NENGGUANG INDUSTRIAL INVESTMENT CO.,LTD（”NENGGUANG”）. The transaction price was determined based on an independent expert valuation report, and the total transaction price was RMB $152,500 thousand, which was received on November 29, 2022. The difference after deducting the cost is $581,941. As a result, since the transaction did not result in the loss of control over DEER, the capital surplus is recognized. Prior to the equity transfer, all expenses, liabilities, and taxes incurred by DEER, including any associated receivables and payables, were handled by the seller. After the equity transfer, NENGGUANG is entitled to the rent income from DEER 's land and factory in proportion to its ownership (after deducting relevant expenses), and the remaining operating performance of DEER, after deducting the aforementioned rent income, is fully enjoyed by the seller. The equity changes of DEER attributable to shareholders of the parent in 2022 are as follows:

	2022 Non-controlling interest
Carrying amount of disposal of non-controlling interest (not losing control)	($ 72,741)
onsideration received from non-controlling interest	654,682
Capital surplus-the difference between actual equity price from gain or disposal of subsidiaries and carrying amount	$ 581,941

(2)The Group's significant information of non-controlling interest:

Name of subsidiary	Main operating location	Non-controlling interest December 31, 2022 Amount	Percentage of ownership	Note
DEER ELECTRONICS(DONG GUAN) CO.,LTD	Mainland China	$74,742	50%	

DEER ELECTRONICS(DONG GUAN) CO.,LTD summarized financial information：

Balance sheet

	December 31, 2022
Current assets	$ 230,919
Noncurrent assets	170,431
Current liabilities	(299,067)
Noncurrent liabilities	(42,832)
Total net asset	$ 59,451

Statements of comprehensive income

	2022
Revenue	$ 14,621
Income from operations	1,442
Other comprehensive income, net of income tax	-
Total comprehensive income	$ 1,442
Total comprehensive income contributable to non-controlling interest	$ 2,001
Dividends paid to non-controlling interest	$ -

Statements of cash flow

	2022
Net cash generated by operating activities	$ 4,697
Net cash generated by investing activities	-
Net cash generated by financing activities	(6,305)
Effect of exchanges rate changes on cash and cash equivalents	965
Net decrease in cash and cash equivalents	(643)
Cash and cash equivalents, beginning of year	48,213
Cash and cash equivalents, end of year	$ 47,570

iv. Translation of foreign currencies

1. The items included in the entities of the Group's financial statements are measured by the currency used in the primary economic environment where the entities operate (functional currency). The consolidated financial statements are expressed in the Company's functional currency, "New Taiwan Dollar."
2. Foreign Currencies Transactions and Balances
   (1) Foreign currency transactions are translated into functional currency using exchange rates prevailing on the transaction or measurement date. Exchange

differences arising on the translation are recognized as gain or loss of the current period.

(2) Foreign currency of monetary assets and liabilities are revalued using exchange rate prevailing on the balance sheet date, and exchange differences arising on the revaluation are recognized as gain or loss of the current period.

(3) Foreign currency of non-monetary assets and liabilities that are measured at fair value through profit or loss are revalued using exchange rate prevailing on the balance sheet date, and exchange differences arising on the revaluation are recognized as gain or loss of the current period. Those that are measured at fair value through other comprehensive income are recognized as other comprehensive income. For non-fair value measured items, the historical exchange rate at the transaction date is used for measurement.

(4) All exchange differences are recognized as "Other gains and losses" in the income statement.

3. Foreign Operations Translation

(1) For all group entities and associates with functional currency different from the presentation currency, the operating results and financial position are translated into the presentation currency as follows:

A. Assets and liabilities presented in each balance sheet are translated using the closing exchange rate on the balance sheet date;

B. Income and expenses presented in each income statement are translated using the average exchange rate for the period; and

C. All exchange differences arising from translation are recognized in other comprehensive income.

(2) When the partially disposing or selling a foreign operation is a subsidiary, the cumulative translation differences previously recognized in other comprehensive income are proportionately reclassified to the non-controlling interest of the foreign operation. However, if the corporation has lost control over the foreign subsidiary operation, even if it still holds a portion of the ownership, the disposal of all ownership interest in the foreign operation is accounted for.

v. <u>Classification of non-current and current assets and liabilities</u>

1. An asset is classified as current under one of the conditions below：

(1) The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;

(2) The Group holds the asset primarily for the purpose of trading;

(3) The Group expects to realize the asset within twelve months after reporting period;

(4) The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

For those assets that are not current are classified as noncurrent.

2. A liability is classified as current under one of the conditions below：

(1) The Group expects to settle the liability in normal operating cycle;

(2) The Group holds the liability primarily for the purpose of trading;

(3) The liability is due to be settled within twelve months after the reporting period;

(4) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement

by the issue of equity instruments do not affect its classification.

For those liabilities that are not current are classified as noncurrent.

vi. Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and with maturity dates that do not present significant risks of changes in value. If time deposits conform to the conditions as mentioned above, and the Group holds them for the purpose of short-term cash commitment in operation, they are classified as cash equivalents.

vii. Financial assets measured at fair value through profit or loss

1. A financial asset measured at fair value through profit or loss refers to financial assets that are not measured at amortized cost or fair value through other comprehensive income.
2. For financial assets measured at fair value through profit or loss that meet trading customs, the Group uses trade date accounting.
3. The Group measures financial assets at fair value upon initial recognition, and transaction costs are recognized in profit or loss. Subsequently, gains or losses on fair value measurement are recognized in profit or loss.
4. When the right to receive dividends is established, and the economic benefits inflow associated with the dividends are likely, and the dividend amount can be reliably measured, the Group recognizes dividend income.

viii. Financial assets at amortized cost

1.A financial asset is measured at amortized cost if both of the following conditions are met：

(1) The objective of the business model for managing the asset is to hold assets in order to collect contractual cash flows.

(2) The asset's contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. A regular way purchase or sale of financial assets at amortized cost Is recognized using trade date accounting.

3.The amount at which the financial assets are measured at initial recognition is the fair value plus transaction costs, and shall be subsequently measured by effective interest method to amortize any difference between that initial amount and the maturity amount as interest revenue, and impairment losses shall be recognized. At derecognition, the profit or loss is recognized in profit or loss.

4. As the holding periods of the time deposits held by the Group that do not conform to the conditions of cash equivalents are short, the effect of discounting is immaterial. They shall be measured by the investment amounts.

ix. Accounts and notes receivables

1. Accounts and notes receivables are the accounts and notes with the unconditional right to receive the consideration for the goods transferred or services rendered according to the contracts.
2. As the effect of discounting of short-term accounts and notes receivables without bearing interests is immaterial, they shall be measured by the original invoice amount.

x. Impairment of financial assets

At each balance sheet date, the Group shall assess whether the credit risk on financial assets at amortized cost has increased significantly since initial recognition. The Group shall consider all the reasonable and provable information, including foreseeing information. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group shall measure the loss allowance for that instrument at an amount equal to 12-month expected credit losses. If the credit risk on a financial instrument has increased significantly since initial recognition, the Group shall measure the loss allowance for that instrument at an amount equal to lifetime expected credit losses. For those accounts receivables or contract assets not containing significant financing component, the Group shall measure the loss allowance at an amount equal to lifetime expected credit losses.

xi. Derecognition of financial assets

The Group shall derecognize the financial assets when the contractual rights to the cash flows from the financial assets expire.

xii. Lease of lessor－operating lease

The Group shall recognize the lease income associated with those leases less any incentives offered to the lessees as profit or loss on a straight-line basis over the lease term.

xiii. Inventories

Inventory is measured at the lower of cost and net realizable value, with cost determined by the weighted average method. The cost of finished goods and work in process includes raw materials, direct labor, other direct costs, and manufacturing overhead costs (allocated based on normal capacity), but excludes borrowing costs. In comparing cost and net realizable value, the item-by-item comparison method is used. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

xiv. Investments Accounted for Using Equity Method / Associates

1. Associates are all entities significantly influenced but not controlled by the Group, generally through directly or indirectly holding more than 20% of voting rights. The Group uses equity method for recognizing investments in associates and recognizes them at cost upon acquisition.
2. The Group recognizes its share of profit or loss from associates as part of its profit or loss, while other comprehensive income arising from associates is recognized as part of other comprehensive income. If the Group's share of losses in an associate equals or exceeds its interest in that associate (including any other unsecured receivables), the Group does not recognize any further losses unless it has a legal or constructive obligation or has made payments on behalf of the associate.
3. When there is a non-profit-or-loss or other comprehensive income equity change in an associate that does not affect the Group's percentage of ownership, the Group recognizes all equity changes in "capital surplus" according to its holding proportion.
4. Unrealized gains or losses from transactions between the Group and its associates are eliminated based on the Group's interest in the associates, unless there is evidence that the assets transferred in the transactions have been impaired. The accounting policies of the associates have been adjusted as necessary and are consistent with those adopted by the Group.
5. When the Group disposes an associate and loses significant influence over it, any previously recognized other comprehensive income related to the associate are accounted for in the same way as when the Group directly disposes the related assets or liabilities. That is, any previously recognized gains or losses in other comprehensive income are reclassified to profit or loss upon disposal of the related assets or liabilities. If the Group loses significant influence over the associate, the profit and loss are reclassified from equity to profit and loss.

If the Group still has significant influence over the associate, the previously recognized amounts in other comprehensive income are reclassified proportionally as described above.

xv. Property, plant and equipment

1. Property, plant and equipment are initially recognized by acquisition cost. The relevant borrowing cost during the period of construction shall be capitalized.
2. Subsequent costs shall be recognized in the carrying value of the assets or as an individual asset, only if it's probable that future economic benefits associated with the item are expected to flow to the Group, and the costs can be measured reliably. The carrying value of the replaced items shall be derecognized. Other fix and maintenance cost are recognized in profit or loss.
3. Property, plant and equipment are subsequently measured by cost model. Aside from land, which shall not be depreciated, straight-line method is used to allocate the depreciable amount of an asset over its useful life. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.
4. The residual value, useful life and depreciation method of an asset shall be reviewed at each financial year-end, and if expectations differ from previous estimate, or there's significant change in the consuming way of future economic benefits associated with the asset, the changes shall be accounted for as a change in an accounting estimate in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" since the date of the changes. The useful lives of each asset are listed below:

Buildings and Structures	5 ～ 45 years
Machinery and Equipment	2 ～ 5 years
Others	2 ～ 5 years

xvi. Lease of lessee－Right-of-use assets / Lease liabilities

1. Lease assets are recognized as right-of-use assets and lease liabilities on the date they become available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.
2. Lease liabilities are recognized on the lease commencement date as the present value of lease payments not yet paid, discounted using the implicit rate of the lease. Lease payments comprise:
   (1) fixed payments, less any lease incentives receivable, and
   (2) variable lease payments which depend on an index or a rate；
   Subsequently, the lease liabilities are measured using the effective interest method and the lease payments are recognized as interest expense over the lease term. When there are changes to the lease term or lease payments that are not lease modifications, the lease liabilities are remeasured and the right-of-use assets are adjusted for the revaluation amount.
3. Right-of-use assets are measured at cost from the commencement dates. The cost comprises:
   (1) The initial measurement of lease liabilities;
   (2) Lease payments made at or before the commencement date;
   (3) Initial direct costs;
   Subsequently, the right-of-use assets are measured using the cost model and are depreciated over the term which is the shorter of lease term and the useful life of the asset. When lease liabilities are remeasured, any revaluation amount is adjusted to the right-of-use assets.

xvii. Investment properties

An investment property is measured initially at cost, and subsequently measured by cost model. Except for land, other investment properties shall be depreciated by straight-line method over their useful life listed below:

Right-of-use assets	50 years
Buildings and Structures	45 years

xviii. Impairment of non-financial assets

The Group shall assess at the end of each reporting period whether there is any indication that an asset may be impaired. If any indication is present, the Group shall assess the recoverable amount of the asset. If the recoverable amount of the asset is less than its carrying amount, impairment loss shall be recognized. Recoverable amount is the higher of the cash-generating unit's net fair value and its value in use. If the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss shall be reversed. The increased carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

xix. Borrowings

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

xx. Accounts and notes payables

1. Accounts and notes payables are liabilities to pay for goods or services that have been received from the supplier in operations or not in operations.
2. As the effect of discounting of short-term accounts and notes payables without bearing interests is immaterial, they shall be measured by the original invoice amount.

xxi. Derecognition of financial liabilities

The Group shall derecognize a financial liability from its statement of financial position when the obligation specified in the contract is discharged, cancelled or expires.

xxii. Provisions

The provision is recognized when there is a present legal or constructive obligation resulting from past events, for which it's probable that economic benefits resources are expected to outflow to settle the obligation, and the amount can be measured reliably. The measurement of the provision is best estimated the present value of the outflows required to settle the obligation as of the balance sheet date. The discount rate is a pre-tax discount rate that reflects the time value and the specific risks associated with the liability. The amortization of the discount is recognized as interest expense. Future operating losses cannot be recognized as provision.

xxiii. Employee benefits

1. Short-term employee benefits

   The Group shall derecognize a financial liability from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.
2. Pension

   (1) Defined Contribution Plan

For defined contribution plans, the contributions shall be recognized as pension expenses when they are due on the accrual basis. Prepaid contributions shall be recognized that excess as an asset to the extent that the prepayment will lead to a cash refund or a reduction in the future payments.

(2) Defined Benefit Plan

A. The net obligation under a defined benefit plan is calculated by discounting the future benefit amounts earned by employees in the current or past service periods, and deducting the fair value of the plan assets as of the balance sheet date. The net benefit obligation is calculated annually using the Projected Unit Credit Method by an actuary, and the discount rate is determined by the market yield on high-quality corporate bonds with currency and terms consistent with those of the plan on the balance sheet date. In countries where high-quality corporate bonds do not have deep markets, the market yield on government bonds (as of the balance sheet date) is used instead.

B. Remeasurements of defined benefit plans are recognized in other comprehensive income when they occur, and are presented in retained earnings.

3. Termination Benefits

Termination benefits are provided to employees in exchange for termination of their employment either upon normal retirement date or upon employees' decision to accept the Corporation's invitation for voluntary termination. The Group recognizes the expense at the earlier of the time when it can no longer withdraw the offer of termination benefits and recognizing related restructuring costs. Benefits not expected to be settled within 12 months after the balance sheet date are discounted.

4. Employee and Director/Supervisor Remuneration

Employees' and director's/supervisors' remuneration are recognized as expenses and liabilities provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

xxiv. Taxation

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

2. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the entities operate and generate taxable income. Management shall periodically evaluate the tax declaration condition, and estimate the income tax liabilities based on the tax expected to be paid to the taxation authority when applicable. An additional tax on unappropriated earnings is recognized as income tax expenses on unappropriated earnings in the year the shareholders' meeting approves the distribution of earnings based on the actual distribution.

3. Deferred income tax shall be recognized for the temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, except to the extent that the deferred tax liabilities arise from the initial recognition of an asset or liability in a transaction which is not a business combination, and at the time of the transaction, affects neither accounting profit

nor taxable profit (tax loss). The Group shall not recognize the deferred tax liabilities for temporary differences associated with investments in subsidiaries and associates, if the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred income tax is measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

4. Deferred tax assets shall be reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.
5. When there is a legally enforceable right to offset the recognized current income tax assets and liabilities and it is intended to settle or simultaneously realize the assets and liabilities on a net basis, the current income tax assets and liabilities are offset; and when there is a legally enforceable right to offset the current income tax assets and liabilities and the deferred tax assets and liabilities arise from income tax assessed by the same tax authority on the same taxpayer, or different taxpayers with the intention of settling on a net basis or simultaneously realizing the assets and liabilities, the deferred tax assets and liabilities are offset.

xxv. Revenue recognition

1. The Group manufactures and sells power suppliers, computer cases and products related to electronic components. Sales revenue is recognized when control of the product is transferred to the customer, which occurs upon delivery. At that point, the customer has the discretion to determine the distribution channel and price of the product, and the Group has no remaining obligations that could affect the customer's acceptance of the product. The risks of obsolescence, loss, and damage have been transferred to the customer upon delivery to the specified location, and revenue recognition occurs when the acceptance criteria of the sales contract have been objectively met.
2. Sales revenue is recognized at the net amount after deducting estimated sales returns and allowances from the contract price. The revenue recognition amount is limited to the portion that is highly probable to not undergo significant reversals in the future and is updated on each balance sheet date. Payment terms for sales transactions primarily range from 30 to 210 days after the transfer of control, and therefore, significant financing components are not considered in the contract.
3. Accounts receivables are recognized upon transfer of control of the product to the customer because, at that point, the Group has an unconditional right to the contract price, which is collectible from the customer only through the passage of time.

xxvi. Operating segments

The segment information shall be reported by the same way as the internal management report provided to the chief operating decision maker. The operations results of operating segment are regularly reviewed by the Group’s chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance. The identified chief operating decision maker is the board of directors.

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

When preparing the consolidated financial statements, the management has made judgments to determine the account policies adopted, and make accounting estimates and assumptions based on the reasonable expectations for future events based on the condition at the balance sheets date. However, these estimates and assumptions could differ from the actual result; thus they could be assessed and adjusted by taking into account historical experiences and other factors. The estimates and assumptions could result in risks that require a material adjustment to the carrying amount of assets and liabilities in the next fiscal year. The Group has included the economic impact of the COVID-19 pandemic in its significant accounting estimates and will continue to assess its impact on the financial position and performance. The uncertainty of significant accounting judgments, estimates and assumptions is as follows：

i. Significant judgment used in adopting accounting policies

The Group has not made any significant accounting judgments in the adoption of accounting policies.

ii. Critical Accounting Estimates and Assumptions

1. Assessment of Allowance for Doubtful Accounts

The Group evaluates individual Accounts receivable for objective evidence of impairment and recognizes an Allowance for doubtful accounts when it is determined that the future collection of the receivable is not probable. The amount of the allowance is based on expected credit losses evaluated considering forward-looking information and other relevant factors. If the information and factors indicate a slowdown or decrease, a significant impairment loss may be recognized. As of December 31, 2022, the balances of Accounts receivable (including other receivables) and Allowance for doubtful accounts were $130,885 and $49,442, respectively.

2. Valuation of Inventory

As inventories are measured by the lower of cost and net realizable value, the Group has to utilize judgment and estimates to determine the net realizable value of inventories at the balance sheet date. Due to the rapid pace of technological change, the Group evaluates the amount of inventory that is impaired due to normal wear and tear, obsolescence, or lack of market demand as of the balance sheet date and writes down the inventory cost to net realizable value. This inventory valuation is primarily based on estimates of product demand for a specific future period, and therefore, may result in significant changes.

As of December 31, 2022, please refer to Note 6(5) for the carrying amount of inventory.

3. Financial Assets - Fair Value Measurement of Unlisted (OTC) Company Stocks with no Active Market

The fair value measurement of unlisted (OTC) company stocks without an active market held by the Group is mainly based on estimates of recent financing activities, valuation of similar companies, the Group’s technological development, market conditions, and other economic indicators. Any changes in judgments and estimates may affect the fair value measurement. Please refer to Note 12(3) for further explanation on fair value measurement of financial instruments.

As of December 31, 2022, for the carrying amount of unlisted (OTC) company stocks without an active market held by the Group, please refer to Note 6(2).

VI. Explanation of Significant Accounts

i. Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand and revolving funds	$ 9,473	$ 456
Checking and demand deposits	265,412	528,451
Total	$ 274,885	$ 528,907

1. As the correspondent banks are credible and the Group has several correspondent banks to diversify the credit risk, the probability of default is

expected to be very low.

2. The cash or cash equivalents were not pledged as collateral.
3. The corporation has reclassified time deposits that do not meet the definition of cash equivalents as "Financial assets measured at amortized cost". Please refer to Note 6(3) for more detail.

ii. Financial assets and liabilities at fair value through profit or loss

Items	December 31, 2022	December 31, 2021
Noncurrent		
Enforced financial assets at fair value through profit or loss		
Non-listed and over-the-counter (OTC) stocks	$ 176,359	$ 176,359
Adjustments for change in value	(81,482)	(35,065)
Total	$ 94,877	$ 141,294

1. Details for Financial assets at fair value through profit or loss recognized in the income statement are as follow：

	2022	2021
Enforced financial assets at fair value through profit or loss		
Equity instruments	($ 46,417)	($ 22,257)

2. For details for Financial assets at fair value through profit or loss, please refer to Note 12(3).

iii. Financial assets measured at amortized cost

Items	December 31, 2022	December 31, 2021
Current		
Time deposit matured after three months	$ 917,806	$ -

1. The profit or loss arising from financial assets at amortized cost recognized is as follows：

	2022	2021
Interest revenue	$ 5,801	$ -

2. Without considering the collaterals held and other credit enhancement, as of December 31, 2022 and 2021, the most representative credit risk exposure amounts of financial assets at amortized cost are the carrying amount.
3. Please refer to Note 12(2) for the credit risk related to financial assets at amortized cost. As the counterparties of the investments in demand deposits are credible financial institutions, the probability of default is expected to be very low.

iv. Accounts receivable (including related parties)

	December 31. 2022	December 31. 2021
Notes receivable	$ 441	$ 569

Accounts receivable	66,142	70,822
Deduct：Allowance loss	(6,728)	(5,448)
	$ 59,855	$ 65,943

1. As of December 31, 2022 and 2021, the balances of notes and accounts receivables are arising from contracts with customers. And as of January 1, 2021, the balance of accounts receivables amounted to NT$260,363.

2. Without consider the collaterals held and other credit enhancement, as of December 31, 2022 and 2021, the most representative credit risk exposure amounts of financial assets at amortized cost are the carrying amount.
3. The Group does not hold any collateral.
4. Please refer to Note 12.2 for the credit risk related to accounts receivables.

v. Inventories

	December 31, 2022		
	Cost	Allowance for price decline	Carrying amount
Raw materials	$ 41,185	($ 6,439)	$ 34,746
Work in process	2,236	(499)	1,737
Finished goods	38,706	(11,781)	26,925
Merchandise	10,672	(5,877)	4,795
Total	$ 92,799	($ 24,596)	$ 68,203

	December 31, 2021		
	Cost	Allowance for price decline	Carrying amount
Raw materials	$ 59,520	($ 5,500)	$ 54,020
Work in process	491	(103)	388
Finished goods	87,172	(18,586)	68,586
Merchandise	10,528	(3,872)	6,656
Total	$ 157,711	($ 28,061)	$ 129,650

The inventory cost recognized as an expense in the current period by the Group：

	2022	2021
Inventory cost sold	$ 237,546	$ 335,125
Inventory valuation losses (gain from price recovery)	(3,828)	10,617
Unamortized manufacturing expenses	141	306
Inventory written-off losses	6,685	1,974
	$ 240,544	$ 348,022

Since part of the inventories whose net present value were lower than cost were sold and written off in 2022, the net present value of the inventories are recovered, resulting in a decrease in cost of revenue.

vi. Property, plant and equipment

	Land	Buildings and Structures	Machinery and Equipment	Other Equipment	Total
January 1, 2022					
Cost	$ 14,986	$ 568,038	$ 409,461	$ 109,628	$ 1,102,113
Accumulated depreciation and impairment	-	(514,039)	(405,754)	(100,216)	(1,020,009)
	$ 14,986	$ 53,999	$ 3,707	$ 9,412	$ 82,104
2022					
January 1	$ 14,986	$ 53,999	$ 3,707	$ 9,412	$ 82,104
Addition	-	-	-	5,822	5,822
Disposal	-	(13,853)	(1,945)	(2,715)	(18,513)
Reclassification	-	(17,073)	-	(220)	(17,293)
Depreciation expense	-	(2,135)	(1,402)	(4,972)	(8,509)
Net exchange differences	-	452	51	55	558
December 31	$ 14,986	$ 21,390	$ 411	$ 7,382	$ 44,169
December 31, 2022					
Cost	$ 14,986	$ 37,051	$ 30,725	$ 51,889	$ 134,651
Accumulated depreciation and impairment	-	(15,661)	(30,314)	(44,507)	(90,482)
	$ 14,986	$ 21,390	$ 411	$ 7,382	$ 44,169

		Buildings and Structures			Machinery and Equipment			Other Equipment	
	Land	For personal use	For rental	Subtotal	For personal use	For rental	Subtotal	For personal use	Total
January 1, 2021									
Cost	$ 14,986	$ 716,714	$80,668	$ 797,382	$ 393,640	$17,506	$ 411,146	$ 109,681	$ 1,333,195

Accumulated depreciation and impairment	-	(573,234)	(36,073)	(609,307)	(389,674)	(13,037)	(402,711)	(98,163)	(1,110,181)
	$ 14,986	$ 143,480	$44,595	$ 188,075	$ 3,966	$4,469	$ 8,435	$ 11,518	$ 223,014
2021									
January 1	$ 14,986	$ 143,480	$44,595	$ 188,075	$ 3,966	$4,469	$ 8,435	$ 11,518	$ 223,014
Addition	-	-	-	-	405	-	405	2,626	3,031
Disposal	-	-	-	-	-	-	-	(72)	(72)
Reclassification	-	(80,826)	(44,595)	(125,421)	3,510	(3,510)	-	-	(125,421)
Depreciation expense	-	(3,514)	-	(3,514)	(3,447)	(916)	(4,363)	(4,353)	(12,230)
Impairment loss	-	(4,981)	-	(4,981)	(716)	-	(716)	(278)	(5,975)
Net exchange differences	-	(160)	-	(160)	(11)	(43)	(54)	(29)	(243)
December 31	$ 14,986	$ 53,999	$ -	$ 53,999	$ 3,707	$ -	$ 3,707	$ 9,412	$ 82,104
December 31, 2021									
Cost	$ 14,986	$ 568,038	$ -	$ 568,038	$ 409,461	$ -	$ 409,461	$ 109,628	$ 1,102,113
Accumulated depreciation and impairment	-	(514,039)	-	(514,039)	(405,754)	-	(405,754)	(100,216)	(1,020,009)
	$ 14,986	$ 53,999	$ -	$ 53,999	$ 3,707	$ -	$ 3,707	$ 9,412	$ 82,104

For information on reclassification from part of buildings and structures to investment properties, please refer to Note 6(9).

vii. Lease transaction－lessee

1. For the underlying assets of the lease transactions of the Group, except for the duration of lease term of land-use-right is 50 years, the duration of lease term of buildings and multifunctional business machines is usually 1 to 2 years. The lease contracts are negotiated individually and applicable to different terms and conditions. Besides that leased assets cannot be pledged as loan collateral, there are no other limitations.
2. The land-use-right lease of the Group was a land-use-right contract signed in 2003 and 2005 with the government of the People's Republic of China, with the land located in the People's Republic of China. The duration of lease term was 50 years.
3. For information on reclassification from part of land-use-rights to investment properties, please refer to Note 6(9).
4. The duration of lease term of the multifunctional business machines of the Group are within twelve months.
5. The carrying amounts of the right-of-use assets and recognized depreciation/amortization expenses are as follows：

	December 31, 2022		December 31, 2021	
	Carrying amount		Carrying amount	
Buildings	$	17,192	$	2,299
Land-use-rights		-		7,508
	$	17,192	$	9,807

	2022		2021	
	Depreciation/amortization expenses		Depreciation/amortization expenses	
Buildings	$	6,766	$	2,193
Land-use-rights		123		241
	$	6,889	$	2,434

6. As for year 2022 and 2021, the addition of right-of-use assets of the Group were NT$21,638 and NT$1,789, respectively.
7. Information on profit and loss related to lease contract is as follows：

	2022		2021	
Items affecting the current year’s profit and loss				
Interest expense from lease liability	$	395	$	46
Expense from short-term lease contract		324		287

8. The total leasing cash outflow of the Group as for years 2022 and 2021 were NT$7,346 and NT$2,526, respectively.

viii. Lease transaction－lessor

1. The underlying assets of the lease transactions that the Group involves are buildings, machinery and equipment. The duration of lease term is usually 1 to 5 years. The lease contracts are negotiated individually and applicable to different terms and conditions. In order to guarantee the condition of the leased assets, the Group usually requests the lessees not to sell, transfer the whole or part of the lease assets, or use the lease assets as collaterals.

2.Gains on recognition of lease contract as for year 2022 and 2021 are as follows：

	2022	2021
Rent income	$ 52,293	$ 30,157

3. The duration of operating lease term of the Group is as follow：

	December 31, 2022	December 31, 2021
2022	$ -	$ 1,776
2023	133,263	932
2024	132,375	-
2025	140,097	-
After 2026	351,897	-
Total	$ 757,632	$ 2,708

ix. Investment properties

	Land and land-use-right	Buildings and Structures	Total
January 1, 2022			
Cost	$ 21,993	$ 245,078	$ 267,071
Accumulated depreciation and impairment	(5,157)	(115,304)	(120,461)
	$ 16,836	$ 129,774	$ 146,610
2022			
January 1	$ 16,836	$ 129,774	$ 146,610
Addition	-	3,974	3,974
Reclassification	7,490	17,073	24,563
Disposal	-	(5,679)	(5,679)
Accumulated depreciation and impairment	(438)	(5,831)	(6,269)
Net exchange differences	160	1,807	1,967
December 31	$ 24,048	$ 141,118	$ 165,166
December 31, 2022			
Cost	$ 34,269	$ 470,435	$ 504,704
Accumulated depreciation and impairment	(10,221)	(329,317)	(339,538)
	$ 24,048	$ 141,118	$ 165,166

	Land and land-use-right	Buildings and Structures	Total
January 1, 2021			
Cost	$ 6,701	$ 18,542	$ 25,243
Accumulated depreciation and impairment	-	(8,270)	(8,270)
	$ 6,701	$ 10,272	$ 16,973

2021			
January 1	$ 6,701	$ 10,272	$ 16,973
Reclassification	10,484	125,421	135,905
Accumulated depreciation and impairment	(309)	(5,426)	(5,735)
Net exchange differences	(40)	(493)	(533)
December 31	$ 16,836	$ 129,774	$ 146,610

December 31, 2021			
Cost	$ 21,993	$ 245,078	$ 267,071
Accumulated depreciation and impairment	(5,157)	(115,304)	(120,461)
	$ 16,836	$ 129,774	$ 146,610

1. Rent income from investment properties and direct operating expenses：

	2022	2021
Rent income from investment properties	$ 52,293	$ 28,948
Direct operating expenses incurred by the investment properties with current rental income	$ 13,804	$ 2,577
Direct operating expenses not incurred by the investment properties with current rental income	$ 1,927	$ 3,158

2. The fair value of investment properties held by the Group were NT$716,768 and NT$173,645 as of December 31, 2022 and 2021, respectively. The fair value mentioned above is evaluated based on the appraisal report and reference of the market transaction prices of similar properties in the adjacent area. The result is classified as Level 3 fair value.
3. For information on investment properties pledged as collateral, please refer to Note 8.

x. Impairment on nonfinancial assets

1. Impairment loss of the Group was NT$5,975 in 2021, the details as follows：

	2021
	Recognized as profit and loss
Impairment loss－buildings and structures	$ 4,981
Impairment loss－machinery and equipment	716
Impairment loss－other assets	278
	$ 5,975

There was no impairment loss in 2022.

2. Details on aforementioned impairment loss disclosed based on sections are as follows：

	2021
	Recognized as profit and loss
Electronic components	$ 5,975

3. The Group evaluates the recoverable amount of its assets by deducting the disposal costs from their fair value, as assessed by an independent valuation expert using the cost method. The replacement cost is determined by either the consumer price index method or by inquiring the new market price from machine manufacturers. The result is classified as Level 3 fair value.

xi. Other noncurrent assets

	December 31,2022	December 31,2021
Net defined benefit assets	$ 16,462	$ 13,428
Guarantee deposits paid	3,599	1,206
Deferred expense	2,109	2,781
	$ 22,170	$ 17,415

xii. Short-term borrowings

Nature of borrowing	December 31, 2021	Range of interest rates	Collateral
Bank borrowings			
Secured borrowings	$ 70,000	1.55%	Property, Plant and Equipment and Investment properties

1. As of December 31, 2022, all short-term borrowings of the Group have been fully repaid.
2. Regarding the credit limit for short-term borrowings, a part of it is jointly guaranteed by the Chairman. Please refer to Note 7 for details.
3. Please refer to Note 8 for the short-term borrowings pledged as collateral.

xiii. Other payables

	December 31, 2022	December 31, 2021
Salaries and Bonuses Payables	$ 12,816	$ 15,395
Commission Payables	7,179	584
Administrative Payables	5,521	-
Labor Costs Payables	2,131	2,139
Business tax received	1,609	83
Utilities Payables	553	2,665
Other	4,320	4,674
	$ 34,129	$ 25,540

xiv. Pension

1. Defined benefit plans

(1) The Corporation and its domestic subsidiaries have defined benefit plans under the R.O.C. Labor Standards Law. This applies to the seniority of all regular employees before the implementation of the Labor Pension Act on July 1, 2005, and the subsequent seniority of employees who choose to continue to apply the Labor Standards Act. Employees met the criteria are provided with benefits based on his or her length of service and average monthly salary for the six-month period prior to retirement. For seniority within 15 years (inclusive), two base salaries will be given for each full year, and for seniority exceeding 15 years, one base salary will be given for each full year, up to a maximum of 45 base salaries. The Corporation sets aside 2% of the total payroll each month for the retirement fund, which is stored in a special account under the name of the Supervisory Committee of Labor Retirement Reserve at Bank of Taiwan. In addition, the Corporation estimates the balance of the aforementioned retirement fund account before the end of each fiscal year. If the balance is insufficient to pay the retirement benefits calculated for the next year for employees who are expected to meet the retirement conditions, the Corporation will make up the difference in one lump sum by the end of March of the next year.

(2) Amounts recognized on the balance sheet were as follow：

	December 31, 2022	December 31, 2021
Present value of defined benefit obligation	$ 16,885	$ 17,383
Fair value of plan assets	(33,347)	(30,811)
Net defined benefit asset (Recognized as noncurrent assets)	($ 16,462)	($ 13,428)

(3)Changes in the net defined benefit asset were as follows：

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit asset
2022			
Balance, January 1	$ 17,383	($ 30,811)	($ 13,428)
Current service cost	311	-	311
Interest expense (revenue)	104	(184)	(80)
	17,798	(30,995)	(13,197)
Remeasurement:			
Return on plan assets (Note)	-	(2,352)	(2,352)
Changes arising from changes in financial assumption	(512)	-	(512)
Changes arising from experience adjustments	(401)	-	(401)
	(913)	(2,352)	(3,265)
Balance, December 31	$ 16,885	($ 33,347)	($ 16,462)

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit asset
2021			
Balance, January 1	$ 17,426	($ 30,260)	($ 12,834)
Current service cost	318	-	318
Interest expense (revenue)	52	(91)	(39)
	17,796	(30,351)	(12,555)

Remeasurement:			
Return on plan assets (Note)	-	(460)	(460)
Changes arising from changes in demographic assumptions	10	-	10
Changes arising from changes in financial assumption	(309)	-	(309)
Changes arising from experience adjustments	(114)	-	(114)
	(413)	(460)	(873)
Balance, December 31	$ 17,383	($ 30,811)	($ 13,428)

Note: Excluding amounts included in interest revenue or expenses.

(4) The Corporation's defined benefit retirement plan fund assets are entrusted to Bank of Taiwan for investment and management according to the proportion and amount range of the entrusted operating items determined in the annual investment plan of the fund. The entrusted operations are carried out in accordance with Article 6 of the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, i.e., depositing funds in domestic and foreign financial institutions, investing in listed, OTC or private equity securities in domestic and foreign markets, and investing in securitized real estate products in domestic and foreign markets. The related utilization situation is supervised by the Supervisory Committee of Labor Retirement Reserve. The minimum annual distribution of income for the fund’s operation shall not be lower than the income calculated based on the two-year time deposit interest rate of the local bank. If the minimum distribution cannot be met, it shall be supplemented by the National Treasury after approval by the competent authority. Since the Corporation has no authority to participate in the operation and management of the fund, it is unable to disclose the classification of the fair value of plan assets in accordance with Paragraph 142 of International Accounting Standard No. 19. The fair value of the total assets of the fund as of December 31, 2022 and 2021 is disclosed in the annual Labor Pension Fund Utilization Report published by the government.

(5) The principal assumptions of pension were summarized as follow: ：

	2022	2021
Discount rate	1.20%	0.60%
Future salary increase rate	2.00%	2.00%

The assumption for future mortality rates is based on the published statistical data and experience in various countries. The analysis of present value of defined benefit obligations affected by changes arising from changes in financial assumption is as follows ：

	Discount rate		Future salary increase rate	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2022				
Effect on present value of defined benefit obligation	($ 204)	$ 210	$ 166	($ 162)

December 31, 2021				
Effect on present value of defined benefit obligation	($ 242)	$ 249	$ 202	($ 197)

The sensitivity analysis presented above examines the impact of a single assumption change while assuming other assumptions remain constant. In practice, changes in many assumptions may be interrelated. The sensitivity analysis is consistent with the method used to calculate the net defined benefit liabilities on the balance sheet.

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

(6) It is expected that no funds will be contributed to the retirement plan by the Corporation for the year ended 2023.

(7) As of December 31, 2022, the weighted average remaining service life of the retirement plan was 5 years.

2. Defined contribution plan

(1) Since July 1, 2005, the Corporation and its domestic subsidiaries have established a defined contribution retirement plan in accordance with the Labor Pension Act, which is applicable to employees of Taiwanese nationality. Under this plan, for the portion of employees who have elected to participate in the Labor Pension Act, the Corporation and its domestic subsidiaries contributes 6% of the employee's monthly salary to the individual account established by the employee with the Bureau of Labor Insurance. Retirement benefits are paid in the form of either monthly pension or lump sum, depending on the balance of the individual account and its accumulated earnings.

(2) In accordance with the retirement insurance system established by the government of the People's Republic of China, DEER ELECTRONICS (DONG GUAN) CO.,LTD, DONGGUAN SOLYTECH ENTERPRISE CORPORATION, SUPERCASE INTERNATIONAL CORPORATION, DONG GUAN SHUN SHENG TRADE CO.,LTD and SHENZHEN QIANHAI SHUN CHENG ENTERPRISE CORPORATION set aside a certain proportion of the total salary of local employees as a monthly contribution to the pension fund. As for years 2022 and 2021, the contribution rate were 8%. The pension of each employee are managed and arranged by the government. In addition to the monthly contributions, the group has no further obligations.

(3) As of years 2022 and 2021, the retirement benefits cost recognized by the Group under this retirement plan were NT$4,170 and NT$4,927, respectively.

xv. Provision

	2022	2021
Balance, January 1	$ -	$ 129,071
Provision added	6,053	(554)
Provision used	-	(127,280)
Effect in exchange rate	123	(1,237)
Balance, December 31	$ 6,176	$ -

The analysis of the provision is as follows：

	December 31, 2022	December 31, 2021
Current	$ 6,176	$ -

1. In the fiscal year 2022, the Group prematurely terminated a contract with a lessee due to the disposal of 50% equity interest in the subsidiary DEER ELECTRONICS (DONG GUAN) CO.,LTD. As a result, the lessee claimed a legal compensation of RMB $5.4 million. The Group sought appropriate legal advice and has recognized a provision for the expected outcome of the litigation. As of December 31, 2022, no court ruling has been obtained.
2. In the fiscal year 2020, the Group prematurely terminated a contract with a lessee due to the disposal of the subsidiary Top Rich Inc. and the indirect transfer of 100% equity interest of SUPERCASE INTERNATIONAL CORPORATION. As a result, the lessee claimed a legal compensation of RMB $39million.After seeking appropriate legal advice, the Group assessed that it is most likely required to pay a compensation of RMB $30million to settle the obligation. Accordingly, the Group recognized a provision for the amount of RMB $30million (equivalent to approximately NT$133million). However, for the year ended 2021, the Group obtained a loss appraisal report from an independent third-party expert appointed by the court, and after considering the results of the appraisal and the lessee's security deposit of RMB $5million, which was withheld at the time of the disposal, the Group concluded that the provision was no longer necessary and reversed the provision in the fourth quarter of fiscal year 2021. In May 2022, the Group obtained a court ruling that it is not liable for compensation.

xvi. Share capital

As of December 31, 2022, the authorized capital of the Corporation is NT$3,500,000, divided into 350,000 thousand shares, and the paid-up capital is NT$1,504,145. The approved number of outstanding common shares is 150,414,536 shares, with a par value of NT$10 per share. All of the issued shares have been fully paid for.

xvii. Capital surplus

1. According to the regulation of the Company Act, where a corporation incurs no loss, it may distribute the income derived from the issuance of new shares at a premium, and the income from endowments received by the corporation, by issuing new shares which shall be distributable as dividend shares to its original shareholders in proportion to the number of shares being held by each of them or by cash. Based on the relevant regulations of Securities and Exchange Act, where a corporation intends to capitalize the aforementioned capital surplus, the total amount per year shall not exceed 10% of paid-in capital. A corporation shall not use the capital surplus to make good its capital loss, unless the surplus reserve is insufficient to make good such loss.
2. For details on significant changes of capital surplus in 2022, please refer to Note 4(3).

xviii. Retained earnings (accumulated deficit)

1. The annual net profit of the Corporation shall be distributed in the following order：
   (1) Offsetting losses in prior years;
   (2) Setting aside a legal capital reserve at 10% of the profits left over, provided that no allocation of legal reserve is required if the accumulated legal reserve is equivalent to the total capital amount;
   (3) Setting aside or rotating special reserve according to the rule set out by the government authority in charge. If the special reserves to be set aside are the net decrease of other equity and the net increase of fair value of investment properties accumulated from previous periods, the same amount shall be set aside from the retained earnings of previous periods. If there is any deficiency, the remaining amount shall be set aside from the current

year's net profit after tax, excluding items beyond the net profit after tax. The proposal for the distribution of the distributable profit shall be prepared by the Board of Directors. If the distribution is to be made by issuing new shares, it shall be subject to the approval of the shareholders' meeting. If the distribution is to be made in cash, the Board of Directors shall be authorized to distribute dividends and bonuses or legal reserve and capital surplus in whole or in part after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

2. Considering the variable industry environment, the corporation's life cycle is in the growth stage and is moving towards diversified development. In light of the corporation's future capital needs, long-term financial planning, and shareholders' demand for cash inflows, the corporation plans to allocate not less than 10% of the distributable profits to distribute dividends to shareholders every year. However, if the accumulated distributable profits are less than 5% of the paid-in capital, dividends may not be distributed. When distributing dividends to shareholders, they may be distributed in cash or shares, and the cash dividends shall not be less than 10% of the total dividend amount. However, when the cash dividend per share is less than one New Taiwan Dollar, the entire cash dividend may be converted into a share dividend.
3. The legal reserve shall not be used except for offsetting losses of the corporation and for issuing new shares or cash in proportion to the original shareholders' shares. However, when issuing new shares or by cash, only the portion of legal reserve which exceeds 25 percent of the paid-in capital may be distributed.
4. When distributing profits, the corporation may only do so after allocating special reserves according to legal regulations to the other equity items in the debit balance on the balance sheet as of the end of the fiscal year. Only when the other equity items in the debit balance are reversed can the reversal amount be included in the distributable profits.
5. On March 30, 2023, the corporation's board of directors passed a resolution on the loss make-up proposal.
6. The loss make-up proposal approved by the shareholders' meeting on June 21, 2022, and July 29, 2021 is consistent with the proposal put forward by the board of directors of the corporation.
7. For information on employee compensation and director and supervisor remuneration, please refer to Note 6(24).

xix. Other equity and non-controlling interest

	2022	
	Other equity-foreign currencies translation	Non-controlling interest
January 1	$ 70,989	($ 51)
Differences in foreign currencies translation:		
–Group	56,559	2,000
Increase in non-controlling interest	-	72,741
Decrease in non-controlling interest	-	(16)
December 31	$ 127,548	$ 74,674

	2021	
	Other equity - foreign currencies translation	Non-controlling interest
January 1	$ 70,388	($ 40)
Differences in foreign currencies translation:		
–Group	601	1
Loss in non-controlling interest	-	(12)
December 31	$ 70,989	($ 51)

Please refer to Note 4(3) for details of changes in non-controlling interest in 2022.

xx. Operating revenue

Customer contract revenue segmentation

The revenue of the Group originates from goods transferred at a certain point in time. For revenue information, please refer to Note 14.

xxi. Other revenue

	2022	2021
Rent income	$ 52,293	$ 30,157
Dividend income	120	-
Income transferred from payables	-	15,265
Other income	7,109	4,310
Total	$ 59,522	$ 49,732

xxii. Other gains and expenses

	2022	2021
Gains on disposals of property, plant and equipment	$ 4,770	$ 36
Loss on disposal of investment properties	(5,679)	-
Gains on disposal of investment	-	127,947
Net exchange gains (losses) of foreign currencies	17,899	(18,825)
Losses on financial assets at fair value through profit or loss	(46,417)	(22,257)
Impairment loss	-	(5,975)
Commission expenses	(6,235)	-
Plant demolition loss	(9,081)	-
Depreciation expenses of investment properties	(5,831)	(5,426)
Administrative expenses of investment properties	(9,462)	-
Compensation loss	(6,053)	-
Other expenses	(3,632)	(1,544)
Total	($ 69,721)	$ 73,956

xxiii. Additional information on nature of expenses

	2022	2021
Employee benefits expenses	$ 122,007	$ 106,417
Depreciation expense (Note 1)	15,275	14,423
Amortization expense (Note2)	837	1,307
	$ 138,119	$ 122,147

Note 1: includes depreciation expenses from property, plant and equipment

and right-of-use assets.

Note 2: refers to amortization expenses for right-of-use assets and deferred expenses.

xxiv. Employee benefits expenses

	2022	2021
Payroll expenses	$ 106,428	$ 89,419
Labor and health insurance expenses	3,613	4,010
Pension expenses	4,401	5,206
Other employment expenses	7,565	7,782
	$ 122,007	$ 106,417

1. In accordance with the Articles of Incorporation, if there is still a remainder after deducting accumulated losses based on the profit situation of the current year, the Corporation shall distribute employee compensation at a rate of 5% to 10% and director compensation at a rate of 3% or lower when distributing profits.
2. As of December 31, 2022 and 2021, the Corporation has accumulated losses. According to the Articles of Incorporation, no provision was made for employee, director and supervisor compensation.
3. The information about the employees', directors' and supervisors' compensation resolved by the board of directors is available at the Market Observation Post System website.

xxv. Taxation

1. Income tax expense：

	2022	2021
Current tax：		
Tax generated from current profit	$ 30	$ 5
Tax expense	$ 30	$ 5

2. Explanation on the relationship between tax expense and accounting profit：

	2022	2021
Tax payables calculated by profit before tax multiplying the enacted tax rates (Note)	($ 31,426)	($ 3,704)
Impact of unrecognized deferred tax assets arising from temporary differences	10,397	(11,476)
Deferred tax assets unrecognized for tax losses	21,486	15,085
Income tax impact of permanent differences	(427)	100
Tax expense	$ 30	$ 5

Note：The applicable tax rate is calculated based on the tax rate applicable to income in the relevant country.

3. The Group did not have any deferred tax assets or liabilities for the year ended December 31, 2022.

4. The deductible deadline of unused tax loss and amount of the unrecognized deferred tax assets are as follows：

December 31, 2022

Year of occurrence	Declared/verified amount	Undeducted amount	Amount of unrecognized deferred tax asset	Last deductible year
2015	$ 62,802	$ 62,802	$ 62,802	2025
2016	54,364	54,364	54,364	2026
2017	63,620	63,620	63,620	2027
2018	28,546	28,546	28,546	2028
2019	41,317	41,317	41,317	2029
2021	56,665	56,665	56,665	2031
2022	104,126	104,126	104,126	2032
	$ 411,440	$ 411,440	$ 411,440	

December 31, 2021

Year of occurrence	Declared/verified amount	Undeducted amount	Amount of unrecognized deferred tax asset	Last deductible year
2012	$ 50,911	$ 28,051	$ 28,051	2022
2015	62,802	62,802	62,802	2025
2016	54,364	54,364	54,364	2026
2017	63,620	63,620	63,620	2027
2018	28,546	28,546	28,546	2028
2019	41,317	41,317	41,317	2029
2021	56,665	56,665	56,665	2031
	$ 358,225	$ 335,365	$ 335,365	

5. Profit-seeking Enterprise Income Taxes of the Corporation have been verified by the tax collection authority until 2020.

xxvi. Earnings per share

	2022	2021
Basic and diluted earnings per share		
Loss attributable to shareholders of the parent	($ 157,283)	($ 18,526)
Weighted average number of shares outstanding (in thousands shares)	150,415	150,415
Basic and diluted earnings per share (in NTD)	($ 1.05)	($ 0.12)

xxvii. Supplementary information of cash flows

Cash payments of Property, plant and equipment：

	2022	2021
	$	$
Purchase of Property, plant and equipment	5,822	3,031
Add：Payables on machinery and Equipment, beginning balance	461	32
Add：Prepayments on machinery and Equipment, ending balance	376	217
Less：Prepayments on machinery and Equipment, beginning balance	(217)	-
Less：Payables on machinery and Equipment, ending balance	-	(461)
	$	$
Cash payments in the current period	6,442	2,819

xxviii. Changes in the liabilities arising from financing activities

Please refer to the effect in the statements of cash flow for the changes in short-term borrowings and lease principal repayments from financing activities during the fiscal years 2022 and 2021.

VII. Related Party Transactions

i. Related party names and relationships

Related party name	Relationship with the Group
HENAN SHOUXIANG ELECTRONIC CO.,LTD	Associate of the Group
CHENG,CHIEH	Chairperson of the Group

ii. Significant transactions with related parties

1. Other receivables- substitutional purchase

	December 31, 2022	December 31, 2021
Other receivables- HENAN SHOUXIANG	$ 33,954	$ 33,451
Less：Allowance loss	(33,954)	(33,451)
	$ -	$ -

2. As of December 31, 2022 and 2021, the Chairman of the Corporation has provided joint guarantees for short-term borrowings.

iii. Information on key management personnel compensation

	2022	2021
Short-term employee benefits	$ 14,472	$ 14,359
Post-employment benefits	190	190
Total	$ 14,662	$ 14,549

VIII. Pledged assets

The assets pledge as collaterals are as follows：

Assets	Carrying amount December 31, 2022	December 31, 2021	Object
Noncurrent assets			
- demand deposit	$ 23,863	$ 17,317	Drawdown limited by litigation
Property, plant and equipment			
- land	14,986	14,986	short-term bank loans
- buildings and structures	21,390	22,213	short-term and composition bank loans
Investment properties			
- land	6,701	6,701	short-term and composition bank loans
- buildings and structures	9,556	9,914	short-term and composition bank loans
	$ 76,496	$ 71,131	

IX. Significant Contingent Liabilities and Unrecognized Contract Commitments

The Group prematurely terminated its contract with a lessee due to the disposal of a subsidiary. As a result, the lessee filed a legal claim for RMB $5.4million. The company has engaged legal counsel to handle the litigation proceedings. Please refer to Note 6(15) for further details.

X. Significant Losses on Disaster

None.

XI. Significant Subsequent Events

None.

XII. Others

i. Capital Risk Management

The objective of the Group's capital management is to ensure that it operates continuously and maintains optimal capital structure to decrease the cost of capital and maximize the shareholders' equity. The Group adjusts dividend payment, issues new shares, or disposes assets for the purpose of decreasing debts, adjusting and maintaining the capital structure.

ii. Financial instruments

1. Types of financial instruments

	December 31, 2022	December 31, 2021
Financial assets		
Financial assets measured at fair value through profit or loss	$ 94,877	$ 141,294
Financial assets measured at amortized cost	1,276,419	612,183
	$ 1,371,296	$ 753,477

Financial liabilities		
Financial liabilities measured at amortized cost	$ 73,032	$ 155,012
Lease liability	17,361	2,327
	$ 90,393	$ 157,339

Note：Financial assets measured at amortized cost includes cash and cash equivalents, financial assets measured at amortized cost, accounts receivables and other current assets; financial liabilities measured at amortized cost includes short-term borrowings, accounts payable and other payables.

2. Risk Management Policies

(1) The Group adopts a comprehensive risk management and control system to clearly identify, measure, and control all kinds of risks (including market risk, credit risk, liquidity risk, and cash flow risk) so that the management can effectively engage in controlling and measuring market risk, credit risk, liquidity risk, and cash flow risk.

(2) In order to effectively manage various market risks, the Group's management authorities will consider the economic environment, competitive conditions, and the impact of market value risk, to achieve optimized risk positions, maintain appropriate liquidity positions, and centrally manage all market risks.

3. Nature and extent of significant financial risks

(1)Market risk

Currency risk

A. The Group operates across borders and is therefore exposed to currency risks arising from various currencies, mainly the USD and RMB. Relevant currency risks arise from future business transactions, recognized assets and liabilities, and net investments in foreign operations.

B. The Group's management has established policies that require each company within the Group to manage its functional currency-related currency risk. Each company within the Group should hedge its overall currency risk through the Group's finance department. To manage currency risks arising from future business transactions and recognized assets and liabilities, each company within the Group uses forward foreign exchange contracts through the Group's finance department. When future business transactions, recognized assets or liabilities are denominated in foreign currencies other than the parent company's functional currency, currency risk arises.

C. The Group's business involves several non-functional currencies (the functional currency of the Corporation and some subsidiaries is the New Taiwan Dollar, and the functional currency of some subsidiaries is the RMB), and thus is subject to the impact of currency fluctuations. Information on foreign currency assets and liabilities affected by significant currency fluctuations is as follows：

	December 31, 2022			Sensitivity analysis	
(Foreign currencies: functional currency)	Foreign currencies (in thousand)	Exchange rate	Carrying amount (NTD)	Fluctuation range	Effect on comprehensive income

Financial assets					
Monetary item					
USD：NTD	$ 36,061	30.728	$1,108,082	1%	$11,081
RMB：NTD	124,704	4.4111	550,082	1%	5,501
EUR：NTD	3,038	32.7038	99,354	1%	994
JPY：NTD	381,450	0.2318	88,420	1%	884
Nonmonetary item					
Foreign operating unit					
RMB：NTD	($101,306)	4.4111	($ 446,871)		
Financial liabilities					
Monetary item					
USD：NTD	$ 2,702	30.728	$ 83,027	1%	$ 830
USD：RMB	20,863	4.4111	641,078	1%	6,411

	December 31, 2021				
	Foreign currencies		Carrying amount	Sensitivity analysis	
(Foreign currencies: functional currency)	(in thousand)	Exchange rate	(NTD)	Fluctuation range	Effect on comprehensive income
Financial assets					
Monetary item					
USD：NTD	$ 36,375	27.683	$1,006,969	1%	$10,070
USD：RMB	130	6.3702	3,599	1%	36
RMB：NTD	811	4.3457	3,524	1%	35
Nonmonetary item					
Foreign operating unit					
RMB：NTD	($ 54,266)	4.3457	($ 235,824)		
Financial liabilities					
Monetary item					
USD：RMB	$ 17,763	6.3702	$ 491,733	1%	$ 4,917

D. The explanation of the unrealized exchange losses or gains for the monetary items of the Group due to significant effects from exchange rate fluctuations is as follows：

	2022		
	Foreign exchange net gain or loss		
	Foreign currencies (in thousand)	Exchange rate	Carrying amount
(Foreign currencies: functional currency)			
Financial assets			
Monetary item			
USD：NTD		30.728	($ 8,102)
RMB：NTD		4.4111	12,263
EUR：NTD		32.7038	1,626
JPY：NTD		0.2318	515
Financial liabilities			
Monetary item			
USD：NTD		30.728	($ 1,554)
USD：RMB	RMB (3,405)	6.9661	(15,020)

	2021		
	Foreign exchange net gain or loss		
	Foreign currencies (in thousand)	Exchange rate	Carrying amount
(Foreign currencies: functional currency)			
Financial assets			
Monetary item			
USD：NTD		27.683	($ 31,896)
USD：RMB	(RMB 2)	6.3702	(9)
RMB：NTD		4.3457	(14)
Financial liabilities			
Monetary item			
USD：RMB	RMB 8,983	6.3702	$ 39,037

Price risk

A. As the investments held by the Group are classified as financial assets measured at fair value through profit or loss in the consolidated balance sheet, the Group is exposed to price risk of equity instruments. The Group does not expose to merchandise price risk. To manage the price risk of equity instrument investments, the Group diversifies its investment portfolio in accordance with the limits set by the Group.

B. The Group mainly invests in equity instruments issued by domestic companies, and the prices of these equity instruments may be affected by the uncertainty of the future value of the investment targets. If the prices of these equity instruments increase or decrease by 1% while all other factors remain unchanged, the profit for the years 2022 and 2021 will respectively increase or decrease by NT$759 and NT$1,130, due to the gains or losses from equity instruments measured at fair value through profit or loss.

Cash flow and fair value interest rate risk

A. The interest rate risk of the Group arises from short-term borrowings. Borrowings issued at a floating rate subject the Group to cash flow interest rate risk, which is partially offset by cash and cash equivalents held at a floating rate. Borrowings issued at a fixed rate expose the Group to fair value interest rate risk.

B. If the interest rate on New Taiwan Dollar borrowings increases or decreases by 1% on December 31, 2022 and 2021, assuming all other factors remain constant, the profit for 2022 and 2021 will respectively decrease or increase by $0 and $560, mainly because floating rate borrowings led to an increased/decreased in interest expenses.

(2)Credit risk

A. Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial losses to the Group. The Group is exposed to credit risks from accounts receivables that the counterparty is unable to pay off by the payment term, and the contractual cash flows measured at amortized cost.

B. In the Group's daily sales transactions, for new customers and most existing customers, transactions are mostly conducted through prepayments or cash receipts. When there is a credit limit requirement, besides reviewing the transaction records with the Group, external agencies are consulted for credit verification or current economic and financial conditions are evaluated to mitigate the credit risk of specific customers.

C. When the payment of contract receivables exceeds the agreed-upon payment terms by more than 90 days, the credit risk of financial assets has significantly increased upon initial recognition. When the payment of contract receivables exceeds the agreed-upon payment terms by more than 365 days, it is considered to have defaulted.

D. The Group evaluates the expected credit losses on accounts receivables by individually estimating expected credit losses for significant defaulted accounts receivables, and for the remaining balances, grouping them by customer ratings based on the Group's credit standards and estimating expected credit losses using different loss rate methods or reserve matrices for different groups. The Group also considers forward-looking factors, such as the indicator query system of National Development Council, to adjust the loss rate established based on historical and current information during a specific period. As of December 31, 2022 and 2021, the loss allowance for accounts and notes receivables estimated individually and by using the reserve matrix were as follows：

	Individual assessment	Not overdue	1-90 days overdue	91-180 days overdue	181-360 days overdue	Overdue over 360 days	Total
December 31, 2022							
Expected loss rate	100%	0.05%	0.05%~ 0.21%	0.31%~ 20.79%	23.35%~ 64.64%	100.00%	
Total carrying amount	$ -	$ 56,898	$ 1,968	$ 423	$ 1,842	$ 5,452	$ 66,583
Loss allowances	$ -	$ 30	$ 1	$ 85	$ 1,160	$ 5,452	$ 6,728

Individual assessment	Not overdue	1-90 days overdue	91-180 days overdue	181-360 days overdue	Overdue over 360 days	Total

December 31, 2021

Expected loss rate	100.00%	0.05%	0.05%~ 0.23%	0.05%	51.88%	100.00%	
Total carrying amount	$ -	$ 65,035	$ 892	$ 10	$ 83	$ 5,371	$ 71,391
Loss allowances	$ -	$ 33	$ 1	$ -	$ 43	$ 5,371	$ 5,448

E. The accounts receivable aging analysis of the Group were as follows：

	December 31, 2022	December 31, 2021
Not overdue	$ 56,898	$ 65,035
Within 90 days	1,968	892
91-180 days	423	10
181-360 days	1,842	83
Over 360 days	5,452	5,371
	$ 66,583	$ 71,391

The above aging analysis was based on the number of days past due.

F. As for December 31, 2022 and 2021, other receivable – related parties were respectively NT$33,954 and NT$33,451. The Group evaluates the expected credit losses by using individual estimation method, and loss allowance were NT$33,954 and NT$33,451, respectively. As for December 31, 2022 and 2021, other receivable - non-related parties were respectively NT$30,348 and NT$20,065, and loss allowance were NT$8,760 and NT$0, respectively.

G. The table showing the changes in loss allowance for accounts and other receivables of the Group using the simplified method is as follow：

	2022	2021
	Accounts/other receivable	Accounts/other receivable
January 1	$ 38,899	$ 47,251
Recognition of impairment loss (recovery)	9,943	(258)
Amounts written off due to uncollectible	-	(7,767)
Effect of exchange rate fluctuations	600	(327)
December 31	$ 49,442	$ 38,899

The amounts above represent the impairment loss recognized for accounts receivable generated by customer contracts.

(3)Liquidity risk

A. Cash flow forecasts are executed by the operating entities within the group and are consolidated by the group's finance department. The group's finance department monitors the forecasted liquidity needs of the group to ensure that it has sufficient funds to support its operations and maintains adequate unused borrowing capacity at all times to prevent the group from violating any relevant borrowing limits or clauses.

B. Any excess cash held by the operating entities beyond the requirements of working capital management is transferred back to the group's finance department. The group's finance department invests the excess funds in interest-bearing demand deposit, time deposits, money market deposits, and marketable securities with appropriate maturities or sufficient liquidity to meet the aforementioned forecast and provide adequate headroom.

C. The non-derivative financial liabilities of the group are grouped by relevant dates, and the analysis of non-derivative financial liabilities is based on the remaining period from the balance sheet date to the contract expiry date. The disclosed contract cash flow amounts in the table below are undiscounted：

Non-derivative financial liabilities			
December 31, 2022	Within 1 year	1 to 2 years	Total
Lease liability	$ 11,403	$ 6,501	$ 17,904
December 31, 2021	Within 1 year	1 to 2 years	Total
Lease liability	$ 2,242	$ 110	$ 2,352

Except as described above, all of the group's non-derivative financial liabilities mature within the next year.

D. The group does not anticipate significant early cash flow occurrences or significant variances in actual amounts from the cash flow analysis of the maturity dates.

iii. Fair Value Information

1. The definitions of the various levels of valuation techniques adopted to measure the fair value of financial and non-financial instruments are as follows：

Level 1：quoted prices (unadjusted) in active markets for identical assets or liabilities that entities can access at the measurement date. An active market is the market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the listed share investments held by the Group falls within this level.

Level 2：inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3：unobservable inputs for the assets or liabilities.

2. Please refer to Note 12(2) for the non-fair value information of financial instruments and Note 6(9) for fair value information of investment properties measured at cost.

3. For financial instruments measured at fair value, the Group classified assets and liabilities by the nature, characteristics, risks and fair value level. Related information is as follows：

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets at fair value through profit or loss - equity securities	$ -	$ -	$ 94,877	$ 94,877

December 31, 2021	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets at fair value through profit or loss - equity securities	$ -	$ -	$141,294	$141,294

4. The methods and assumptions used by the Group to measure fair value are described below：
   (1) The Group uses market quotes as the fair value input value (i.e. Level 1), and according to the characteristics, for listed, OTC, and emerging stock companies, the market quote is the closing price.
   (2) Besides aforementioned financial instruments which have active market, for those do not have an active market, their fair value is obtained through valuation techniques or reference to quotes from market counterparties. The fair value obtained through valuation techniques can be referred to the fair value of other similar financial instruments with similar characteristics and conditions, discounted cash flow method or other valuation techniques, including models based on market information available on the consolidated balance sheet data (e.g. OTC market reference dividend yield curve, Reuters commercial paper average interest rate quote).
   (3) The output of the valuation model is an estimated approximation, and the valuation techniques may not reflect all the factors relevant to the Group's holdings of financial and non-financial instruments. Therefore, the estimated value of the valuation model will be adjusted appropriately based on additional parameters, such as model risk or liquidity risk. Based on the Group's fair value evaluation model management policy and related control procedures, the management believes that valuation adjustments are appropriate and necessary to fairly represent the fair value of financial and non-financial instruments in the consolidated balance sheet. The price information and parameters used in the valuation process are carefully evaluated and adjusted appropriately based on current market conditions.
   (4) The Group incorporates credit risk evaluation adjustments into the calculation of the fair value of financial and non-financial instruments to reflect both counterparty credit risk and the Group's credit quality.
5. The valuation process for fair value classified as Level 3 is conducted by external appraisers and the Finance and Accounting Department, who are responsible for independent fair value verification of financial instruments. Independent source data is used to bring the valuation results closer to market conditions, to confirm that the data sources are independent, reliable, consistent with other resources and representative of executable prices, and to update the input values and data required by the valuation model and any other necessary fair value adjustments to ensure that the valuation results are reasonable. Investment properties are valued periodically by the Finance and Accounting Department in accordance with the valuation methods and parameter assumptions announced by the Financial Supervisory Commission or by external appraisers. The Finance and Accounting Department also establishes policies, procedures and confirms compliance with relevant international financial reporting standards for the fair value evaluation of financial instruments.
6. In fiscal years 2022 and 2021, there were no transfers between level 1 and level 2.
7. The following table shows the changes in level 3 for fiscal years 2022 and 2021：

	Equity instruments	
	2022	2021
January 1	$ 141,294	$ 163,551
Gain (Loss) recognized in profits and losses	(46,417)	(22,257)

December 31	$ 94,877	$ 141,294

There were no transfers in or out of level 3 in years 2022 and 2021.

8. Regarding items measured at fair value using valuation models categorized as Level 3, the quantitative information of significant unobservable inputs and sensitivity analysis of significant unobservable inputs are explained as follows：

	December 31, 2022 Fair value	Evaluation techniques	Significant unobservable input	Interval (weighted-average)	Input and fair value relationships
Non-derivative equity instrument：					
Unlisted Listed Company Stock	$ 94,877	Comparable to listed companies	Net Share Price and Multiplier Ratio	1.04%~6.78%	The higher the multiplier, the higher the fair value;
			Lack of market liquidity discount	10%~30%	The more lack of market liquidity discount, the lower the fair value.

	December 31, 2021 Fair value	Evaluation techniques	Significant unobservable input	Interval (weighted-average)	Input and fair value relationships
Non-derivative equity instrument：					
Unlisted Listed Company Stock	$ 141,294	Comparable to listed companies	Net Share Price and Multiplier Ratio	1.30%-6.97%	The higher the multiplier, the higher the fair value;
			Lack of market liquidity discount	10%-30%	The more lack of market liquidity discount, the lower the fair value.

9. The Group has carefully evaluated the valuation models and parameters adopted. However, using different valuation models or parameters may result in different valuation results. For financial assets and financial liabilities classified as level 3, the impact on the current period's profit or loss or other comprehensive income due to changes in valuation parameters is as follows：

				December 31, 2022 Recognized in profits and losses	
	Term	Input	Changes	Favorable changes	Adverse changes
Financial assets					
Equity instruments	December 31, 2022	Lack of liquidity discount	±1%	$ 1,369	($ 1,341)

				December 31, 2021 Recognized in profits and losses	
	Term	Input	Changes	Favorable changes	Adverse changes

Financial assets					
Equity instruments	December 31, 2021	Lack of liquidity discount	±1%	$ 2,011	($ 2,025)

iv. Other

Due to the COVID-19 pandemic, during the fiscal year 2021, except for some subsidiaries that qualified for the phased reduction or subsidy of the social insurance implemented by the local government, the pandemic did not have a significant impact on the Group. There was no such situation in the fiscal year 2022.

XIII. Other disclosures

The following transactions between the Corporation and its subsidiaries have been eliminated upon consolidation and are disclosed for reference purposes.

i. Information on significant transactions

1. Loans to others：Please refer to Table 1.
2. Provision of endorsements and guarantees to others：None。
3. Holding of marketable securities at the end of the period (excluding investment in subsidiaries, associates, and joint ventures)：Please refer to Table 2.
4. Acquisition or sale of the same security with the accumulated cost exceeding NT$300 million or 20% of the Corporation’s paid-in capital or more：None.
5. Acquisition of real estate reaching NT$300 million or 20% of the Corporation’s paid-in capital or more：None.
6. Disposal of real estate reaching NT$300 million or 20% of the Corporation’s paid-in capital or more：None.
7. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more：None.
8. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more：None.
9. Trading in derivative instruments：None.
10. Business relationships among the parent company and subsidiaries, and significant intercompany transactions：None.

ii. Information on investees

The information about company names, locations, etc. of investees（excluding Mainland China investees）：Please refer to Table 3.

iii. Information on investees in Mainland China

1. Basic information：Please refer to Table 4.
2. Significant transaction events arising directly or indirectly from investees made through third-party entities or investments in mainland China：Please refer to Table 3.

iv. Information on major shareholders

Information on major shareholders：Please refer to Table 5.

XIV. Operating Segments Information

i. General information

The main business of the Group is research and development, manufacturing, sales, and after-sales service of products such as power suppliers, computer cases, networking (including trade), and electronic components. The management team operates based on product categories and expands business by developing differentiated products based on the characteristics and demands. In 2017, the Group established a new department for networking (including trade), which uses the factory equipment of the original LCD power supply factory as its production base and takes on network communication and trade orders. Starting from the fiscal year 2021, in order to maximize the use of the Group's overall resources and expand business in all aspects of the electronic industry, the overall business unit was integrated into a single operating segment. Based on the judgment, the reportable segment of the Group should be the electronic component segment.

The information of the operating segment is compiled in accordance with the Group's accounting policies. The management team mainly evaluates performance and allocates resources based on the revenue and operating profit/loss of the operating segment.

ii. Segment information

The reportable segment information provided to the chief operating decision maker is as follows：

Electronic components segment	2022		2021	
Net external revenue	$	237,989	$	355,816
Revenue from internal segments		1,258		2,326
Segment revenue	$	239,247	$	358,142
Segment profit or loss	($	152,711)	($	141,141)
Depreciation and amortization	$	22,381	$	21,465

iii. Information on reconciliation of segment profit or loss

The reconciliation of revenue from reportable segments and enterprise revenue and the profit and loss from reportable segments and continual operating segments are as follows：

Revenue	2022		2021	
Total revenue reportable segments	$	239,247	$	358,142
Offset revenue within segments	(	1,258)	(	2,326)
Enterprise revenue	$	237,989	$	355,816
Profit and loss	2022		2021	
Profit and loss from reportable segments	($	152,711)	($	141,141)
Profit and loss from other operating segments		-		-
Operating segment subtotal	(	152,711)	(	141,141)
Non-operating income and expenses	(	4,558)		122,608

	2022	2021
Net loss before income tax	($ 157,269)	($ 18,533)

iv. Product information

	2022	2021
PC power suppliers	$ 165,535	$ 185,622
Computer cases	60,161	83,962
Fiber optic modem	-	71,335
Other	12,293	14,897
Total	$ 237,989	$ 355,816

v. Geographic information

The geographic information of the Group for the years ended December 31, 2022 and 2021 is as follows：

	2022		2021	
	Revenue	Noncurrent assets	Revenue	Noncurrent assets
Mainland China	$ 118,795	$ 168,336	$ 178,895	$ 179,962
United States	54,077	-	74,268	-
Taiwan	45,942	60,299	63,089	61,341
Other	19,175	-	39,564	-
Total	$ 237,989	$ 228,635	$ 355,816	$ 241,303

vi. Important customer information

Customers accounting for 10% of sales revenue in income statement of the Group for the years ended December 31, 2022 and 2021 is as follows：

	2022		2021
	Revenue		Revenue
Client O	$ 56,971	Client N	$ 71,335
Client U	37,227	Client O	63,170
Client W	24,981	Client U	48,469
	$ 119,179		$ 182,974

Solytech Enterprise Corporation and Subsidiaries

FINANCINGS PROVIDED

2022

Table 1

(Amounts In Thousands of New Taiwan Dollars)

(Unless Specified Otherwise)

No	Financing Company	Counterparty	Statement Account	Party Account	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Interest Rate	Nature for Financing	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral Item	Collateral Value	Borrowing Company 資金貸與限額	Financing Company's Total Financing Amount Limits	Note
1	DEER ELECTRONICS(DONG GUAN) CO.,LTD	DONGGUAN SOLYTECH ENTERPRISE CORPORATION	Other receivables	Yes	$ 3,366	$ -	$ -	6.00%	The need for short-term financing	$ -	Operating capital	$ -	-	-	$ 23,780	$ 23,780	Note
2	COSMOS TREASURE HOLDINGS LIMITED	DEER ELECTRONICS(DONG GUAN) CO.,LTD	Other receivables	Yes	$ 206,506	$ 206,506	$ 221,242	0.50%	The need for short-term financing	$ -	Operating capital	$ -	-	-	$ 562,441	$ 562,441	Note
3	COSMOS TREASURE HOLDINGS LIMITED	DONGGUAN SOLYTECH ENTERPRISE CORPORATION	Other receivables	Yes	$ 392,541	$ 392,541	$ 413,292	0.50%	The need for short-term financing	$ -	Operating capital	$ -	-	-	$ 1,406,102	$ 1,406,102	Note
4	COSMOS TREASURE HOLDINGS LIMITED	DONG GUAN SHUN SHENG TRADE CO.,LTD	Other receivables	Yes	$ 20,951	$ 20,951	$ 21,510	0.50%	The need for short-term financing	$ -	Operating capital	$ -	-	-	$ 1,406,102	$ 1,406,102	Note

Note：The Corporation's regulations for "Financings provided process" to total amount loaned and to single recipient are as follows：

(1)For financings provided to companies with business relations, the total amount loaned shall not exceed 100% of the Corporation's net worth; the amount loaned to single recipient is limited to the amount of business relations between both parties.

(2)For companies with the need for short-term financing, the total amount loaned shall not exceed 40% of the Corporation's net worth; the amount loaned to single recipient shall not exceed 40% of the Corporation's net worth.

(3)The Corporation directly or indirectly holds 100% shares of voting rights of foreign companies which borrow loans for the need for short-term financing. The total amount loaned shall not exceed 100% of the Corporation's net worth, the amount loaned to single recipient shall not exceed 100% of the Corporation's net worth, and the financial term is limited to 10 years.

Solytech Enterprise Corporation and Subsidiaries

MARKETABLE SECURITIES HELD （EXCLUDING INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES CONTROLLING PART）

2022

Table 2

(Amounts In Thousands of New Taiwan Dollars)

(Unless Specified Otherwise)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	Ending Balance: Shares	Carrying value	Percentage of Ownership	Fair value	Note
Solytech Enterprise Corporation	HWA ZHIN VENTURE CAPITAL CORPORATION SHARE	No	inancial assets at fair value through profit and lo:	5,435	$ 267	1.09%	$ 267	
Solytech Enterprise Corporation	METAGONE BIOTECH INC. SHARE	No	inancial assets at fair value through profit and lo:	6,946,410	94,610	19.52%	94,610	

Solytech Enterprise Corporation and Subsidiaries

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA)

2022

Table 3

ımounts In Thousands of New Taiwan Dollars)

(Unless Specified Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount December 31, 2022	Original Investment Amount December 31, 2021	Balance as of December 31, 2022 Shares	Balance as of December 31, 2022 Percentage of Ownership	Balance as of December 31, 2022 Carrying Value	Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
Solytech Enterprise Corporation	AMPLE CROWN INTERNATIONAL LTD.	Samoa	Holding company	$ 2,045,975	$ 2,045,975	64,390,001	100	$ 984,504	($ 100,297)	($ 100,297)	
Solytech Enterprise Corporation	FONG YIN INVESTMENT CO.,LTD	Taiwan	Investing company	14,500	14,500	1,450,000	100	18,327	2,015	2,015	
AMPLE CROWN INTERNATIONAL LTD.	SUNTECH TRADING LIMITED	Samoa	Order transferring company	-	-	1	100	9,828	(1,659)	(1,659)	
AMPLE CROWN INTERNATIONAL LTD.	COSMOS TREASURE HOLDING LTD.	British Virgin Islands	Holding company	2,043,841	2,043,841	64,320,000	100	1,406,102	(224,189)	(224,189)	
AMPLE CROWN INTERNATIONAL LTD.	GIANT TREASURE LIMITED	Samoa	Holding company	-	-	1	100	-	-	-	
AMPLE CROWN INTERNATIONAL LTD.	SURE VIVA LIMITED	Samoa	Holding company	-	-	1	100	(415,861)	135,248	135,248	
AMPLE CROWN INTERNATIONAL LTD.	LAND TYCOON LIMITED	Samoa	Holding company	2,134	2,134	70,001	100	(15,565)	(9,697)	(9,697)	
COSMOS TREASURE HOLDING LTD.	PREMIER ACTION TRADING LTD.	British Virgin Islands	Holding company	1,425,391	1,425,391	44,820,000	100	659,664	(240,339)	(240,339)	

Solytech Enterprise Corporation and Subsidiaries

INFORMATION ON INVESTMENT IN MAINLAND CHINA－BASIC INFORMATION

2022

Table 4

(Amounts In Thousands of New Taiwan Dollars)

(Unless Specified Otherwise)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2022	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2022	Net Income (Losses) of the Investee Company	Percentage of Ownership	Share of Profits/Losses (Note 2)	Carrying Amount as of Balance as of December 31, 2022	Accumulated Inward Remittance of Earnings as of December 31, 2022	Note
					Outflow	Inflow							
DEER ELECTRONICS(DONG GUAN) CO.,LTD	Manufacturing and sales of power supplies, transformers, converters and other computer-used electronics	$ 900,945	2	$ 900,945	$ -	$ -	$ 900,945	($ 259,512)	50	($ 259,512)	($ 15,291)	$ -	
DONGGUAN SOLYTECH ENTERPRISE CORPORATION	Manufacturing and sales of power supplies, transformers, converters and other computer-used electronics	476,284	2	476,284	-	-	476,284	135,248	100	135,248	(415,861)	-	
DONG GUAN SHUN SHENG TRADE CO.,LTD	Sales of computer cases	2,151	2	2,151	-	-	2,151	(9,697)	100	(9,697)	(15,565)	-	

Name of Company	Accumulated Investment in Mainland China as of S December 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment	Note
Solytech Enterprise Corporat	$ 1,978,576	$ 1,978,576	$ 951,307	Note 4

Note 1：Ways of investment are classified into 3 types, listed as follows：

(1).Directly invest in Mainland China

(2).Reinvest in Mainland China through a third region company - AMPLE CROWN INTERNATIONAL LTD.

(3).Others

3.1 The company which the Corporation reinvested in Mainland China through an investment business in Mainland China are SHENZHEN QIANHAI SHUN CHENG ENTERPRISE CORPORATION, HENAN SHOUXIANG ELECTRONIC CO.,LTD. and SHENZHEN QIANHAI DEER ENTERPRISE CORPORATION. Except for the holding companies' investment businesses in Mainland China are required for Investment Committee, MOEA's approval for reinvestment, other reinvestments are not required.

Note 2：The investment income or loss recognized in the current period is based on the audited financial statements of the investee company in Mainland China.

Note 3：The amounts in the table are presented in New Taiwan Dollars. Those involving foreign currencies were converted into New Taiwan Dollars based on the exchange rate on the financial report date.

Note 4：The Corporation has received operating headquarters accreditation letter from the Industrial Development Bureau in the previous year. In accordance with the project "Relaxing restrictions on domestic enterprises raising capital for investment in Mainland China" by FSC, the Corporation may invest in Mainland China without the restriction of its investment quota during the period.

Note 5：Solytech sold all 100% shares of Top Rich Inc. to non-related parties in September, 2020, therefore indirectly transferred 100% shares of SUPERCASE INTERNATIONAL CORPORATION, losing control of the subsidiary.

Note 6：SUPERCASE INTERNATIONAL CORPORATION were approved by Investment Committee, MOEA of investing USD19,500. Its shares were all sold in 2020 and have not yet applied for cancelling the investment quota.

Solytech Enterprise Corporation and Subsidiaries

INFORMATION ON MAJOR SHAREHOLDERS

For the year ended December 31, 2022

Table 5

Shareholders	Shares	
	Total Shares Owned	Ownership Percentage
CHENG,CHIEH	9,290,500	6.17%
CHENG,HSIANG	8,737,838	5.80%

Appendix 2
Individual Financial Report of 2022

INDEPENDENT AUDITORS' REPORT

(112) No. Cai-Shen-Bao-22004543

The Board of Directors and Shareholders
Solytech Enterprise Corporation

Opinion
We have audited the accompanying parent company only balance sheets of Solytech Enterprise Corporation (the “Company”) as of December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Solytech Enterprise Corporation as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

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

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

Key audit matters for the Company’s 2022 parent company only financial statements are stated as follows:
Assessment of Allowance for inventory valuation losses
Explanatory Notes
Please refer to Note 4(12) for the accounting policy related to inventory valuation, Note 5(2)

for the accounting estimation and uncertainties for inventory valuation, and Note 6(5) for the explanation of the allowance for inventory valuation losses, as disclosed in the parent company only financial statements.

The main products sold of Solytech Enterprise Corporation and its Subsidiaries are power supplies and computer cases manufactured through subsidiaries. Due to the short life cycle and intense market competition of electronic products, there is a higher risk of inventory valuation losses and obsolescence. The inventories of the Corporation and its Subsidiaries are evaluated by Lower of Cost or Market Method; for inventory that has exceeded a certain age and for specifically identified obsolete inventory, the net present value is based on historical market price information for dealing with obsolete inventory.

Due to the rapid technological changes in the industry of Solytech Enterprise Corporation and its Subsidiaries and the high subjectivity involved in the assessment of obsolete inventories and the Lower of Cost or Market method used for their valuation, there is a high degree of estimation uncertainty. Considering the significant impact of Allowance for inventory valuation losses on the financial statements, we believe that the assessment of Allowance for inventory valuation losses of Solytech Enterprise Corporation and its Subsidiaries is one of the most important audit matters for the year.

<u>Audit procedures in response</u>
Our audit procedures regarding the provision for inventory obsolescence and impairment of specific obsolete inventories aged beyond a specific period are summarized as follows:

1. Based on our understanding of Solytech Enterprise Corporation’s operations and industry, we evaluated the reasonableness of the policy and procedures adopted by the Corporation for the Allowance for inventory valuation losses.
2. We verified the appropriateness of the inventory aging report system used by the Corporation for inventory valuation to ensure the consistency with the policy in the report.
3. We discussed with the management and obtained supporting documents on the net realizable value of specific obsolete and damaged inventories, and evaluated the reasonableness of the Allowance for inventory valuation losses.

Assessment of Allowance for uncollectible accounts receivables (including other receivables)

<u>Explanatory Notes</u>
Please refer to Note 4(9) "Financial Assets Impairment" in the parent company only financial statements for the accounting policy on the evaluation of Allowance for uncollectible accounts receivables. For information on the accounting estimation and uncertainties related to the impairment of Accounts receivables, please refer to Note 5(2) in the parent company only financial statements. For details on the Allowance for uncollectible accounts receivables, please refer to Note 6(4) in the parent company only financial statements. As of December 31, 2022, the Accounts receivables of Solytech Enterprise Corporation was NT$37,898 thousand (of

which NT$103 thousand was deducted for Allowance for uncollectible accounts receivables).

Solytech Enterprise Corporation and its Subsidiaries' Allowance for uncollectible accounts receivables is estimated based on historical experience, forward-looking information, and other known reasons or objective evidence of expected impairment losses. Any estimated uncollectible amount is recognized as an allowance for Accounts receivables in the current period. Solytech Enterprise Corporation and its Subsidiaries regularly review the reasonableness of their loss estimation. Due to the subjective judgment of management in assessing the Allowance for uncollectible accounts receivables and the estimation uncertainty associated with various industry indicators and the likelihood of collecting accounts after the reporting period, we consider the evaluation of the Allowance for uncollectible accounts receivables of Solytech Enterprise Corporation and its Subsidiaries as one of the most significant matters in the current audit, considering its material impact on the financial statements.

Audit procedures in response

The procedures performed by the auditor in response to the aforementioned matters are as follows:

1. Based on the understanding of Solytech Enterprise Corporation's operations and customer credit standards and in accordance with accounting principles, evaluate the reasonableness of the policies and procedures adopted for the Allowance for uncollectible accounts receivables, including the grouping and aging analysis of customer credit standards.
2. Evaluate the reasonableness of the estimated Allowance for uncollectible accounts receivables by management.
3. Evaluate the reasonableness of Solytech Enterprise Corporation's expected impairment loss estimation based on the adoption of the provision matrix.
4. Perform subsequent receivables tests to substantiate the adequacy of the Allowance for uncollectible accounts.

Fair value of financial assets - unlisted (OTC) equity securities in illiquid markets

Explanatory Notes

Regarding the accounting policy for measuring the fair value of financial assets - unlisted (OTC) equity securities in illiquid markets, please refer to Note 4(6) of the parent company only financial statements; for the accounting estimation and uncertainties related to fair value measurement, please refer to Note 5(2) of the parent company only financial statements; and for the explanation of fair value measurement of financial instruments, please refer to Note 12(3) of the parent company only financial statements.

Solytech Enterprise Corporation’s unlisted (OTC) equity investments in companies with illiquid market are recognized as financial assets measured at fair value through profit or loss.

The management uses Market Approach for evaluating the fair value of these investments, with the main assumption of the determination of comparable companies and obtaining their most recent published book value per share as a reference, as well as a deduction for market liquidity. Due to the subjectivity of fair value measurement of financial instruments, which relies on management's judgment and involves multiple assumptions and significant unobservable inputs, any changes in judgment and estimation may significantly impact the accounting estimation and have a high degree of estimation uncertainty. As the fair value measurement of unlisted (OTC) equity investments in companies with no active market has a significant impact on the current parent company only financial statements, we consider it one of the most important audit matters.

Audit procedures in response

The procedures undertaken with respect to the fair value measurement of unlisted stocks in inactive markets held by the Corporation are summarized as follows:

1. Understand and evaluate the Corporation's policies and procedures for the fair value measurement and disclosure of unlisted stocks in inactive markets, and the related valuation process.
2. Obtain the valuation expert's report used by the Corporation, and assess the expert's independence, expertise, and objectivity.
3. Evaluate the reasonableness of selecting comparable companies in the valuation report, including assessing the similarities between the business characteristics of the comparing objects and the Corporation under review, and comparing with other comparable market benchmarks.
4. Review the input values and calculation formulas used in the valuation model, and verify the relevance and reliability of the relevant information and supporting documents.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only

financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

PricewaterhouseCoopers Taipei, Taiwan

March 30, 2023

SOLYTECH ENTERPRISE CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 108,615	7	$ 286,606	26
1136	Current financial assets at amortized cost	6(3)	242,037	16	-	-
1170	Accounts receivables, net	6(4)	36,234	2	45,299	4
1200	Other receivables	7	1,664	-	127	-
130X	Inventory	6(5)	5,922	-	8,191	1
1410	Prepayments	6(6) and 7	1,511	-	94,433	8
11XX	**Current Assets**		395,983	25	434,656	39
	Non-current assets					
1510	Financial assets at fair value through profit or loss - noncurrent	6(2)	94,877	6	141,294	13
1550	Investments accounted for under equity method	6(7)	1,002,831	64	462,613	42
1600	Property, plant and equipment	6(8) and 8	40,520	3	42,906	4
1755	Right-of-use assets	6(9)	3,522	-	1,789	-
1760	Investment property-net	6(10) and 8	16,257	1	16,615	1
1900	Other non-current assets	6(13)	16,912	1	13,908	1
15XX	**Non-current assets**		1,174,919	75	679,125	61
1XXX	**Total assets**		$ 1,570,902	100	$ 1,113,781	100

(Continued)

SOLYTECH ENTERPRISE CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(11)	$ -	-	$ 70,000	7
2170	Accounts payable		312	-	1,975	-
2180	Accounts payables-related parties	7	43,301	3	-	-
2200	Other Payables	6(12) and 7	11,297	1	12,540	1
2280	Current lease liabilities		1,739	-	1,789	-
2300	Other current liabilities		1,332	-	822	-
21XX	**Current liabilities**		57,981	4	87,126	8
	Non-current liabilities					
2580	Non-current lease liabilities		1,784	-	-	-
2600	Other non-current liabilities		300	-	300	-
25XX	**Non-current liabilities**		2,084	-	300	-
2XXX	**Total liabilities**		60,065	4	87,426	8
	Equity					
	Share capital	6(14)				
3110	Share capital-common stock		1,504,145	96	1,504,145	135
	Capital surplus	6(15)				
3200	Capital surplus		585,480	37	3,539	-
	Retained earnings	6(16)				
3350	Accumulated deficit		(706,336)	(45)	(552,318)	(49)
	Other equity interest					
3400	Other equity interest		127,548	8	70,989	6
3XXX	**Total equity**		1,510,837	96	1,026,355	92
3X2X	**Total liabilities and equity**		$ 1,570,902	100	$ 1,113,781	100

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

Chairperson：Cheng, Chieh Manager：Cheng, Chieh Accounting Manager：Lin, Ta-Chiun

SOLYTECH ENTERPRISE CORPORATION
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except for the loss per share in New Taiwan dollars)

			Year ended December 31			
			2022		2021	
	Items	Notes	Amount	%	Amount	%
4000	Sales revenue	6(17)	$ 130,164	100	$ 196,888	100
5000	Operating costs	6(5) and 7	(126,869)	(98)	(188,422)	(96)
5900	Net operating margin		3,295	2	8,466	4
	Operating expenses	6(22)				
6100	Selling expenses		(19,543)	(15)	(18,261)	(9)
6200	General & administrative expenses		(37,224)	(28)	(40,129)	(20)
6300	Research and development expenses		(4,888)	(4)	(4,757)	(3)
6450	Expected credit loss	12(2)	(32)	-	(8)	-
6000	Total operating expenses		(61,687)	(47)	(63,155)	(32)
6900	Operating loss		(58,392)	(45)	(54,689)	(28)
	Non-operating income and expenses					
7100	Interest income	6(18)	3,842	3	127	-
7010	Other income	6(19) and 7	2,339	2	2,165	1
7020	Other gains and losses	6(20)	(6,124)	(5)	(35,644)	(18)
7050	Finance costs		(666)	-	(1,282)	(1)
7070	Share of (loss) profit of subsidiaries, associates and joint ventures accounted for using equity method		(98,282)	(76)	70,797	36
7000	Total non-operating income and expenses		(98,891)	(76)	36,163	18
7900	**Loss before income tax**		(157,283)	(121)	(18,526)	(10)
7950	Income tax (expense) benefit	6(23)	-	-	-	-
8200	**Loss for the year**		($ 157,283)	(121)	($ 18,526)	(10)
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Gains on remeasurements of defined benefit plan	6(13)	$ 3,265	3	$ 873	1
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation of foreign financial statements		56,559	43	601	-
8300	**Other comprehensive income for the year**		$ 59,824	46	$ 1,474	1
8500	**Total comprehensive income for the year**		($ 97,459)	(75)	($ 17,052)	(9)
	Losses per share	6(24)				
9750	Basic and diluted losses per share		($ 1.05)		($ 0.12)	

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

Chairperson：Cheng, Chieh Manager：Cheng, Chieh Accounting Manager：Lin, Ta-Chiun

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

			Capital surplus				
	Notes	Common stock	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in equity of associates and joint ventures accounted for using equity method	Accumulated deficit	Exchange differences on translation of foreign financial statements	Total equity
2021							
Balance at January 1		$ 1,504,145	$ -	$ 3,539	($ 534,665)	$ 70,388	$ 1,043,407
Net loss for the year		-	-	-	(18,526)	-	(18,526)
Other comprehensive income	6(13)	-	-	-	873	601	1,474
Total comprehensive (loss) income		-	-	-	(17,653)	601	(17,052)
Balance at December 31		$ 1,504,145	$ -	$ 3,539	($ 552,318)	$ 70,989	$ 1,026,355
2022							
Balance at January 1		$ 1,504,145	$ -	$ 3,539	($ 552,318)	$ 70,989	$ 1,026,355
Net loss for the year		-	-	-	(157,283)	-	(157,283)
Other comprehensive income	6(13)	-	-	-	3,265	56,559	59,824
Total comprehensive (loss) income		-	-	-	(154,018)	56,559	(97,459)
Difference between consideration and carrying amount of subsidiaries disposed	6(15)	-	581,941	-	-	-	581,941
Balance at December 31		$ 1,504,145	$ 581,941	$ 3,539	($ 706,336)	$ 127,548	$ 1,510,837

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

Chairperson：Cheng, Chieh Manager：Cheng, Chieh Accounting Manager：Lin, Ta-Chiun

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

	Notes	Year ended December 31 2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax		($ 157,283)	($ 18,526)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense (including investment property and right-of-use assets)	6(20) (21)	5,970	5,128
Amortization expense	6(21)	31	88
Expected credit losses		32	8
Net loss on financial liabilities at fair value through profit or loss	6(20)	46,417	22,257
Share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method		98,282	(70,797)
Gain on disposal of property, plant and equipment	6(20)	(610)	-
Interest income	6(18)	(3,842)	(127)
Dividend income	6(19)	(120)	-
Interest expense		666	1,282
Changes in operating assets and liabilities:			
Changes in operating assets			
Accounts receivables		9,033	65,260
Other receivables		73	555
Inventory		2,269	(7,096)
Prepayments		92,922	(87,994)
Other non-current assets		230	248
Changes in operating liabilities			
Accounts payable (including related parties)		41,638	1,845
Other payables		(1,188)	(3,803)
Other current liabilities		510	(1,947)
Cash inflow (outflow) generated from operations		135,030	(93,619)
Interest received		2,468	127
Interest paid		(720)	(1,295)
Cash dividends received		120	-
Income taxes refund (paid)		(236)	10
Net cash flows from (used in) operating activities		136,662	(94,777)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of financial assets at amortized cost		(242,037)	-
Acquisitions of property, plant and equipment	6(8)	(1,574)	(1,888)
Proceeds from disposal of property, plant and equipment		747	-
Decrease in other non-current assets		-	105
Net cash used in investing activities		(242,864)	(1,783)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings		120,000	270,000
Repayments of short-term borrowings		(190,000)	(280,000)
Decrease in other non-current liabilities		-	(340)
Payments of lease liabilities		(1,789)	(1,788)
Net cash used in financing activities		(71,789)	(12,128)
Net decrease in cash and cash equivalents		(177,991)	(108,688)
Cash and cash equivalents at beginning of year		286,606	395,294
Cash and cash equivalents at end of year		$ 108,615	$ 286,606

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

Chairperson：Cheng, Chieh　　Manager：Cheng, Chieh　　Accounting Manager：Lin, Ta-Chiun

Solytech Enterprise Corporation
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(Amounts in Thousands of New Taiwan Dollars)
(Unless Specified Otherwise)

I. GENERAL

Solytech Enterprise Corporation (the "Corporation") was incorporated on October 21, 1982. The main business activities of the corporation include manufacturing and selling power suppliers, computer cases, and electronic components.

II. THE AUTHORIZATION OF FINANCIAL STATEMENTS

The accompanying parent company only financial statements were authorized for issue by the Board of Directors on March 30, 2023.

III. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

i. The impact of the newly adopted and revised International Financial Reporting Standards (IFRS) applied the endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The following table lists the standards and interpretations of the newly adopted, revised, and amended IFRS under the FSC's approval and effective as of the year 2022:

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 3「Conceptual Framework Index」	January 1, 2022
Amendments to IAS 16「Property Plant and Equipment:The price prior to achieving the predetermined usage status」	January 1, 2022
Amendments to IAS 37「Loss-making contract - Cost of fulfilling contract」	January 1, 2022
2018-2020 Annual improvement in the cycle	January 1, 2022

After assessing the above standards and interpretations, the Corporation has determined that there is no significant impact on the Corporation's financial condition and performance.

ii. The impact of the not yet adopted and revised International Financial Reporting Standards (IFRS) applied the endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The following table lists the standards and interpretations of the newly adopted, revised, and amended IFRS under the FSC's approval as of the year 2023:

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 1「Disclosures of accounting policies」	January 1, 2023
Amendments to IFRS 8「Definition of accounting estimates」	January 1, 2023
Amendments to IFRS 12「Deferred taxes related to assets and liabilities arising from transactions with a single transaction」	January 1, 2023

After assessing the above standards and interpretations, the Corporation has determined that there is no significant impact on the Corporation's financial condition and performance.

iii. The impact of IFRSs issued by IASB but not yet endorsed and issued into effect by the FSC

The following table lists the standards and interpretations of the newly adopted, revised, and amended IFRS issued by the IASB but not yet approved by FSC:

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 10 and IAS 28「Disposals or contributions of assets between an investor and its related entities or joint ventures」	To be determined by IASB
Amendments to IFRS 16「Lease liability from sale and leaseback」	January 1, 2024
IFRS 17「Insurance Contracts」	January 1, 2023
Amendments to IFRS 17「Insurance Contracts」	January 1, 2023
Amendments to IFRS 17「First-time adoption of IFRS 17 and IAS 9 – comparative information」	January 1, 2023
Amendments to IAS 1「Classification of current or noncurrent liabilities」	January 1, 2024
Amendments to IAS 1「Noncurrent liabilities with contract clause」	January 1, 2024

After assessing the above standards and interpretations, the Corporation has determined that there is no significant impact on the Corporation's financial condition and performance.

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The main accounting policies adopted in this parent company only financial report are explained as follows. Unless otherwise indicated, these policies are consistently applied throughout all reporting periods.

i. Statement of Compliance

The accompanying parent company only financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (the "Accounting Standards Used in Preparation of the Parent Company Only Financial Statements").

ii. Basis of Preparation

1. The parent company only financial statements have been prepared on a historical cost basis, except for:
   (1) Financial assets measured at fair value through profit or loss.
   (2) Defined benefit assets recognized as the net amount of retirement fund assets reduced by the present value of defined benefit obligations.
2. The preparation of financial statements in accordance with the International Financial Reporting Standards (IFRSs) adopted and issued by the Financial Supervisory Commission (FSC) requires the use of significant accounting estimates and the application of management judgments in the process of applying the Corporation's accounting policies. For items involving significant judgments or complexity, or significant assumptions and estimates for consolidated financial statements, please refer to Note 5.

iii. Foreign Currencies Translation

1. The parent company only financial statements of the entity are presented in the functional currency, which is the New Taiwan Dollar.
2. Foreign Currencies Transactions and Balances
   (1) Foreign currency transactions are translated into functional currency using exchange rates prevailing on the transaction or measurement date. Exchange differences arising on the translation are recognized as gain or loss of the current period.
   (2) Foreign currency of monetary assets and liabilities are revalued using exchange rate prevailing on the balance sheet date, and exchange differences arising on the revaluation are recognized as gain or loss of the current period.
   (3) Foreign currency of non-monetary assets and liabilities that are measured at fair value through profit or loss are revalued using exchange rate prevailing on the balance sheet date, and exchange differences arising on the revaluation are recognized as gain or loss of the current period. Those that are measured at fair value through other comprehensive income are recognized as other comprehensive income. For non-fair value measured items, the historical exchange rate at the transaction date is used for measurement.
   (4) All exchange differences are recognized as "Other gains and losses" in the income statement.
3. Foreign Operations Translation
   (1) For all consolidated entities with functional currency different from the presentation currency, the operating results and financial position are translated into the presentation currency as follows:
      A. Assets and liabilities presented in each balance sheet are translated using the closing exchange rate on the balance sheet date；
      B. Income and expenses presented in each income statement are translated using the average exchange rate for the period；and
      C. All exchange differences arising from translation are recognized in other comprehensive income.
   (2) When the partially disposing or selling a foreign operation is a subsidiary, the cumulative translation differences previously recognized in other comprehensive income are proportionately reclassified to the non-controlling interest of the foreign operation. However, if the corporation has lost control over the foreign subsidiary operation, even if it still holds a portion of the ownership, the disposal of all ownership interest in the foreign operation is accounted for.

iv. Classification of Current and Noncurrent Assets and Liabilities

1. An asset is classified as current under one of the conditions below:
   (1) The Corporation expects to realize the asset, or intends to sell or consume it, in its normal operating cycle.
   (2) The Corporation holds the asset primarily for the purpose of trading.
   (3) The Corporation expects to realize the asset within twelve months after reporting period.
   (4) The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

   For those assets that are not current are classified as non-current.

2. A liability is classified as current under one of the conditions below:
   (1) The Corporation expects to settle the liability in normal operating cycle.
   (2) The Corporation holds the liability primarily for the purpose of trading.
   (3) The liability is due to be settled within twelve months after the reporting period.
   (4) The Corporation does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

   For those liabilities that are not current are classified as non-current.

v. Cash Equivalents

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and with maturity dates that do not present significant risks of changes in value. If time deposits conform to the conditions as mentioned above, and the Corporation holds them for the purpose of short-term cash commitment in operation, they are classified as cash equivalents.

vi. Financial assets at fair value through profit or loss

1. A financial asset measured at fair value through profit or loss refers to financial assets that are not measured at amortized cost or fair value through other comprehensive income.
2. For financial assets measured at fair value through profit or loss that meet trading customs, the Corporation uses trade date accounting.
3. The Corporation measures financial assets at fair value upon initial recognition, and transaction costs are recognized in profit or loss. Subsequently, gains or losses on fair value measurement are recognized in profit or loss.
4. When the right to receive dividends is established, and the economic benefits inflow associated with the dividends are likely, and the dividend amount can be reliably measured, the Corporation recognizes dividend income.

vii. Financial assets at Amortized Cost

1. A financial asset is measured at amortized cost if both of the following conditions are met:
   (1) The objective of the business model for managing the asset is to hold assets in order to collect contractual cash flows.
   (2) The asset's contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.
2. A regular way purchase or sale of financial assets at amortized cost is recognized using trade date accounting.
3. The amount at which the financial assets is measured at initial recognition is the fair value plus transaction costs, and shall be subsequently measured by effective interest method to amortize any difference between that initial amount and the maturity amount as interest revenue, and impairment losses shall be recognized. At derecognition, the profit or loss is recognized in profit or loss.
4. As the holding periods of the time deposits held by the Corporation that do not conform to the conditions of cash equivalents are short, the effect of discounting is immaterial. They shall be measured by the investment amounts.

viii. Accounts and Notes Receivables

1. Accounts and notes receivables are the accounts and notes with the unconditional right to receive the consideration for the goods transferred or services rendered according to the contracts.
2. As the effect of discounting of short-term accounts and notes receivables without bearing interests is immaterial, they shall be measured by the original invoice amount.

ix. Impairment of Financial Assets

At each balance sheet date, the Corporation shall assess whether the credit risk on financial assets at amortized cost has increased significantly since initial recognition. The Corporation shall consider all the reasonable and provable information, including foreseeing information. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Corporation shall measure the loss allowance for that instrument at an amount equal to 12-month expected credit losses. If the credit risk on a financial instrument has increased significantly since initial recognition, the Corporation shall measure the loss allowance for that instrument at an amount equal to lifetime expected credit losses. For those accounts receivables or contract assets not containing significant financing component, the Corporation shall measure the loss allowance at an amount equal to lifetime expected credit losses.

x. Derecognition of Financial Assets

The Corporation shall derecognize the financial assets when the contractual rights to the cash flows from the financial assets expire.

xi. Lease of lessor - Operating Lease

The Corporation shall recognize the lease income associated with those leases less any incentives offered to the lessees as profit or loss on a straight-line basis over the lease term.

xii. Inventories

Inventory is measured at the lower of cost and net realizable value, with cost determined by the weighted average method. The cost of finished goods and work in process includes raw materials, direct labor, other direct costs, and manufacturing overhead costs (allocated based on normal capacity), but excludes borrowing costs. In comparing cost and net realizable value, the item-by-item comparison method is used. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

xiii. Investments Accounted for Using Equity Method / Subsidiaries

1. Subsidiaries are all entities (including structured entities) controlled by the Corporation. The Corporation controls an entity when the Corporation is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
2. Unrealized profit or losses on transactions with subsidiaries have been eliminated. Appropriate adjustments of accounting policies of the subsidiaries have been made to be uniform with the accounting policies of the Corporation.
3. Share of profit or loss of subsidiaries is recognized in profit or loss, and share of other comprehensive income of subsidiaries is recognized in other comprehensive income. If the Corporation’s share of losses of a subsidiary equals or exceeds its interest in the subsidiary, the Corporation continues recognizing its share of further losses.

4. Changes in the Corporation's shareholding of a subsidiary that do not result in a loss of control (transactions with non-controlling interests) are accounted for as equity transactions and are treated as transactions within owners. The difference between the adjustment to the non-controlling interests and the fair value of the considering paid or received is recognized directly in equity.
5. According to “Regulations Governing the Preparation of Financial Reports by Securities Issuers,” the profit or loss during the period and other comprehensive income presented in 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.

xiv. Property, Plant and Equipment

1. Property, plant and equipment are initially recognized by acquisition cost. The relevant borrowing cost during the period of construction shall be capitalized.
2. Subsequent costs shall be recognized in the carrying value of the assets or as an individual asset, only if it’s probable that future economic benefits associated with the item are expected to flow to the Corporation, and the costs can be measured reliably. The carrying value of the replaced items shall be derecognized. Other fix and maintenance cost are recognized in profit or loss.
3. Property, plant and equipment are subsequently measured by cost model. Aside from land, which shall not be depreciated, straight-line method is used to allocate the depreciable amount of an asset over its useful life. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.
4. The residual value and the useful life of an asset shall be reviewed at each financial year-end, and if expectations differ from previous estimate, or there’s significant change in the consuming way of future economic benefits associated with the asset, the changes shall be accounted for as a change in an accounting estimate in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” since the date of the changes. The useful lives of each asset are listed below:

Buildings and Structures	5-45 years
Machinery and Equipment	3-5 years
Others	2-5 years

xv. Lease of lessee－Right-of-use assets / Lease liabilities

1. Lease assets are recognized as right-of-use assets and lease liabilities on the date they become available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.
2. Lease liabilities are recognized on the lease commencement date as the present value of lease payments not yet paid, discounted using the implicit rate of the lease. Lease payments comprise:
   (1) fixed payments, less any lease incentives receivable；
   (2) variable lease payments which depend on an index or a rate；
   Subsequently, the lease liabilities are measured using the effective interest method and the lease payments are recognized as interest expense over the

lease term. When there are changes to the lease term or lease payments that are not lease modifications, the lease liabilities are remeasured and the right-of-use assets are adjusted for the revaluation amount.

3. Right-of-use assets are measured at cost from the commencement dates. The cost comprises:
   (1) The initial measurement of lease liabilities；
   (2) Lease payments made at or before the commencement date；
   (3) Initial direct costs；and

   Subsequently, the right-of-use assets are measured using the cost model and are depreciated over the term which is the shorter of lease term and the useful life of the asset. When lease liabilities are remeasured, any revaluation amount is adjusted to the right-of-use assets.

xvi. Investment properties

An investment property is measured initially at cost, and subsequently measured by cost model. Except for land, other investment properties shall be depreciated by straight-line method over their useful life of 45 years.

xvii. Impairment of non-financial assets

The Corporation shall assess at the balance sheet date whether there is any indication that an asset may be impaired. If any indication is present, the Corporation shall assess the recoverable amount of the asset. If the recoverable amount of the asset is less than its carrying amount, impairment loss shall be recognized. Recoverable amount is the higher of the cash-generating unit’s net fair value and its value in use. If the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss shall be reversed. The increased carrying amount of an asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss ben recognized for the asset in prior years.

xviii. Borrowings

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

xix. Accounts and Notes payable

1. Accounts and notes payables are liabilities to pay for goods or services that have been received from the supplier in operations or not in operations.
2. As the effect of discounting of short-term accounts and notes payables without bearing interests is immaterial, they shall be measured by the original invoice amount.

xx. Derecognition of financial liabilities

The Corporation shall derecognize a financial liability from its statement of financial position when the obligation specified in the contract is discharged, cancelled or expires.

xxi. <u>Employee benefits</u>

1. Short-term employee benefits

   Short-term employee benefits are measured by the undiscounted amount expected to be paid, and recognized as an expense when the employees have rendered service entitling them to the contribution.

2. Pension

   (1) Defined Contribution Plan

   For defined contribution plans, the contributions shall be recognized as pension expenses when they are due on the accrual basis. Prepaid contributions shall be recognized that excess as an asset to the extent that the prepayment will lead to a cash refund or a reduction in the future payments.

   (2) Defined Benefit Plan

   A. The net obligation under a defined benefit plan is calculated by discounting the future benefit amounts earned by employees in the current or past service periods, and deducting the fair value of the plan assets as of the balance sheet date. The net benefit obligation is calculated annually using the Projected Unit Credit Method by an actuary, and the discount rate is determined by the market yield on high-quality corporate bonds with currency and terms consistent with those of the plan on the balance sheet date. In countries where high-quality corporate bonds do not have deep markets, the market yield on government bonds (as of the balance sheet date) is used instead.

   B. Remeasurements of defined benefit plans are recognized in other comprehensive income when they occur, and are presented in retained earnings.

3. Termination Benefits

   Termination benefits are provided to employees in exchange for termination of their employment either upon normal retirement date or upon employees' decision to accept the Corporation's invitation for voluntary termination. The Corporation recognizes the expense at the earlier of the time when it can no longer withdraw the offer of termination benefits and recognizing related restructuring costs. Benefits not expected to be settled within 12 months after the balance sheet date are discounted.

4. Employee and Director/Supervisor Remuneration

   Employees' and director's/supervisors' remuneration are recognized as expenses and liabilities provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

xxii. <u>Taxation</u>

1. The income tax expense for the period comprises current and deferred income tax. Tax is recognized in profit or loss, except to the extent that it relates to the items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
2. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the entities operate and generate taxable income. Management shall periodically evaluate the tax declaration condition, and estimate the income tax liabilities based on the tax expected to be paid to the taxation authority

when applicable. An additional tax on unappropriated earnings is recognized as income tax expenses on unappropriated earnings in the year the shareholders' meeting approves the distribution of earnings based on the actual distribution.

3. Deferred income tax shall be recognized for the temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, except to the extent that the deferred tax liabilities arise from the initial recognition of an asset or liability in a transaction which is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). The Corporation shall not recognize the deferred tax liabilities for temporary differences associated with investments in subsidiaries and associates, if the Corporation is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred income tax is measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
4. Deferred tax assets shall be reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.
5. When there is a legally enforceable right to offset the recognized current income tax assets and liabilities and it is intended to settle or simultaneously realize the assets and liabilities on a net basis, the current income tax assets and liabilities are offset; and when there is a legally enforceable right to offset the current income tax assets and liabilities and the deferred tax assets and liabilities arise from income tax assessed by the same tax authority on the same taxpayer, or different taxpayers with the intention of settling on a net basis or simultaneously realizing the assets and liabilities, the deferred tax assets and liabilities are offset.

xxiii. Revenue Recognition

1. The Corporation manufactures and sells computer cases and products related to power suppliers. Sales revenue is recognized when control of the product is transferred to the customer, which occurs upon delivery. At that point, the customer has the discretion to determine the distribution channel and price of the product, and the Corporation has no remaining obligations that could affect the customer's acceptance of the product. The risks of obsolescence, loss, and damage have been transferred to the customer upon delivery to the specified location, and revenue recognition occurs when the acceptance criteria of the sales contract have been objectively met.
2. Sales revenue is recognized at the net amount after deducting estimated sales returns and allowances from the contract price. The revenue recognition amount is limited to the portion that is highly probable to not undergo significant reversals in the future and is updated on each balance sheet date. Payment terms for sales transactions primarily range from 30 to 210 days after the transfer of control, and therefore, significant financing components are not considered in the contract.
3. Accounts receivables are recognized upon transfer of control of the product to the customer because, at that point, the Corporation has an unconditional right to the contract price, which is collectible from the customer only through the passage of time.

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

When preparing the parent company only financial statements, the management has made judgments to determine the account policies adopted, and make accounting estimates and assumptions based on the reasonable expectations for future events based on the condition at the balance sheets date. However, these estimates and assumptions could differ from the actual result; thus they could be assessed and adjusted by taking into account historical experiences and other factors. The estimates and assumptions could result in risks that require a material adjustment to the carrying amount of assets and liabilities in the next fiscal year. The Corporation has included the economic impact of the COVID-19 pandemic in its significant accounting estimates and will continue to assess its impact on the financial position and performance. The uncertainty of significant accounting judgments, estimates and assumptions is as follows:

i. Significant judgment used in adopting accounting policies

The Corporation has not made any significant accounting judgments in the adoption of accounting policies.

ii Critical Accounting Estimates and Assumptions

The accounting estimates made by the Corporation are based on reasonable expectations of future events as of the balance sheet date, but actual results may differ from these estimates. There is a risk of significant adjustments to the carrying amounts of assets and liabilities in the next financial year due to estimates and assumptions. Please refer below for further details:

1. Assessment of Allowance for Doubtful Accounts

The Corporation evaluates individual Accounts receivable for objective evidence of impairment and recognizes an Allowance for doubtful accounts when it is determined that the future collection of the receivable is not probable. The amount of the allowance is based on expected credit losses evaluated considering forward-looking information and other relevant factors. If the information and factors indicate a slowdown or decrease, a significant impairment loss may be recognized. As of December 31, 2022, the balances of Accounts receivable (including other receivables) and Allowance for doubtful accounts were NT$38,001 and NT$103, respectively.

2. Valuation of Inventory

As inventories are measured by the lower of cost and net realizable value, the Corporation has to utilize judgment and estimates to determine the net realizable value of inventories at the balance sheet date. Due to the rapid pace of technological change, the Corporation evaluates the amount of inventory that is impaired due to normal wear and tear, obsolescence, or lack of market demand as of the balance sheet date and writes down the inventory cost to net realizable value. This inventory valuation is primarily based on estimates of product demand for a specific future period, and therefore, may result in significant changes.

As of December 31, 2022, please refer to Note 6(5) for the carrying amount of inventory.

3. Financial Assets - Fair Value Measurement of Unlisted (OTC) Company Stocks with no Active Market

The fair value measurement of unlisted (OTC) company stocks without an active market held by the Corporation is mainly based on estimates of recent financing activities, valuation of similar companies, the Corporation's technological development, market conditions, and other economic indicators. Any changes in judgments and estimates may affect the fair value measurement. Please refer to Note 12(3) for further explanation on fair value measurement of financial instruments.

As of December 31, 2022, for the carrying amount of unlisted (OTC) company stocks without an active market held by the Corporation, please refer to Note 6(2).

VI. Explanation of Significant Accounts

i. Cash and Cash equivalent

	December 31. 2022	December 31. 2021
Cash on hand and Petty cash	$ 40	$ 40
Checking and Demand deposit	108,575	286,566
Total	$ 108,615	$ 286,606

1. As the correspondent banks are credible and the Corporation has several correspondent banks to diversify the credit risk, the probability of default is expected to be very low.
2. The cash or cash equivalents were not pledged as collateral.
3. The corporation has reclassified time deposits that do not meet the definition of cash equivalents as "Financial assets measured at amortized cost". Please refer to Note 6(3) for more detail.

ii. Financial assets and liabilities at fair value through profit or loss

Items	December 31. 2022	December 31. 2021
Noncurrent		
Enforced financial assets at fair value through profit or loss		
Non-listed and over-the-counter (OTC) stocks	$ 176,359	$ 176,359
Adjustments for change in value	(81,482)	(35,065)
Total	$ 94,877	$ 141,294

1. Details for Financial assets at fair value through profit or loss recognized in the income statement are as follow:

	2022	2021
Enforced financial assets at fair value through profit or loss		
Equity instruments	($ 46,417)	($ 22,257)

2. For details for Financial assets at fair value through profit or loss, please refer to Note 12(3).

iii. Financial assets measured at amortized cost

Items	December 31. 2022	December 31. 2021
Current		
Time deposit	$ 242,037	$ -

1. The profit or loss arising from financial assets at amortized cost recognized is as follows:

	2022	2021
Interest revenue	$ 3,424	$ -

2. Without considering the collaterals held and other credit enhancement, as of December 31, 2022 and 2021, the most representative credit risk exposure amounts of financial assets at amortized cost are the carrying amount.
3. For information on credit risk related to Financial assets measured at amortized cost, please refer to Note 12(2). The counterparties of the Corporation's investment in fixed-term deposits are financial institutions with good credit quality and are expected to have a very low probability of default.

iv. Accounts receivable

	December 31. 2022	December 31. 2021
Accounts receivable	$ 36,337	$ 45,365
Less:Allowance loss	(103)	(66)
	$ 36,234	$ 45,299

1. As of December 31, 2022 and 2021, the balances of accounts receivables are arising from contracts with customers. And as of January 1, 2021, the balance of accounts receivables amounted to NT$ 118,572.
2. Without considering the collaterals held and other credit enhancement, as of December 31, 2022 and 2021, the most representative credit risk exposure amounts of financial assets at amortized cost are the disclosed amount at each period.
3. The Corporation does not hold any collateral for the Accounts receivable.
4. For further information on credit risk related to Accounts receivable, please refer to Note 12(2).

v. Inventories

	December 31. 2022		
	Cost	Allowance for price decline	Carrying amount
Finished goods	$ 4,472	($ 1,935)	$ 2,537
Merchandise inventory	6,734	(3,349)	3,385
	$ 11,206	($ 5,284)	$ 5,922

December 31. 2021

	Cost	Allowance for price decline	Carrying amount
Raw materials	$ 12	($ 12)	$ -
Finished goods	6,687	(1,175)	5,512
Merchandise inventory	5,023	(2,344)	2,679
	$ 11,722	($ 3,531)	$ 8,191

The inventory cost recognized as an expense in the current period by the Corporation:

	2022	2021
Inventory cost sold	$ 124,919	$ 186,887
Inventory valuation losses	1,753	1,535
Inventory written-off losses	197	-
	$ 126,869	$ 188,422

vi. Prepayments

	December 31. 2022	December 31. 2021
Prepayments to suppliers to related parties	$ -	$ 93,313
Other prepayments	1,511	1,120
Total	$ 1,511	$ 94,433

vii. Investments accounted for using equity method

	December 31. 2022	December 31. 2021
Subsidiaries:		
AMPLE CROWN INTERNATIONAL LTD.	$ 984,504	$ 446,301
FONG YIN INVESTMENT CO.,LTD	18,327	16,312
	$ 1,002,831	$ 462,613

1. For information on the subsidiaries of our corporation, please refer to Note 4(3) of the consolidated financial statements for the year ended December 31, 2022.
2. On 31 May 2022, our subsidiary AMPLE CROWN INTERNATIONAL LTD. disposed of 50% equity interest in its subsidiary, DEER ELECTRONICS (DONG GUAN) CO.,LTD to DONG GUAN NENGGUANG INDUSTRIAL INVESTMENT CO.,LTD based on a resolution passed by the board of directors. Please refer to the Note 6(15) for further details.

viii. Property, Plant and Equipment

	Land	Buildings and Structures	Machinery and Equipment	Other Equipment	Total
January 1, 2022					
Cost	$14,986	$ 37,051	$ 173,665	$ 36,222	$ 261,924
Accumulated depreciation and impairment	-	(14,838)	(173,665)	(30,515)	(219,018)
	$14,986	$ 22,213	$ -	$ 5,707	$ 42,906
2022					
January 1	$14,986	$ 22,213	$ -	$ 5,707	$ 42,906
Addition	-	-	-	1,574	1,574
Disposal	-	-	-	(137)	(137)
Depreciation expense	-	(823)	-	(3,000)	(3,823)
December 31	$14,986	$ 21,390	$ -	$ 4,144	$ 40,520
December 31, 2022					
Cost	$14,986	$ 37,051	$ 7,681	$ 36,234	$ 95,952
Accumulated depreciation and impairment	-	(15,661)	(7,681)	(32,090)	(55,432)
	$14,986	$ 21,390	$ -	$ 4,144	$ 40,520

	Land	Buildings and Structures	Machinery and Equipment	Other Equipment	Total
January 1, 2021					
Cost	$14,986	$ 37,051	$ 173,677	$ 34,334	$ 260,048
Accumulated depreciation and impairment	-	(14,015)	(173,677)	(28,356)	(216,048)
	$14,986	$ 23,036	$ -	$ 5,978	$ 44,000
2021					
January 1	$14,986	$ 23,036	$ -	$ 5,978	$ 44,000
Addition	-	-	-	1,888	1,888
Depreciation expense	-	(823)	-	(2,159)	(2,982)
December 31	$14,986	$ 22,213	$ -	$ 5,707	$ 42,906
December 31, 2021					
Cost	$14,986	$ 37,051	$ 173,665	$ 36,222	$ 261,924
Accumulated depreciation and impairment	-	(14,838)	(173,665)	(30,515)	(219,018)
	$14,986	$ 22,213	$ -	$ 5,707	$ 42,906

For information on the property, plant and equipment pledged as collateral, please refer to Note 8.

ix. Lease transaction－lessee

1. The underlying assets of the lease transactions that the Corporation involves are land. The duration of lease term is usually 1 to 2 years. The lease contracts are negotiated individually and applicable to different terms and conditions. Apart from the restriction that the leased assets cannot be pledged as collateral for borrowing, no other restrictions are imposed.
2. The lease term for the multifunctional printers leased by the Corporation does not exceed 12 months.
3. The information regarding the carrying amount of the right-of-use assets and the depreciation expense recognized is as follows:

	December 31. 2022	December 31. 2021
	Carrying amount	Carrying amount
Buildings	$ 3,522	$ 1,789

	2022	2021
	Depreciation expense	Depreciation expense
Buildings	$ 1,789	$ 1,788

4. The addition of Right-of-use assets were $3,522 and $1,789 in the years 2022 and 2021, respectively.
5. The profit and loss items related to lease agreements are as follows:

	2022	2021
Items affecting the current year's profit and loss		
Interest expense from lease liability	$ 10	$ 12
Expense from short-term lease contract	110	114

6. The total cash outflows from lease payments for the Corporation in the years 2022 and 2021 were $1,909 and $1,914 respectively.

x. Investment properties

	Land	Buildings and Structures	Total
January 1, 2022			
Cost	$ 6,701	$ 18,542	$ 25,243
Accumulated depreciation	-	(8,628)	(8,628)
	$ 6,701	$ 9,914	$ 16,615
2022			
January 1	$ 6,701	$ 9,914	$ 16,615
Depreciation expense	-	(358)	(358)
December 31	$ 6,701	$ 9,556	$ 16,257

December 31, 2022

	Land	Buildings and Structures	Total
Cost	$ 6,701	$ 18,542	$ 25,243
Accumulated depreciation	-	(8,986)	(8,986)
	$ 6,701	$ 9,556	$ 16,257

	Land	Buildings and Structures	Total
January 1, 2021			
Cost	$ 6,701	$ 18,542	$ 25,243
Accumulated depreciation	-	(8,270)	(8,270)
	$ 6,701	$ 10,272	$ 16,973
2021			
January 1	$ 6,701	$ 10,272	$ 16,973
Depreciation expense	-	(358)	(358)
December 31	$ 6,701	$ 9,914	$ 16,615
December 31, 2021			
Cost	$ 6,701	$ 18,542	$ 25,243
Accumulated depreciation	-	(8,628)	(8,628)
	$ 6,701	$ 9,914	$ 16,615

1. The rental income and direct operating expenses of investment properties are as follows:

	2022	2021
Rent income from investment properties	$ 1,691	$ 1,691
Direct operating expenses incurred by the investment properties with current rental income	$ 358	$ 358
Direct operating expenses not incurred by the investment properties with current rental income	$ -	$ -

2. The fair value of investment properties held by the Corporation were $45,500 and $43,650 as of December 31, 2022 and 2021, respectively. The fair value mentioned above is evaluated based on the appraisal report and reference of the market transaction prices of similar properties in the adjacent area. The result is classified as Level 3 fair value.
3. For information on investment properties pledged as collateral, please refer to Note 8.

xi. Short-term borrowings

Nature of borrowing	December 31, 2021	Range of interest rates	Collateral
Bank borrowings			
Secured borrowings	$ 70,000	1.55%	Property, Plant and Equipment and Investment properties

1. As of December 31, 2022, all short-term borrowings of the Corporation have been fully repaid.
2. Regarding the credit limit for short-term borrowings, a part of it is jointly guaranteed by the Chairman. Please refer to Note 7 for details.
3. Please refer to Note 8 for the short-term borrowings pledged as collateral.

xii. Other payables

	December 31, 2022	December 31, 2021
Salaries and Bonuses Payables	$ 7,465	$ 8,255
Labor Costs Payables	1,955	1,794
Other	1,877	2,491
	$ 11,297	$ 12,540

xiii. Pension

1. Defined benefit plans

(1) The Corporation has defined benefit plans under the R.O.C. Labor Standards Law. This applies to the seniority of all regular employees before the implementation of the Labor Pension Act on July 1, 2005, and the subsequent seniority of employees who choose to continue to apply the Labor Standards Act. Employees met the criteria are provided with benefits based on his or her length of service and average monthly salary for the six-month period prior to retirement. For seniority within 15 years (inclusive), two base salaries will be given for each full year, and for seniority exceeding 15 years, one base salary will be given for each full year, up to a maximum of 45 base salaries. The Corporation sets aside 2% of the total payroll each month for the retirement fund, which is stored in a special account under the name of the Supervisory Committee of Labor Retirement Reserve at Bank of Taiwan. In addition, the Corporation estimates the balance of the aforementioned retirement fund account before the end of each fiscal year. If the balance is insufficient to pay the retirement benefits calculated for the next year for employees who are expected to meet the retirement conditions, the Corporation will make up the difference in one lump sum by the end of March of the next year.

(2) Amounts recognized on the balance sheet were as follow:

	December 31, 2022	December 31, 2021
Present value of defined benefit obligation	$ 16,885	$ 17,383
Fair value of plan assets	(33,347)	(30,811)
Net defined benefit asset (Recognized as noncurrent assets)	($ 16,462)	($ 13,428)

(3) Changes in the net defined benefit asset were as follows:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit asset
2022			
Balance, January 1	$ 17,383	($ 30,811)	($ 13,428)
Current service cost	311	-	311
Interest expense (revenue)	104	(184)	(80)
	17,798	(30,995)	(13,197)
Remeasurement:			
Return on plan assets (Note)	-	(2,352)	(2,352)
Changes arising from changes in financial assumption	(512)	-	(512)
Changes arising from experience adjustments	(401)	-	(401)
	(913)	(2,352)	(3,265)
Balance, December 31	$ 16,885	($ 33,347)	($ 16,462)

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit asset
2021			
Balance, January 1	$ 17,426	($ 30,260)	($ 12,834)
Current service cost	318	-	318
Interest expense (revenue)	52	(91)	(39)
	17,796	(30,351)	(12,555)
Remeasurement:			
Return on plan assets (Note)	-	(460)	(460)
Changes arising from changes in demographic assumptions	10	-	10

Changes arising from changes in financial assumption	(309)	-	(309)
Changes arising from experience adjustments	(114)	-	(114)
	(413)	(460)	(873)
Balance, December 31	$ 17,383	($ 30,811)	($ 13,428)

Note:Excluding amounts included in interest revenue or expenses.

(4) The Corporation's defined benefit retirement plan fund assets are entrusted to Bank of Taiwan for investment and management according to the proportion and amount range of the entrusted operating items determined in the annual investment plan of the fund. The entrusted operations are carried out in accordance with Article 6 of the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, i.e., depositing funds in domestic and foreign financial institutions, investing in listed, OTC or private equity securities in domestic and foreign markets, and investing in securitized real estate products in domestic and foreign markets. The related utilization situation is supervised by the Supervisory Committee of Labor Retirement Reserve. The minimum annual distribution of income for the fund’s operation shall not be lower than the income calculated based on the two-year time deposit interest rate of the local bank. If the minimum distribution cannot be met, it shall be supplemented by the National Treasury after approval by the competent authority. Since the Corporation has no authority to participate in the operation and management of the fund, it is unable to disclose the classification of the fair value of plan assets in accordance with Paragraph 142 of International Accounting Standard No. 19. The fair value of the total assets of the fund as of December 31, 2022 and 2021 is disclosed in the annual Labor Pension Fund Utilization Report published by the government.

(5) The principal assumptions of pension were summarized as follow:

	2022	2021
Discount rate	1.20%	0.60%
Future salary increase rate	2.00%	2.00%

The assumption for future mortality rates is based on the published statistical data and experience in various countries. The analysis of present value of defined benefit obligations affected by changes arising from changes in financial assumption is as follows:

	Discount rate		Future salary increase rate	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2022				
Effect on present value of defined benefit obligation	($ 204)	$ 210	$ 166	($ 162)
December 31, 2021				
Effect on present value of defined benefit obligation	($ 242)	$ 249	$ 202	($ 197)

The sensitivity analysis presented above examines the impact of a single assumption change while assuming other assumptions remain constant. In practice, changes in many assumptions may be interrelated. The sensitivity analysis is consistent with the method used to calculate the net defined benefit liabilities on the balance sheet.

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

(6) It is expected that no funds will be contributed to the retirement plan by the Corporation for the year ended 2023.

(7) As of December 31, 2022, the weighted average remaining service life of the retirement plan was 5 years.

2. Defined contribution plan

(1) Since July 1, 2005, the Corporation has established a defined contribution retirement plan in accordance with the Labor Pension Act, which is applicable to employees of Taiwanese nationality. Under this plan, for the portion of employees who have elected to participate in the Labor Pension Act, the Corporation contributes 6% of the employee's monthly salary to the individual account established by the employee with the Bureau of Labor Insurance. Retirement benefits are paid in the form of either monthly pension or lump sum, depending on the balance of the individual account and its accumulated earnings.

(2) As of years 2022 and 2021, the retirement benefits cost recognized by the Corporation under this retirement plan were $1,419 and $1,498, respectively.

xiv. Share capital

As of December 31, 2022, the authorized capital of the Corporation is NT$3,500,000, divided into 350,000 thousand shares, and the paid-up capital is NT$1,504,145. The approved number of outstanding common shares is 150,414,536 shares, with a par value of NT$10 per share. All of the issued shares have been fully paid for.

xv. Capital surplus

1. According to the regulation of the Company Act, where a corporation incurs no loss, it may distribute the income derived from the issuance of new shares at a premium, and the income from endowments received by the corporation, by issuing new shares which shall be distributable as dividend shares to its original shareholders in proportion to the number of shares being held by each of them or by cash. Based on the relevant regulations of Securities and Exchange Act, where a corporation intends to capitalize the aforementioned capital surplus, the total amount per year shall not exceed 10% of paid-in capital. A corporation shall not use the capital surplus to make good its capital loss, unless the surplus reserve is insufficient to make good such loss.

2. In consideration of business strategies and asset revitalization, on May 31, 2022, the Board of Directors resolved to dispose of 50% equity interest in DEER ELECTRONICS (DONG GUAN) CO.,LTD（”DEER”）to DONG GUAN NENGGUANG INDUSTRIAL INVESTMENT CO.,LTD（”NENGGUANG”）. The transaction price was determined based on an independent expert valuation report, and the total transaction price was RMB $152,500 thousand, which was received on November 29, 2022. The difference after deducting the cost is $581,941. As a result, since the transaction did not result in the loss of control over DEER, the capital surplus is recognized. Prior to the equity transfer, all expenses, liabilities, and taxes incurred by DEER, including any associated receivables and payables, were handled by the seller. After the equity transfer, NENGGUANG is entitled to the rent income from DEER 's land and factory in proportion to its ownership

(after deducting relevant expenses), and the remaining operating performance of DEER, after deducting the aforementioned rent income, is fully enjoyed by the seller.

xvi. Retained earnings (accumulated deficit)

1. The annual net profit of the Corporation shall be distributed in the following order:
   (1) Offsetting losses in prior years.
   (2) Setting aside a legal capital reserve at 10% of the profits left over, provided that no allocation of legal reserve is required if the accumulated legal reserve is equivalent to the total capital amount.
   (3) Setting aside or rotating special reserve according to the rule set out by the government authority in charge. If the special reserves to be set aside are the net decrease of other equity and the net increase of fair value of investment properties accumulated from previous periods, the same amount shall be set aside from the retained earnings of previous periods. If there is any deficiency, the remaining amount shall be set aside from the current year's net profit after tax, excluding items beyond the net profit after tax.
   The proposal for the distribution of the distributable profit shall be prepared by the Board of Directors. If the distribution is to be made by issuing new shares, it shall be subject to the approval of the shareholders' meeting. If the distribution is to be made in cash, the Board of Directors shall be authorized to distribute dividends and bonuses or legal reserve and capital surplus in whole or in part after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.
2. Considering the variable industry environment, the corporation's life cycle is in the growth stage and is moving towards diversified development. In light of the corporation's future capital needs, long-term financial planning, and shareholders' demand for cash inflows, the corporation plans to allocate not less than 10% of the distributable profits to distribute dividends to shareholders every year. However, if the accumulated distributable profits are less than 5% of the paid-in capital, dividends may not be distributed. When distributing dividends to shareholders, they may be distributed in cash or shares, and the cash dividends shall not be less than 10% of the total dividend amount. However, when the cash dividend per share is less than one New Taiwan Dollar, the entire cash dividend may be converted into a share dividend.
3. The legal reserve shall not be used except for offsetting losses of the corporation and for issuing new shares or cash in proportion to the original shareholders' shares. However, when issuing new shares or by cash, only the portion of legal reserve which exceeds 25 percent of the paid-in capital may be distributed.
4. When distributing profits, the corporation may only do so after allocating special reserves according to legal regulations to the other equity items in the debit balance on the balance sheet as of the end of the fiscal year. Only when the other equity items in the debit balance are reversed can the reversal amount be included in the distributable profits.
5. On March 30, 2023, the corporation’s board of directors passed a resolution on the loss make-up proposal.
6. The loss make-up proposal approved by the shareholders' meeting on June 21, 2022, and July 29, 2021 is consistent with the proposal put forward by the board

of directors of the corporation.

7. For information on employee compensation and director and supervisor remuneration, please refer to Note 6 (22).

xvii. Operating revenue

The customer contract revenue of our corporation originates from goods transferred at a certain point in time, and the revenue can be subdivided into the following main products:

Customer contract revenue	Power suppliers	Computer cases	Other	Total
2022	$ 70,516	$ 54,436	$ 5,212	$ 130,164
2021	$ 114,913	$ 79,017	$ 2,958	$ 196,888

xviii. Interest revenue

	2022	2021
Interest revenue from financial assets at amortized cost	$ 3,424	$ -
Interest from bank savings	418	127
Total	$ 3,842	$ 127

xix. Other revenue

	2022	2021
Rent income	$ 1,691	$ 1,691
Dividend income	120	-
Other income	528	474
Total	$ 2,339	$ 2,165

xx. Other gains and expenses

	2022	2021
Losses on financial assets at fair value through profit or loss	($ 46,417)	($ 22,257)
Net foreign exchange net gain or loss	40,058	(13,008)
Depreciation expense from investment properties	(358)	(358)
Gains on disposals of property, plant and equipment	610	-
Other expenses	(17)	(21)
Total	($ 6,124)	($ 35,644)

xxi. Additional information on nature of expenses

	2022	2021
Employee benefits expenses	$ 39,830	$ 41,089
Depreciation expense (Note 1)	$ 5,612	$ 4,770
Amortization expense (Note2)	$ 31	$ 88

Note 1: includes depreciation expenses from property, plant and equipment and right-of-use assets.

Note 2: refers to amortization expenses for deferred expenses.

xxii. Employee benefits expenses

	2022	2021
Payroll expenses	$ 31,845	$ 33,300
Labor and health insurance expenses	2,891	2,916
Pension expenses	1,650	1,777
Directors' remuneration	2,640	2,024
Other employment expenses	804	1,072
	$ 39,830	$ 41,089

1. In accordance with the Articles of Incorporation, the Corporation shall distribute employee compensation at a rate of 5% to 10% and director compensation at a rate of 3% or lower when distributing profits.
2. As of December 31, 2022 and 2021, the Corporation has accumulated losses. According to the Articles of Incorporation, no provision was made for employee, director and supervisor compensation.
3. The information about the employees', directors' and supervisors' compensation resolved by the board of directors and shareholders' meeting is available at the Market Observation Post System website.

xxiii. Taxation

1. Income tax expense

   No tax expense occurred in years 2022 and 2021.
2. Explanation on the relationship between tax expense and accounting profit:

	2022	2021
Tax payables calculated by profit before tax multiplying the enacted tax rates	($ 31,456)	($ 3,705)
Impact of unrecognized deferred tax assets arising from temporary differences	10,397	(11,475)
Deferred tax assets unrecognized for tax losses	21,486	15,085
Income tax impact of permanent differences	(427)	95
Tax expense	$ -	$ -

3. The Corporation did not have any deferred tax assets or liabilities resulting from temporary differences for the years ended December 31, 2022 and 2021.
4. The deductible deadline of unused tax loss and amount of the unrecognized deferred tax assets are as follows:

December 31, 2022

Year of occurrence December 31, 2022	Year of occurrence December 31, 2022	Year of occurrence December 31, 2022	Year of occurrence December 31, 2022	Year of occurrence December 31, 2022
2015	$ 62,802	$ 62,802	$ 62,802	2025
2016	54,364	54,364	54,364	2026
2017	63,620	63,620	63,620	2027
2018	28,546	28,546	28,546	2028
2019	41,317	41,317	41,317	2029
2021	56,665	56,665	56,665	2031
2022	104,126	104,126	104,126	2032
	$ 411,440	$ 411,440	$ 411,440	

December 31, 2021

Year of occurrence December 31, 2021	Year of occurrence December 31, 2021	Year of occurrence December 31, 2021	Year of occurrence December 31, 2021	Year of occurrence December 31, 2021
2012	$ 50,911	$ 28,051	$ 28,051	2022
2015	62,802	62,802	62,802	2025
2016	54,364	54,364	54,364	2026
2017	63,620	63,620	63,620	2027
2018	28,546	28,546	28,546	2028
2019	41,317	41,317	41,317	2029
2021	56,665	56,665	56,665	2031
	$ 358,225	$ 335,365	$ 335,365	

5. Profit-seeking Enterprise Income Taxes of the Corporation have been verified by the tax collection authority until 2020.

xxiv. Earnings per share

	2022	2021
Basic and diluted earnings per share		
Loss attributable to shareholders of the parent		
Net Loss	($ 157,283)	($ 18,526)
Weighted average number of shares outstanding (in thousands shares)	150,415	150,415
Basic and diluted earnings per share (in NTD)	($ 1.05)	($ 0.12)

xxv. Changes in the liabilities arising from financing activities

Please refer to the effect in the statements of cash flow for the changes in short-term borrowings and lease principal repayments from financing activities during the fiscal years 2022 and 2021.

VII. Related Party Transactions

i. Related party names and their relationships

Related party name	Relationships with the Corporation
SUNTECH TRADING LTD.(SUNTECH)	Subsidiary of the Corporation
AMPLE CROWN INTERNATIONAL LTD.(AMPLE CROWN)	Subsidiary of the Corporation
DONGGUAN SOLYTECH ENTERPRISE CORPORATION	Subsidiary of the Corporation
DONGGUAN SHUN CHENG TRADE CO.,LTD(SHUN CHENG TRADE)	Subsidiary of the Corporation
CHENG, CHIEH	Chairperson of the Corporation

ii. Significant transactions with related parties

1. Purchase

	2022	2021
Purchase of merchandise:		
－Subsidiaries		
SUNTECH	$ 67,389	$ 112,492
SHUN CHENG TRADE	53,964	74,882
	$ 121,353	$ 187,374

The purchase price for goods between the Corporation and its subsidiaries is based on mutual agreement and the payment terms are net 30 days.

2. Accounts payables to related parties

		December 31, 2022		December 31, 2021
Accounts payable:				
－Subsidiaries				
SUNTECH	$	39,086	$	-
SHUN CHENG TRADE		4,215		-
	$	43,301	$	-

3. Prepayments

		December 31, 2021
Prepayments to suppliers:		
－Subsidiaries		
SUNTECH	$	81,749
SHUN CHENG TRADE		11,564
	$	93,313

As of December 31, 2022, there were no prepayments to related parties.

4. Substitutional purchase

	2022		2021	
	Procurement amount	Net receivables, balance (Note)	Procurement amount	Net receivables, balance (Note)
Procurement:				
Subsidiary	$ 1,619	$ -	$ 5,381	$ 10

Note:Disclosed under "Other Receivables"

5. Management service revenue (disclosed under "Other income") and accounts receivable for management service expenses (disclosed under "Other receivables")

	2021	
	Amount	Receivables, balance
Management service revenue:		
Subsidiary	$ 12	$ -

There were no management service revenue and accounts receivable for management service expenses due from related parties in 2022.

6. As of December 31, 2022 and 2021, the Chairman of the Corporation has provided joint guarantees for short-term borrowings.

iii. Information on key management personnel compensation

	2022	2021
Salary and other short-term employee benefits	$ 7,177	$ 7,169
Post-employment benefits	190	190
Total	$ 7,367	$ 7,359

VIII. Pledged Assets

The assets pledge as collaterals are as follows:

	Carrying amount		
Asset	December 31, 2022	December 31, 2021	December 31, 2022
Property, Plant and Equipment			
Land	$ 14,986	$ 14,986	Short-term loans credit line collateral
Buildings and structures	21,390	22,213	Short-term loans and comprehensive credit line collateral
Investment properties			
Land	6,701	6,701	Short-term loans and comprehensive credit line collateral
Buildings and structures	9,556	9,914	Short-term loans and comprehensive credit line collateral
	$ 52,633	$ 53,814	

IX. Significant Contingent Liabilities and Unrecognized Contract Commitments

None.

X. Significant Losses on Disaster

None.

XI. Significant Subsequent Events

None.

XII. Others

i. Capital Risk Management

The objective of the Corporation's capital management is to ensure that it operates continuously and maintains optimal capital structure to decrease the cost of capital and maximize the shareholders' equity. The Corporation adjusts dividend payment, issues new shares, or disposes assets for the purpose of decreasing debts, adjusting and maintaining the capital structure.

ii. Financial instruments

1.Types of financial instruments

	December 31, 2022	December 31, 2021
Financial assets		
Financial assets measured at fair value through profit or loss	$ 94,877	$ 141,294
Financial assets measured at amortized cost	386,886	331,905
	$ 481,763	$ 473,199
Financial liabilities		
Financial liabilities measured at amortized cost	$ 54,910	$ 84,515
Lease liability	3,523	1,789
	$ 58,433	$ 86,304

Note:Financial assets measured at amortized cost includes cash and cash equivalents, financial assets measured at amortized cost and accounts receivables; financial liabilities measured at amortized cost includes short-term borrowings, accounts payable (including to related parties) and other payables.

2. Risk Management Policies

(1) The Corporation adopts a comprehensive risk management and control system to clearly identify, measure, and control all kinds of risks (including market risk, credit risk, liquidity risk, and cash flow risk) so that the management can effectively engage in controlling and measuring market risk, credit risk, liquidity risk, and cash flow risk.

(2) In order to effectively manage various market risks, the Corporation's management authorities will consider the economic environment, competitive conditions, and the impact of market value risk, to achieve optimized risk positions, maintain appropriate liquidity positions, and centrally manage all market risks.

3. Nature and extent of significant financial risks

(1) Market risk

Currency risk

A. The Corporation operates across borders and is therefore exposed to currency risks arising from various currencies, mainly the USD and RMB. Relevant currency risks arise from future business transactions, recognized assets and liabilities, and net investments in foreign operations.

B. The Corporation’s management has established policies that require each company within the Group to manage its functional currency-related currency risk. Each company within the Group should hedge its overall currency risk through the Group's finance department. To manage currency risks arising from future business transactions and recognized assets and liabilities, each company within the Group uses forward foreign exchange contracts through the Group's finance department. When future business transactions, recognized assets or liabilities are denominated in foreign currencies other than the parent company's functional currency, currency risk arises.

C. The Corporation's business involves several non-functional currencies (the functional currency of the Corporation and some subsidiaries is the New Taiwan Dollar, and the functional currency of some subsidiaries is the RMB), and thus is subject to the impact of currency fluctuations. Information on foreign currency assets and liabilities affected by significant currency fluctuations is as follows:

December 31, 2022						
(Foreign currencies: functional currency)	Foreign currencies (in thousands)	Exchange rate	Carrying amount (NTD)	Sensitivity analysis: Fluctuation range	Sensitivity analysis: Effect on profit and loss	Foreign exchange net gain or loss: Carrying amount
Financial assets						
Monetary item						
USD:NTD	$ 9,733	30.728	$299,076	1%	$2,991	($ 4,652)
EUR:NTD	1,960	32.7038	64,099	1%	641	1,530
Nonmonetary item						
Foreign operating unit						
RMB:NTD	($101,306)	4.4111	($446,871)			
Financial liabilities						
Monetary item						
USD:NTD	$ 1,422	30.728	$ 43,695	1%	$ 437	($ 771)

December 31, 2021						
(Foreign currencies: functional currency)	Foreign currencies (in thousands)	Exchange rate	Carrying amount (NTD)	Sensitivity analysis: Fluctuation range	Sensitivity analysis: Effect on profit and loss	Foreign exchange net gain or loss: Carrying amount
Financial assets						
Monetary item						
USD:NTD	$ 14,495	27.683	$ 401,265	1%	$4,013	($ 2,040)
Nonmonetary item						
Foreign operating unit						
RMB:TWD	($54,266)	4.3457	($235,824)			

Price risk

A. As the investments held by the Corporation are classified as financial assets measured at fair value through profit or loss in the consolidated balance sheet, the Corporation is exposed to price risk of equity instruments. The Corporation does not expose to merchandise price risk. To manage the price risk of equity instrument investments, the Corporation diversifies its investment portfolio in accordance with the limits set by the Corporation.

B. The Corporation mainly invests in equity instruments issued by domestic companies, and the prices of these equity instruments may be affected by the uncertainty of the future value of the investment targets. If the prices of these equity instruments increase or decrease by 1% while all other factors remain unchanged, the profit for the years 2022 and 2021 will respectively increase or decrease by $759 and $1,130, due to the gains or losses from equity instruments measured at fair value through profit or loss.

Cash flow and fair value interest rate risk

A. The interest rate risk of the corporation arises from short-term borrowings. Borrowings issued at a floating rate subject the corporation to cash flow interest rate risk, which is partially offset by cash and cash equivalents held at a floating rate. Borrowings issued at a fixed rate expose the corporation to fair value interest rate risk.

B. If the interest rate on New Taiwan Dollar borrowings increases or decreases by 1% on December 31, 2022 and 2021, assuming all other factors remain constant, the profit for 2022 and 2021 will respectively decrease or increase by $0 and $560, mainly because floating rate borrowings led to an increased/decreased in interest expenses.

(2) Credit risk

A. Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial losses to the Corporation. The Corporation is exposed to credit risks from accounts receivables that the counterparty is unable to pay off by the payment term.

B. In the corporation's daily sales transactions, for new customers and most existing customers, transactions are mostly conducted through prepayments or cash receipts. When there is a credit limit requirement, besides reviewing the transaction records with the corporation, external agencies are consulted for credit verification or current economic and financial conditions are evaluated to mitigate the credit risk of specific customers.

C. When the payment of contract receivables exceeds the agreed-upon payment terms by more than 90 days, the credit risk of financial assets has significantly increased upon initial recognition. When the payment of contract receivables exceeds the agreed-upon payment terms by more than 365 days, it is considered to have defaulted.

D. The corporation evaluates the expected credit losses on accounts receivables by individually estimating expected credit losses for significant defaulted accounts receivables, and for the remaining balances, grouping them by customer ratings based on the corporation's credit standards and estimating expected credit losses using different loss rate methods or reserve matrices for different groups. The corporation also considers forward-looking factors, such as the indicator query system of National Development Council, to adjust the loss rate established based on historical and current information during a specific period. As of December 31, 2022 and 2021, the loss allowance for accounts receivables estimated individually and by using the reserve matrix were as follows:

	Individual assessment	Not overdue	1-90 days overdue	91-180 days overdue	181-360 days overdue	Total
December 31, 2022						
Expected loss rate	100.00%	0.05%	0.05%	20.79%	-	
Carrying amount						
Total	$ -	$33,961	$ 1,968	$ 408	$ -	$ 36,337
Loss allowances	$ -	$ 17	$ 1	$ 85	$ -	$ 103

	Individual assessment	Not overdue	1-90 days overdue	91-180 days overdue	181-360 days overdue	Total
December 31, 2021						
Expected loss rate	100.00%	0.05%	0.05%	0.05%	51.88%	
Carrying amount						
Total	$ -	$44,593	$ 679	$ 10	$ 83	$ 45,365
Loss allowances	$ -	$ 23	$ -	$ -	$ 43	$ 66

E. The accounts receivable aging analysis of the corporation were as follows:

	December 31, 2022	December 31, 2021
Not overdue	$ 33,961	$ 44,593
Within 90 days	1,968	679
91-180 days	408	10
181-360 days	-	83
	$ 36,337	$ 45,365

The above aging analysis was based on the number of days past due.

F. The table showing the changes in Allowance for uncollectible accounts receivable of the corporation using the simplified method is as follow:

	2022	2021
	Accounts receivable	Accounts receivable
January 1	$ 66	$ 8,005
Recognition of impairment loss	32	8
Amounts written off due to uncollectible	-	(7,767)
Effect of exchange rate fluctuations	5	(180)
December 31	$ 103	$ 66

The amounts above represent the impairment loss recognized for accounts receivable generated by customer contracts.

(3) Liquidity Risk

A. Cash flow forecasts are executed by the operating entities within the group and are consolidated by the group's finance department. The group's finance department monitors the forecasted liquidity needs of the group to ensure that it has sufficient funds to support its operations and maintains adequate unused borrowing capacity at all times to prevent the group from violating any relevant borrowing limits or clauses.

B. Any excess cash held by the operating entities beyond the requirements of working capital management is transferred back to the group's finance department. The group's finance department invests the excess funds in interest-bearing demand deposit, time deposits, money market deposits, and marketable securities with appropriate maturities or sufficient liquidity to meet the aforementioned forecast and provide adequate headroom.

C. The non-derivative financial liabilities of the corporation are grouped by relevant dates, and the analysis of non-derivative financial liabilities is based on the remaining period from the balance sheet date to the contract expiry date. The disclosed contract cash flow amounts in the table below are undiscounted:

Non-derivative financial liabilities:

December 31, 2022	Within 1 year	1 to 2 years	Total
Lease liability	$ 1,800	$ 1,800	$ 3,600

December 31, 2021	Within 1 year	1 to 2 years	Total
Lease liability	$ 1,800	$ -	$ 1,800

Except as described above, all of the corporation's non-derivative financial liabilities mature within the next year.

D. The corporation does not anticipate significant early cash flow occurrences or significant variances in actual amounts from the cash flow analysis of the maturity dates.

iii. Fair Value Information

1. The definitions of the various levels of valuation techniques adopted to measure the fair value of financial and non-financial instruments are as follows:

Level 1: The fair value is determined by reference to quoted prices (unadjusted) in an active market for identical assets or liabilities that the entity can access at the measurement date. An active market is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the listed share investments held by the Corporation falls within this level.

Level 2: The fair value is determined by reference to directly or indirectly observable inputs for similar assets or liabilities. However, it excludes those quoted prices that fall within Level 1.

Level 3: unobservable inputs for the assets or liabilities.

2. For financial instruments that are not measured at fair value, please refer to note 12(2). For investment properties that are measured at cost, the fair value information is explained in Note 6(10).

3. For financial instruments that are measured at fair value, the Corporation provides relevant information based on the nature, characteristics, risk, and level of fair value classification of the assets and liabilities:

December 31, 2022	Level 1	Level 2	Level 3	Total
Asset				
Recurring fair value				
Financial assets at fair value through profit or loss - equity securities	$ -	$ -	$ 94,877	$ 94,877

December 31, 2021	Level 1	Level 2	Level 3	Total
Asset				
Recurring fair value				
Financial assets at fair value through profit or loss - equity securities	$ -	$ -	$ 141,294	$ 141,294

4. The methods and assumptions used by the Corporation to measure fair value are described below:
   (1) The Corporation uses market quotes as the fair value input value (i.e. Level 1), and according to the characteristics, for listed, OTC, and emerging stock companies, the market quote is the closing price.
   (2) Besides aforementioned financial instruments which have active market, for those do not have an active market, their fair value is obtained through valuation techniques or reference to quotes from market counterparties. The fair value obtained through valuation techniques can be referred to the fair value of other similar financial instruments with similar characteristics and conditions, discounted cash flow method or other valuation techniques, including models based on market information available on the consolidated balance sheet data (e.g. OTC market reference dividend yield curve, Reuters commercial paper average interest rate quote).
   (3) The output of the valuation model is an estimated approximation, and the valuation techniques may not reflect all the factors relevant to the Corporation's holdings of financial and non-financial instruments. Therefore, the estimated value of the valuation model will be adjusted appropriately based on additional parameters, such as model risk or liquidity risk. Based on the Corporation's fair value evaluation model management policy and related control procedures, the management believes that valuation adjustments are appropriate and necessary to fairly represent the fair value of financial and non-financial instruments in the consolidated balance sheet. The price information and parameters used in the valuation process are carefully evaluated and adjusted appropriately based on current market conditions.
   (4) The Corporation incorporates credit risk evaluation adjustments into the calculation of the fair value of financial and non-financial instruments to reflect both counterparty credit risk and the Corporation's credit quality.
5. The valuation process for fair value classified as Level 3 is conducted by external appraisers and the Finance and Accounting Department, who are responsible for independent fair value verification of financial instruments. Independent source data is used to bring the valuation results closer to market conditions, to confirm that the data sources are independent, reliable, consistent with other resources and representative of executable prices, and to update the input values and data required by the valuation model and any other necessary fair value adjustments to ensure that the valuation results are reasonable. Investment properties are valued periodically by the Finance and Accounting Department in accordance with

the valuation methods and parameter assumptions announced by the Financial Supervisory Commission or by external appraisers. The Finance and Accounting Department also establishes policies, procedures and confirms compliance with relevant international financial reporting standards for the fair value evaluation of financial instruments.

6. In fiscal years 2022 and 2021, there were no transfers between level 1 and level 2.
7. The following table shows the changes in level 3 for fiscal years 2022 and 2021:

	2022	2021
	Equity instrument	Equity instrument
January 1	$ 141,294	$ 163,551
Loss recognized in profits and losses	(46,417)	(22,257)
December 31	$ 94,877	$ 141,294

There were no transfers in or out of level 3 in years 2022 and 2021.

8. Regarding items measured at fair value using valuation models categorized as Level 3, the quantitative information of significant unobservable inputs and sensitivity analysis of significant unobservable inputs are explained as follows:

	December 31, 2022 Fair value	Evaluation techniques	Significant unobservable input	Interval (weighted-average)	Input and fair value relationships
Non-derivative equity instrument:					
Unlisted Listed Company Stock	$ 94,877	Comparable to listed companies	Net Share Price and Multiplier Ratio	1.04%-6.78%	The higher the multiplier, the higher the fair value;
			Lack of market liquidity discount	10%~30%	The more lack of market liquidity discount, the lower the fair value.

	December 31, 2021 Fair value	Evaluation techniques	Significant unobservable input	Interval (weighted-average)	Input and fair value relationships
Non-derivative equity instrument:					
Unlisted Listed Company Stock	$ 141,294	Comparable to listed companies	Net Share Price and Multiplier Ratio	1.30%-6.97%	The higher the multiplier and controlling premium, the higher the fair value;
			Lack of market liquidity discount	10%-30%	The more lack of market liquidity discount, the lower the fair value.

9. Our corporation has carefully evaluated the valuation models and parameters adopted. However, using different valuation models or parameters may result in different valuation results. For financial assets and financial liabilities classified as level 3, the impact on the current period's profit or loss or other comprehensive income due to changes in valuation parameters is as follows:

December 31, 2022

	Term	Inputs	Change	Recognized in profits and losses	
				Favorable changes	Adverse changes
Financial asset					
Equity instrument	December 31, 2022	Lack of liquidity discount	±1%	$ 1,369	($ 1,341)

	Term	Inputs	Change	December 31, 2021	
				Recognized in profits and losses	
				Favorable changes	Adverse changes
Financial asset					
Equity instrument	December 31, 2021	Lack of liquidity discount	±1%	$ 2,011	($ 2,025)

iv. Other

Due to the COVID-19 pandemic, except for some subsidiaries in mainland China that received reduction or subsidies of enterprise social insurance in accordance with the local government's phased reduction and exemption implementation measures, there were no significant impacts on our corporation in fiscal year 2021. There was no such situation in fiscal year 2022.

XIII. Other disclosures

i. Information on significant transaction

1. Loans to others:Please refer to Table 1.
2. Provision of endorsements and guarantees to others:None.
3. Holding of marketable securities at the end of the period (excluding investment in subsidiaries, associates, and joint ventures):Please refer to Table 2.
4. Acquisition or sale of the same security with the accumulated cost exceeding NT$300 million or 20% of the Corporation’s paid-in capital or more:None.
5. Acquisition of real estate reaching NT$300 million or 20% of the Corporation’s paid-in capital or more:None.
6. Disposal of real estate reaching NT$300 million or 20% of the Corporation’s paid-in capital or more:None.

7. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more:None.
8. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more:None.
9. Trading in derivative instruments:None.
10. Business relationships among the parent company and subsidiaries, and significant intercompany transactions:None.

ii. Information on investees

The information about company names, locations, etc. of investees（excluding investee in mainland China）:Please refer to Table 3.

iii. Information on investment in Mainland China

1. Basic information:Please refer to Table 4.
2. Significant direct or indirect transactions with the investee:None.

iv. Information of major shareholders

Information on major shareholders:Please refer to Table 5.

XIV. Operating Segments information

N/A.

Solytech Enterprise Corporation
Statements of cash and cash equivalents
December 31, 2022

Statement 1 (In Thousands of New Taiwan Dollars)

Items	Description			Amount
Cash on hand and petty cash	NTD			$ 40
Demand deposit	NTD			11,579
	USD	3,152 thousandExchange rate	30.728	96,858
	EUR	3thousandExchange rate	32.7038	100
	HKD	9thousandExchange rate	3.9408	36
	RMB	- thousandExchange rate	4.4111	2
				$ 108,615

Solytech Enterprise Corporation
Statements of accounts receivable
December 31, 2022

Statement 2

(In Thousands of New Taiwan Dollars)

Clients	Description	Amount	Note
APEX TECHUSA LLC		$ 16,298	
FA ME-CHEN TECHNOLOGY CO.,LTD		12,690	
Other		7,349	The amount of individual client included in others does not exceed 5% of the account balance.
		36,337	
Less: Loss allowances		(103)	
		$ 36,234	

Solytech Enterprise Corporation
Statements of changes in investment accounted for using equity method
2022

Statement 3

(In Thousands of New Taiwan Dollars)

	Beginning balance		Additions (Note 1)		Deductions (Note 2)			Ending balance			Market value or equity of investment			
Name	Number of shares (in thousand)	Amount	Number of shares (in thousand)	Amount	Name	Number of shares (in thousand)		Amount	Number of shares (in thousand)	Amount	Name		Number of shares (in thousand)	Amount
AMPLE CROWN INTERNATIONAL LTD.	64,390	$ 446,301	-	$638,500		-	($100,297)	64,390	100%	$ 984,504	$ -	$ 984,504	Equity method	None
FONG YIN INVESTMENT CO.,LTD	1,450	16,312	-	2,015		-	-	1,450	100%	18,327	-	18,327	〃	〃
		$ 462,613		$640,515			($100,297)			$ 1,002,831				

Note 1: The increase includes the exchange difference between the actual price of disposing subsidiary equity and the carrying amount, as well as the exchange difference resulting from the translation of financial statements of foreign operating entities.

Note 2: The decrease is recognized as investment losses under the equity method.

Solytech Enterprise Corporation
Statements of operating revenue
2022

Statement 4 (In Thousands of New Taiwan Dollars)

Item	Quantity	Amount	Note
PC power suppliers	101 thousand	$ 70,516	
Computer cases	76 thousand	54,436	
Other	7 thousand	5,212	
		$ 130,164	

Solytech Enterprise Corporation
Statements of cost of revenue
2022

Statement 5 (In Thousands of New Taiwan Dollars)

Item	Amount
Materials and supplies, beginning of year	$ 12
Add:Raw material purchased	196
Less:Transferred to expense	(12)
Materials and supplies, end of year	-
Raw material consumed	196
Manufacturing expenses	2,078
Cost of finished goods	2,274
Add:Finished goods, beginning of year	6,687
Purchase	67,672
Less:Transferred to expense	(62)
Transferred to scrapped loss	(95)
Finished goods, end of year	(4,472)
Selling expenses	72,004
Add:Merchandise inventory, beginning of year	5,023
Purchase	55,143
Less:Transferred to expense	(415)
Transferred to scrapped loss	(102)
Merchandise inventory, end of year	(6,734)
Merchandise Selling expenses	124,919
Inventory scrapped loss	197
Inventory valuation losses	1,753
Cost of revenue	$ 126,869

Solytech Enterprise Corporation
Statements of operating expenses
2022

Statement 6 (In Thousands of New Taiwan Dollars)

Item	Selling Expense	General and Administrative Expense	Research and Development Expenses	Expected credit losses	Total	Note
Payroll expense	$ 8,781	$ 21,572	$ 1,492	$ -	$ 31,845	
Depreciation expense	937	2,651	161	-	3,749	
Insurance expense	1,023	2,320	134	-	3,477	
Testing and certification expense	81	-	2,638	-	2,719	
Services expense	797	1,806	78	-	2,681	
Directors and supervisors compensation	-	2,640	-	-	2,640	
Business promotion expense	1,470	-	-	-	1,470	
Other expense	6,454	6,235	385	32	13,106	The amount of individual client included in others does not exceed 5% of the account balance.
	-	-	-	-	-	
	$ 19,543	$ 37,224	$ 4,888	$ 32	$ 61,687	

Solytech Enterprise Corporation
Statements of labor, depreciation and amortization by function
2022

Statement 7 (In Thousands of New Taiwan Dollars)

	2022			2021		
	Classified as cost of revenue	Classified as operating expenses	Classified as cost of revenue	Classified as operating expenses	Classified as cost of revenue	Classified as operating expenses
Labor cost						
Salary and bonus (including severance pay)	$ -	$ 31,845	$ 31,845	$ -	$ 33,300	$ 33,300
Labor and health insurance	-	2,891	2,891	-	2,916	2,916
Pension	-	1,650	1,650	-	1,777	1,777
Board compensation	-	2,640	2,640	-	2,024	2,024
Others	-	804	804	-	1,072	1,072
	$ -	$ 39,830	$ 39,830	$ -	$ 41,089	$ 41,089
Depreciation expenses	$ 1,863	$ 3,749	$ 5,612	$ 757	$ 4,013	$ 4,770
Amortization expenses	$ -	$ 31	$ 31	$ -	$ 88	$ 88

Note:

1. As of December 31, 2022 and 2021, the Corporation had 38 and 40 employees, respectively. There were both 5 and 4 non-employee directors, respectively.
2. Average labor cost for the years ended December 31, 2022 and 2021 were $1,127and $1,085, respectively.
3. Average salary and bonus (including severance pay) for the years ended December 31, 2022 and 2021 were $965and $925, respectively. The average salary and bonus adjusted by 4.32%.
4. The Corporation set up Audit Committee in July, 2021, hence the supervisor compensation for the years ended December 31, 2022 and 2021 were $0 and $616.
5. The Corporation's remuneration policy (including directors, managers and employees)
   (1) Directors and employees:If there is any profit in the year, after retaining the amount to cover the accumulated losses, the Corporation shall set aside 5% to 10% as remuneration to employees and not more than 3% as director's compensation after the Board of Directors' resolution and report to the shareholders' meeting. The aforementioned employees' remuneration in the form of stock or cash may include employees of subsidiaries of the company who meet certain criteria, and the Board of Directors is authorized to establish the relevant rules.
   (2) Managers:The total compensation paid to the executive officers is decided based on their job responsibility, contribution, company performance and projected future risks the Corporation will face. It is reviewed by the Compensation Committee then submitted to the Board of Directors for approval.

Solytech Enterprise Corporation and Subsidiaries

FINANCINGS PROVIDED

2022

Table 1

(Amounts In Thousands of New Taiwan Dollars)

(Unless Specified Otherwise)

No	Financing Company	Counterparty	Financial Statement Account	Related Party Account	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Interest Rate	Nature for Financing	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral Item	Collateral Value	Financing Limits for Each Borrowing Company	Financing Company's Total Financing Amount Limits	Note
1	DEER ELECTRONICS(DONG GUAN) CO.,LTD	DONGGUAN SOLYTECH ENTERPRISE CORPORATION	Other receivables	Yes	$ 3,366	$ -	$ -	6.00%	The need for short-term financing	$ -	Operating capital	$ -	-	-	$ 23,780	$ 23,780	Note
2	COSMOS TREASURE HOLDINGS LIMITED	DEER ELECTRONICS(DONG GUAN) CO.,LTD	Other receivables	Yes	$ 206,506	$ 206,506	$ 221,242	0.50%	The need for short-term financing	$ -	Operating capital	$ -	-	-	$ 562,441	$ 562,441	Note
3	COSMOS TREASURE HOLDINGS LIMITED	DONGGUAN SOLYTECH ENTERPRISE CORPORATION	Other receivables	Yes	$ 392,541	$ 392,541	$ 413,292	0.50%	The need for short-term financing	$ -	Operating capital	$ -	-	-	$ 1,406,102	$ 1,406,102	Note
4	COSMOS TREASURE HOLDINGS LIMITED	DONG GUAN SHUN SHENG TRADE CO.,LTD	Other receivables	Yes	$ 20,951	$ 20,951	$ 21,510	0.50%	The need for short-term financing	$ -	Operating capital	$ -	-	-	$ 1,406,102	$ 1,406,102	Note

Note:The Corporation's regulations for "Financings provided process" to total amount loaned and to single recipient are as follows:

(1)For financings provided to companies with business relations, the total amount loaned shall not exceed 100% of the Corporation's net worth; the amount loaned to single recipient is limited to the amount of business relations between both parties.

(2)For companies with the need for short-term financing, the total amount loaned shall not exceed 40% of the Corporation's net worth; the amount loaned to single recipient shall not exceed 40% of the Corporation's net worth.

(3)The Corporation directly or indirectly holds 100% shares of voting rights of foreign companies which borrow loans for the need for short-term financing. The total amount loaned shall not exceed 100% of the Corporation's net worth, the amount loaned to single recipient shall not exceed 100% of the Corporation's net worth, and the financial term is limited to 10 years.

Solytech Enterprise Corporation and Subsidiaries

MARKETABLE SECURITIES HELD （EXCLUDING INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES CONTROLLING PART）

2022

Table 2

(Amounts In Thousands of New Taiwan Dollars)

(Unless Specified Otherwise)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	Ending Balance				Note
				Shares	Carrying value	Percentage of Ownership	Fair value	
Solytech Enterprise Corporation	HWA ZHIN VENTURE CAPITAL CORPORATION SHARE	No	Financial assets at fair value through profit and loss	5,435	$ 267	1.09%	$ 267	
Solytech Enterprise Corporation	METAGONE BIOTECH INC. SHARE	No	Financial assets at fair value through profit and loss	6,946,410	94,610	19.52%	94,610	

Solytech Enterprise Corporation and Subsidiaries

NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE (EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA)

2022

Table 3

(Amounts In Thousands of New Taiwan Dollars)

(Unless Specified Otherwise)

				Original Investment Amount		Balance as of December 31, 2022					
Investor Company	Investee Company	Location	Main Businesses and Products	December 31, 2022	December 31, 2021	Shares	Percentage of Ownership	Carrying Value	Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
Solytech Enterprise Corporation	AMPLE CROWN INTERNATIONAL LTD.	Samoa	Holding company	$ 2,045,975	$ 2,045,975	64,390,001	100	$ 984,504	($ 100,297)	($ 100,297)	
Solytech Enterprise Corporation	FONG YIN INVESTMENT CO.,LTD	Taiwan	Investing company	14,500	14,500	1,450,000	100	18,327	2,015	2,015	
AMPLE CROWN INTERNATIONAL LTD.	SUNTECH TRADING LIMITED	Samoa	Order transferring company	-	-	1	100	9,828	(1,659)	(1,659)	
AMPLE CROWN INTERNATIONAL LTD.	COSMOS TREASURE HOLDING LTD.	British Virgin Islands	Holding company	2,043,841	2,043,841	64,320,000	100	1,406,102	(224,189)	(224,189)	
AMPLE CROWN INTERNATIONAL LTD.	GIANT TREASURE LIMITED	Samoa	Holding company	-	-	1	100	-	-	-	
AMPLE CROWN INTERNATIONAL LTD.	SURE VIVA LIMITED	Samoa	Holding company	-	-	1	100	(415,861)	135,248	135,248	
AMPLE CROWN INTERNATIONAL LTD.	LAND TYCOON LIMITED	Samoa	Holding company	2,134	2,134	70,001	100	(15,565)	(9,697)	(9,697)	
COSMOS TREASURE HOLDING LTD.	PREMIER ACTION TRADING LTD.	British Virgin Islands	Holding company	1,425,391	1,425,391	44,820,000	100	659,664	(240,339)	(240,339)	

Solytech Enterprise Corporation and Subsidiaries
INFORMATION ON INVESTMENT IN MAINLAND CHINA－BASIC INFORMATION
2022

Table 4

(Amounts In Thousands of New Taiwan Dollars)
(Unless Specified Otherwise)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2022	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2022	Net Income (Losses) of the Investee Company	Percentage of Ownership	Share of Profits/Losses (Note 2)	Carrying Amount as of Balance as of December 31, 2022	Accumulated Inward Remittance of Earnings as of December 31, 2022	Note
					Outflow	Inflow							
DEER ELECTRONICS(DONG GUAN) CO.,LTD	Manufacturing and sales of power supplies, transformers, converters and other computer-used electronics	$ 900,945	2	$ 900,945	$ -	$ -	$ 900,945	($ 259,512)	50	($ 259,512)	($ 15,291)	$ -	
DONGGUAN SOLYTECH ENTERPRISE CORPORATION	Manufacturing and sales of power supplies, transformers, converters and other computer-used electronics	476,284	2	476,284	-	-	476,284	135,248	100	135,248	(415,861)	-	
DONG GUAN SHUN SHENG TRADE CO.,LTD	Sales of computer cases	2,151	2	2,151	-	-	2,151	(9,697)	100	(9,697)	(15,565)	-	

Name of Company	Accumulated Investment in Mainland China as of S December 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment	Note
Solytech Enterprise Corporation	$ 1,978,576	$ 1,978,576	$ 951,307	Note 4

Note 1:Ways of investment are classified into 3 types, listed as follows:
(1).Directly invest in Mainland China
(2).Reinvest in Mainland China through a third region company - AMPLE CROWN INTERNATIONAL LTD.
(3).Others

3.1 The company which the Corporation reinvested in Mainland China through an investment business in Mainland China are SHENZHEN QIANHAI SHUN CHENG ENTERPRISE CORPORATION、HENAN SHOUXIANG ELECTRONIC CO.,LTD and SHENZHEN QIANHAI DEER ENTERPRISE CORPORATION. Except for the holding companies' investment businesses
companies' investment businesses in Mainland China are required for Investment Committee, MOEA's approval for reinvestment, other reinvestments are not required.

Note 2:The investment income or loss recognized in the current period is based on the audited financial statements of the investee company in Mainland China.

Note 3:The amounts in the table are presented in New Taiwan Dollars. Those involving foreign currencies were converted into New Taiwan Dollars based on the exchange rate on the financial report date.

Note 4:The Corporation has received operating headquarters accreditation letter from the Industrial Development Bureau in the previous year. In accordance with the project "Relaxing restrictions on domestic enterprises raising capital for investment in Mainland China" by FSC, the Corporation may invest in Mainland China without the restriction of its investment quota during the period.

Note 5：Solytech sold all 100% shares of Top Rich Inc. to non-related parties in September, 2020, therefore indirectly transferred 100% shares of SUPERCASE INTERNATIONAL CORPORATION, losing control of the subsidiary.

Note 6：SUPERCASE INTERNATIONAL CORPORATION were approved by Investment Committee, MOEA of investing USD19,500. Its shares were all sold in 2020 and have not yet applied for cancelling the investment quota.

Solytech Enterprise Corporation and Subsidiaries

INFORMATION ON MAJOR SHAREHOLDERS

For the year ended December 31, 2022

Table 5

Shareholders	Shares	
	Total Shares Owned	Ownership Percentage
CHENG,CHIEH	9,290,500	6.17%
CHENG,HSIANG	8,737,838	5.80%

Solytech Enterprise Corporation
Chairman: Cheng, Chieh