Taitien Electronics Co., Ltd. and Subsidiaries

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

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies that are required to be included in the consolidated financial statements of affiliates of Taitien Electronics Co., Ltd. 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 of parent and subsidiary companies prepared in conformity with International Financial Reporting Standard No. 10, “Consolidated Financial Statements”. In addition, relevant information required to be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, Taitien Electronics Co., Ltd. and subsidiaries did not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

TAITIEN ELECTRONICS CO., LTD.

SHENG TAI SONG
Chairman

March 23, 2023

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Taitien Electronics Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Taitien Electronics Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, 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 (collectively referred to as the "consolidated financial statements").

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

Basis for Opinion

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

Key Audit Matters

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

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2022 is described as follows:

Occurrence of Sales Revenue from Major Customers

The Group's sales revenue is concentrated in customers with significant sales amounts (hereinafter referred to as major customers), and some major customers have sales growth rates that are higher than the group average this year. Considering that revenue recognition inherently carries a high risk of fraud and that management may be under pressure to achieve expected financial goals, we deemed the occurrence of sales revenue from major customers that meet the above indicators as a key audit matter. For the relevant explanation of accounting policies and notes to the financial statements, refer to Notes 4 and 24.

Our audit procedures for the key audit matters were as follows:

1. We understood the design and implementation of the internal controls related to the recognition of sales revenue, and designed appropriate audit procedures on internal controls related to the major customers in order to evaluate and test the effectiveness of the design and implementation of the Group's internal controls.

2. We performed substantive tests on the revenue transactions of the major customers for the current year. The procedures include selecting appropriate samples verifying external transaction documents and checking subsequent collection to confirm the occurrence of sales transactions.

3. We compared the changes in revenue, gross margin rate, turnover rate of accounts receivable and credit conditions of above-mentioned major customers and evaluated the reasonableness of the changes.

Other Matter

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, 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 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.

The engagement partners on the audits resulting in this independent auditors' report are Chiang Hsun Chen and Sheng Tai Liang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 23, 2023

<u>*Notice to Readers*</u>

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

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

TAITIEN ELECTRONICS CO., LTD. AND SUBSIDIARIES

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

	2022		2021	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 631,942	25	$ 645,433	27
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	29,887	1	30,311	1
Financial assets at amortized cost - current (Notes 4 and 9)	147,170	6	52,098	2
Notes receivable (Notes 4, 11 and 24)	6,826	-	11,203	1
Trade receivables (Notes 4, 11 and 24)	531,029	21	632,176	26
Other receivables (Notes 4 and 11)	7,751	-	9,222	-
Current tax assets (Notes 4 and 26)	299	-	294	-
Inventories (Notes 4 and 12)	602,172	23	497,675	21
Prepayments (Note 19)	25,463	1	26,750	1
Other current assets	974	-	450	-
Total current assets	1,983,513	77	1,905,612	79
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	15,432	1	21,303	1
Financial assets at amortized cost - non-current (Notes 4, 9 and 33)	200	-	200	-
Property, plant and equipment (Notes 4, 14, 32 and 34)	425,923	17	370,912	15
Right-of-use assets (Notes 4, 15 and 32)	55,958	2	39,170	2
Investment properties (Notes 4 and 16)	725	-	1,076	-
Goodwill (Notes 4 and 17)	-	-	-	-
Intangible assets (Notes 4 and 18)	3,390	-	4,183	-
Deferred tax assets (Notes 4 and 26)	46,563	2	44,985	2
Other non-current assets (Note 19)	38,229	1	17,882	1
Total non-current assets	586,420	23	499,711	21
TOTAL	$ 2,569,933	100	$ 2,405,323	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4 and 20)	$ 184,000	7	$ 235,360	10
Contract liabilities (Note 24)	14,616	-	11,020	-
Trade payables	172,562	7	301,742	13
Other payables (Note 21)	159,128	6	140,212	6
Current tax liabilities (Notes 4 and 26)	81,113	3	32,252	1
Lease liabilities - current (Notes 4, 15 and 32)	16,693	1	12,533	1
Other current liabilities (Note 21)	2,063	-	1,403	-
Total current liabilities	630,175	24	734,522	31
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 26)	100,018	4	69,519	3
Lease liabilities - non-current (Notes 4, 15 and 32)	34,713	1	21,724	1
Deferred revenue - non-current (Notes 21 and 28)	6,480	-	7,261	-
Net defined benefit liabilities - non-current (Notes 4 and 22)	38,581	2	41,556	2
Other non-current liabilities (Note 21)	16,310	1	16,493	-
Total non-current liabilities	196,102	8	156,553	6
Total liabilities	826,277	32	891,075	37
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 23)				
Share capital				
Ordinary shares	683,338	27	683,338	28
Capital surplus	408,346	16	408,346	17
Retained earnings				
Legal reserve	156,224	6	132,101	6
Special reserve	96,067	4	95,295	4
Unappropriated earnings	480,644	18	291,235	12
Total retained earnings	732,935	28	518,631	22
Other equity	(80,963)	(3)	(96,067)	(4)
Total equity attributable to owners of the Company	1,743,656	68	1,514,248	63
Total equity	1,743,656	68	1,514,248	63
TOTAL	$ 2,569,933	100	$ 2,405,323	100

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

TAITIEN ELECTRONICS CO., LTD. AND SUBSIDIARIES

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

	2022		2021	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 4 and 24)	$ 2,369,419	100	$ 2,268,680	100
OPERATING COSTS (Notes 12, 25 and 32)	(1,555,765)	(66)	(1,617,114)	(71)
GROSS PROFIT	813,654	34	651,566	29
OPERATING EXPENSES (Notes 25 and 32)				
Selling and marketing expenses	(123,108)	(5)	(102,871)	(5)
General and administrative expenses	(204,059)	(8)	(195,903)	(9)
Research and development expenses	(64,727)	(3)	(49,625)	(2)
Expected credit gain (loss) (Note 11)	810	-	(459)	-
Total operating expenses	(391,084)	(16)	(348,858)	(16)
PROFIT FROM OPERATIONS	422,570	18	302,708	13
NON-OPERATING INCOME AND EXPENSES (Notes 4, 25 and 32)				
Interest income	3,755	-	2,644	-
Other income	12,672	1	14,724	1
Other gains and losses	54,259	2	(14,366)	(1)
Finance costs	(3,220)	-	(3,332)	-
Total non-operating income and expenses	67,466	3	(330)	-
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	490,036	21	302,378	13
INCOME TAX EXPENSE (Notes 4 and 26)	(131,181)	(6)	(89,170)	(4)
NET PROFIT FOR THE YEAR	358,855	15	213,208	9
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Notes 4 and 22)	(1,313)	-	3,659	-
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income (Notes 4 and 23)	(4,923)	-	24,812	1
Income tax related to items that will not be reclassified subsequently to profit or loss (Notes 4 and 26)	740	-	(566)	-
	(5,496)	-	27,905	1

(Continued)

TAITIEN ELECTRONICS CO., LTD. AND SUBSIDIARIES

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

	2022		2021	
	Amount	**%**	**Amount**	**%**
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations (Notes 4 and 23)	$ 25,920	1	$ (6,849)	-
Unrealized (loss) gain on investments in debt instruments at fair value through other comprehensive income (Notes 4 and 23)	(1,482)	-	8	-
Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 4 and 26)	(4,888)	-	1,369	-
	19,550	1	(5,472)	-
Other comprehensive income for the year, net of income tax	14,054	1	22,433	1
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 372,909	16	$ 235,641	10
EARNINGS PER SHARE (Note 27)				
Basic	$ 5.25		$ 3.12	
Diluted	$ 5.17		$ 3.10	

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

TAITIEN ELECTRONICS CO., LTD. AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company								
				Retained Earnings			Other Equity		
	Shares	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total Equity
BALANCE, JANUARY 1, 2021	68,334	$ 683,338	$ 408,346	$ 131,745	$ 95,295	$ 58,555	$ (84,919)	$ (5,553)	$ 1,286,807
Appropriation of 2020 earnings (Note 23)									
Legal reserve	-	-	-	356	-	(356)	-	-	-
Cash dividends	-	-	-	-	-	(8,200)	-	-	(8,200)
Net profit for the year ended December 31, 2021	-	-	-	-	-	213,208	-	-	213,208
Other comprehensive income for the year ended December 31, 2021 (Note 23)	-	-	-	-	-	2,928	(5,478)	24,983	22,433
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	-	216,136	(5,478)	24,983	235,641
Disposal of the investment in equity instruments at fair value through other comprehensive income (Note 23)	-	-	-	-	-	25,100	-	(25,100)	-
BALANCE, DECEMBER 31, 2021	68,334	683,338	408,346	132,101	95,295	291,235	(90,397)	(5,670)	1,514,248
Appropriation of 2021 earnings (Note 23)									
Legal reserve	-	-	-	24,123	-	(24,123)	-	-	-
Special reserve	-	-	-	-	772	(772)	-	-	-
Cash dividends	-	-	-	-	-	(143,501)	-	-	(143,501)
Net profit for the year ended December 31, 2022	-	-	-	-	-	358,855	-	-	358,855
Other comprehensive income for the year ended December 31, 2022 (Note 23)	-	-	-	-	-	(1,050)	20,736	(5,632)	14,054
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	-	357,805	20,736	(5,632)	372,909
BALANCE, DECEMBER 31, 2022	68,334	$ 683,338	$ 408,346	$ 156,224	$ 96,067	$ 480,644	$ (69,661)	$ (11,302)	$ 1,743,656

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

TAITIEN ELECTRONICS CO., LTD. AND SUBSIDIARIES

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

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 490,036	$ 302,378
Adjustments for:		
Depreciation expense	96,070	100,003
Amortization expense	1,166	733
Expected credit (gain) loss	(810)	459
Net gain on fair value changes of financial assets at fair value through profit or loss	(1,870)	(6,043)
Finance costs	3,220	3,332
Interest income	(3,755)	(2,644)
Dividend income	(2,919)	(359)
Loss on disposal of property, plant and equipment	13	2,609
Gain on disposal of right-of-use assets	-	(16)
Write-down of inventories	2,043	-
Impairment loss recognized on non-financial assets	-	9,033
Net (gain) loss on foreign currency exchange	(27,592)	16,820
Realized gain on deferred revenue	(900)	(873)
Changes in operating assets and liabilities:		
Notes receivable	4,377	(8,970)
Trade receivables	112,772	(229,192)
Other receivables	1,763	(3,521)
Inventories	(99,060)	(98,393)
Prepayments	(5,217)	(17,512)
Other current assets	(521)	(165)
Contract liabilities	3,426	4,956
Trade payables	(136,116)	140,190
Trade payables to related parties	-	(1,868)
Other payables	18,822	46,952
Deferred revenue	-	928
Other current liabilities	660	(11)
Net defined benefit liabilities	(4,288)	(3,567)
Cash generated from operations	451,320	255,259
Interest received	3,476	2,632
Interest paid	(3,280)	(3,459)
Income tax paid	(56,598)	(25,077)
Net cash generated from operating activities	394,918	229,355
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(2,764)	(4,118)
Proceeds from sale of financial assets at fair value through other comprehensive income	-	31,260
Purchase of financial assets at amortized cost	(96,364)	-

(Continued)

TAITIEN ELECTRONICS CO., LTD. AND SUBSIDIARIES

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

	2022	2021
Purchase of financial assets at fair value through profit or loss	$ -	$ (45,603)
Proceeds from sale of financial assets at fair value through profit or loss	5,058	37,018
Payments for property, plant and equipment	(117,210)	(47,559)
Proceeds from disposal of property, plant and equipment	315	2,985
Increase in refundable deposits	(154)	(275)
Payments for intangible assets	(321)	(927)
Increase in prepayments for equipment	(27,426)	(15,402)
Dividends received	2,919	359
Net cash used in investing activities	(235,947)	(42,262)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	39,000	91,289
Repayments of short-term borrowings	(91,550)	(105,663)
Proceeds of guarantee deposits received	-	5,010
Refunds of guarantee deposits received	(443)	-
Repayments of the principal portion of lease liabilities	(16,674)	(16,236)
Dividend paid to owners of the company	(143,501)	(8,200)
Net cash used in financing activities	(213,168)	(33,800)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	40,706	(18,790)
NET (DECREASE)INCREASE IN CASH AND CASH EQUIVALENTS	(13,491)	134,503
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	645,433	510,930
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 631,942	$ 645,433

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

TAITIEN ELECTRONICS CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Taitien Electronics Co., Ltd. (the “Company”), founded in March 2000, is primarily involved in the following business activities:

a. Electronics components manufacturing.

b. Wholesale of electronic materials.

c. Retail Sale of electronic materials.

d. International trading business.

e. General instruments manufacturing.

f. Data storage media units manufacturing.

g. Other electrical engineering and electronic machinery equipment manufacturing (programmable controller).

The Company’s shares have been listed on the mainboard of the Taipei Exchange (TPEx) since April 24, 2008.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on March 23, 2023.

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

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

   The initial application of the IFRSs endorsed and issued into effect by the FSC did not have a material impact on the Company’s accounting policies.

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

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

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

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

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

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

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

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Statement of compliance

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

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

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

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

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

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

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

Current assets include:

1) Assets held primarily for the purpose of trading;

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

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

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorized for issue; and

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

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

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statements of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

See Note 13, Table 6 and Table 7 for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Foreign currencies

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

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

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

Non-monetary items that are measured at historical cost in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

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

f. Inventories

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

g. Property, plant and equipment

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

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

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

h. Investment properties

Investment properties are properties held to earn rental or for capital appreciation.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is recognized using the straight-line method.

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

i. Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that are expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently whenever there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the Group disposes of an operation within that unit, the goodwill associated with the operation which is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

j. Intangible assets

1) Intangible assets acquired separately

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

2) Derecognition of intangible assets

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

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

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, investment properties, right-of-use assets and intangible assets (expect for Goodwill) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

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

l. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

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

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI.

Financial assets at FVTPL are subsequently measured at fair value, and interest earned are recognized in interest income, respectively; remeasurement gains or losses on such financial assets are recognized in other gains and losses. Fair value is determined in the manner described in Note 31.

ii. Financial assets at amortized cost

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

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

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

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, notes receivable, trade receivables, trade receivables from related parties, other receivables (excluding tax refund receivable), other receivables from related parties, time deposits with original maturities over 3 months, and refundable deposits are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

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

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

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

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

iii. Investments in debt instruments at FVTOCI

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

i) The debt instrument is held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of such financial assets; and

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

Investments in debt instruments at FVTOCI are subsequently measured at fair value. Changes in the carrying amounts of these debt instruments relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and impairment losses or reversals are recognized in profit or loss. Other changes in the carrying amount of these debt instruments are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of.

iv. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including cash and cash equivalents, notes receivable, trade receivables (including related parties), other receivables (including related parties, excluding income tax refund receivable), refundable deposits and financial assets at amortized cost-current and non-current).

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

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

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

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

ii. Financial asset is more than 180 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss directly or by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

c) Derecognition of financial assets

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

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

2) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

m. Revenue recognition

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

1) Revenue from the sale of goods

Revenue from the sale of goods comes from sales of quartz crystals; sales of quartz crystals are recognized as revenue when the goods are delivered to the customer's specific location/the good are shipped because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently. When the customer initially purchases the goods, the transaction price received is recognized as a contract liability until the goods have been delivered to the customer.

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

n. Leases

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

<u>The Group as lessor</u>

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

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

<u>The Group as lessee</u>

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

Right-of-use assets are initially measured at cost, which comprise the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

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

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

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

o. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Other than those stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

p. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized in other income on a systematic basis over the periods in which the Group recognizes as expenses the related costs that the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they are received.

q. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group’s defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

r. Taxation

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

1) Current tax

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

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

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

2) Deferred tax

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

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

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

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

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

3) Current and deferred taxes for the year

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The Group considers the possible impact of the recent development of the COVID-19 pandemic and its economic environment implications when making its critical accounting estimates on cash flow, growth rate, discount rate, profitability, etc. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

The Group's accounting policies, estimates and underlying assumptions have already been evaluated by the management of the Group, and there were no critical accounting judgements and key sources of estimation uncertainty.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2022	**2021**
Cash on hand	$ 281	$ 160
Checking accounts and demand deposits	631,661	645,273
	$ 631,942	$ 645,433

The market rate intervals of cash in bank at the end of the year were as follows:

	December 31	
	2022	**2021**
Cash in bank	0.0001%-1.15%	0.0001%-0.35%

7. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2022	**2021**
Financial assets at fair value through profit or loss (FVTPL) - current		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Mutual funds	$ 29,887	$ 30,311

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2022	**2021**
Non-current		
Investments in equity instruments at fair value through other comprehensive income (FVTOCI)	$ 12,440	$ 17,235
Investments in debt instruments at fair value through other comprehensive income (FVTOCI)	2,992	4,068
	$ 15,432	$ 21,303

a. Investments in equity instruments at FVTOCI

	December 31	
	2022	**2021**
Non-current		
Domestic investments		
Unlisted shares	$ 7,409	$ 9,947
Foreign investments		
Unlisted shares	5,031	7,288
	$ 12,440	$ 17,235

These investments in equity instruments for Yongchuang Investment, Taiwan Crystal Superior Technology Co., Ltd. and YanTai MDH Technology Co., Ltd. are held for medium- to long-term strategic purposes, and are expected to generate long-term returns. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

b. Investments in debt instruments at FVTOCI

	December 31	
	2022	**2021**
Non-current		
Foreign investments		
Overseas bonds	$ 2,992	$ 4,068

The Group purchased the corporate bonds issued by Apple Inc. in April 2021 with a maturity date of August 20, 2060, a coupon rate of 2.55% and an effective interest rate of 2.91%.

Refer to Note 10 for information relating to the credit risk management and impairment of investments in debt instruments at FVTOCI.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2022	**2021**
Current		
Time deposits with original maturities of more than 3 months	$ 147,170	$ 52,098
Non-current		
Time deposits with original maturities of more than 3 months	$ 200	$ 200

a. The ranges of interest rates for time deposits with original maturities of more than 3 months were approximately 1.47% - 4.11% and 0.84% - 2.30% per annum as of December 31, 2022 and 2021, respectively.

b. Refer to Note 33 for information relating to financial assets at amortized cost pledged as security.

c. Refer to Note 10 for information relating to the credit risk management and impairment of investments in financial assets at amortized cost.

10. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

Investments in debt instruments classified as at FVTOCI and as at amortized cost were as follows:

December 31, 2022

	At FVTOCI	At Amortized Cost	Total
Gross carrying amount	$ 4,466	$ 147,370	$ 151,836
Less: Allowance for impairment loss	-	-	-
Amortized cost	4,466	$ 147,370	151,836
Adjustment to fair value	(1,474)		(1,474)
	$ 2,992		$ 150,362

December 31, 2021

	At FVTOCI	At Amortized Cost	Total
Gross carrying amount	$ 4,060	$ 52,298	$ 56,358
Less: Allowance for impairment loss	-	-	-
Amortized cost	4,060	$ 52,298	56,358
Adjustment to fair value	8		8
	$ 4,068		$ 56,366

In order to minimize credit risk, the Group has tasked its credit management committee to develop and maintain a credit risk grading framework to categorize exposures according to the degree of risk of default. The credit rating information may be obtained from independent rating agencies where available, and if such information is not available, the credit management committee uses other publicly available financial information to rate the debtors.

In consideration of an analysis of the debtor’s current financial position and the forecasted direction of economic conditions in the industry, the Group forecasts both 12-month expected credit losses or lifetime expected credit losses of debt instrument investments.

The Group’s current credit risk grading mechanism and the gross carrying amounts of debt instrument investments classified by credit category and the corresponding expected loss rates were shown below:

December 31, 2022

Category	Description	Basis for Recognizing Expected Credit Losses (ECLs)	Expected Loss Rate	Gross Carrying Amount
Performing	The counterparty has a low risk of default and a strong capacity to meet contractual cash flows	12m ECLs	0%	$ 150,362

December 31, 2021

Category	Description	Basis for Recognizing Expected Credit Losses (ECLs)	Expected Loss Rate	Gross Carrying Amount
Performing	The counterparty has a low risk of default and a strong capacity to meet contractual cash flows	12m ECLs	0%	$ 56,366

11. NOTES RECEIVABLE, TRADE RECEIVABLES, OTHER RECEIVABLES AND OVERDUE RECEIVABLES

	December 31	
	2022	2021
Notes receivable		
Notes receivable - operating	$ 6,826	$ 11,203
Trade receivables		
At amortized cost		
Gross carrying amount	$ 534,891	$ 637,857
Less: Allowance for impairment loss	(3,862)	(5,681)
	$ 531,029	$ 632,176
Other receivables		
Income tax refund receivable	$ 5,252	$ 8,636
Interest receivable	694	421
Others	1,805	165
	$ 7,751	$ 9,222

(Continued)

	December 31	
	2022	2021
Overdue receivables (Note)		
Overdue receivables	$ -	$ 429
Less: Allowance for impairment loss	-	(429)
	$ -	$ -

(Concluded)

Note: The overdue receivables are included under other non-current assets (Note 19).

Notes Receivable

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

The Group measures the loss allowance for notes receivables at an amount equal to lifetime expected credit losses (ECLs). The expected credit losses on notes receivables are estimated by reference to the past default records of the debtor, an analysis of the debtor's current financial position, and economic conditions. As of December 31, 2022 and 2021, the notes receivable were not overdue and the Group assessed the expected credit loss rate of notes receivable as 0%.

Trade Receivables

The average credit period of the sales of goods was 30 to 150 days, and no interest was charged on trade receivables. In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the year to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

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

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

The following table details the loss allowance of receivables based on the Group's provision matrix:

December 31, 2022

	Not Overdue	Overdue within 90 Days	Overdue 91-180 Days	Overdue 181 Days	Total
Expected credit loss rate	0.01%	0.45%	14.15%	100%	
Gross carrying amount	$ 459,703	$ 57,872	$ 16,009	$ 1,307	$ 534,891
Loss allowance (Lifetime ECLs)	(30)	(259)	(2,266)	(1,307)	(3,862)
Amortized cost	$ 459,673	$ 57,613	$ 13,743	$ -	$ 531,029

December 31, 2021

	Not Overdue	Overdue within 90 Days	Overdue 91-180 Days	Overdue 181 Days	Total
Expected credit loss rate	0.24%	1.49%	25.66%	100%	
Gross carrying amount	$ 575,660	$ 56,539	$ 2,954	$ 3,133	$ 638,286
Loss allowance (Lifetime ECLs)	(1,379)	(840)	(758)	(3,133)	(6,110)
Amortized cost	$ 574,281	$ 55,699	$ 2,196	$ -	$ 632,176

The movements of the loss allowance of trade receivables and overdue receivables were as follows:

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ 6,110	$ 6,980
Add: Net remeasurement of loss allowance	-	459
Less: Amounts Written-off	(1,832)	(1,220)
Less: Net remeasurement of loss allowance reversed	(810)	-
Foreign exchange gains and losses	394	(109)
Balance at December 31	$ 3,862	$ 6,110

Other Receivables

The other receivables were mainly income tax refund receivable and interest receivable. The Group only transacts with counterparties with good credit ratings. The Group continues to monitor the conditions of the receivables and refers to the past default records of the debtor and the analysis of the debtor's current financial position in determining whether the credit risk of the other receivables increased significantly since initial recognition as well as in measuring the expected credit losses. As of December 31, 2022 and 2021, the Group assessed the expected credit loss rate of other receivables as 0%.

12. INVENTORIES

	December 31	
	2022	2021
Merchandise	$ 110,498	$ 132,996
Finished goods	124,810	83,646
Work in progress	84,942	93,803
Raw materials and supplies	278,460	182,457
Inventories in transit	3,462	4,773
	$ 602,172	$ 497,675

The nature of the cost of goods sold is as follows:

	For the Year Ended December 31	
	2022	2021
Cost of inventories sold	$ 1,547,005	$ 1,614,766
Inventory write-downs	2,043	-
Unallocated production overhead	6,717	2,348
	$ 1,555,765	$ 1,617,114

13. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements

			Percentage of Ownership (%) December 31		
Investor	Investee	Nature of Activities	2022	2021	Remark
Taitien Electronic Co., Ltd.	Indus Taitien Marketing Ltd.	Holding company	100.00	100.00	Exchange rate risk.
	Taitien Holding Co., Ltd.	Holding company	100.00	100.00	Exchange rate risk.
	Taitien USA, Inc.	Sales of electronics components	100.00	100.00	Exchange rate risk.
	Colorado Crystal Corporation	Production and sales of electronic components	100.00	100.00	Exchange rate risk.
Indus Taitien Marketing Ltd.	Pletronics, Inc.	Production and sales of electronic components	100.00	100.00	Exchange rate risk.
Taitien Holding Co., Ltd.	Hardy Holding Corporation	Holding company	100.00	100.00	Exchange rate risk.
Hardy Holding Corporation	Taitien Electronic (Nanjing) Ltd.	Manufacturing of crystal related products and equipment	100.00	100.00	Exchange rate risk and political risk arising from cross-strait relations.
	Taitien Electronic (Shenzhen) Ltd.	Manufacturing of crystal related products and equipment	100.00	100.00	Exchange rate risk and political risk arising from cross-strait relations.
Taitien Electronic (Shenzhen) Ltd.	Wintron Electronics Ltd.	Manufacturing and selling of frequency control components, sensor components, electronic measurement instruments and machine system design	100.00	100.00	Exchange rate risk and political risk arising from cross-strait relations. (Note)

Note: On November 11, 2021, Taitien Electronic (Shenzhen) Ltd.'s board of directors resolved to inject RMB20,000 thousand into Wintron Electronics Ltd. by cash. As of December 31, 2022, Taitien Electronic (Shenzhen) Ltd. injected RMB20,000 thousand.

Any transaction, account balance, revenue and expense between the consolidated entities are eliminated and not shown on the consolidated financial statements.

14. PROPERTY, PLANT AND EQUIPMENT

Assets Used by the Group

	Land	Building	Machinery and Equipment	Transportation Equipment	Office Building	Other Equipment	Property under Construction	Total
Cost								
Balance at January 1, 2021	$ 23,286	$ 139,143	$ 878,368	$ 4,131	$ 31,273	$ 81,548	$ 272	$ 1,158,021
Additions	-	1,195	39,822	-	319	7,629	182	49,147
Disposals	-	(2,437)	(22,016)	-	(924)	(5,164)	-	(30,541)
Reclassified (Note)	-	-	9,993	-	-	-	(257)	9,736
Effect of foreign currency exchange differences	(8)	(671)	(7,803)	(29)	(687)	(856)	(1)	(10,055)
Balance at December 31, 2021	$ 23,278	$ 137,230	$ 898,364	$ 4,102	$ 29,981	$ 83,157	$ 196	$ 1,176,308
Accumulated depreciation and impairment								
Balance at January 1, 2021	$ 7,709	$ 123,912	$ 533,068	$ 2,309	$ 28,996	$ 61,010	$ -	$ 757,004
Disposals	-	(2,180)	(18,730)	-	(833)	(4,846)	-	(26,589)
Depreciation expense	-	7,263	67,526	759	498	6,939	-	82,985
Reclassified (Note)	-	-	-	-	-	-	-	-
Effect of foreign currency exchange differences	-	(611)	(6,000)	(18)	(669)	(706)	-	(8,004)
Balance at December 31, 2021	$ 7,709	$ 128,384	$ 575,864	$ 3,050	$ 27,992	$ 62,397	$ -	$ 805,396
Carrying amount at December 31, 2021	$ 15,569	$ 8,846	$ 322,500	$ 1,052	$ 1,989	$ 20,760	$ 196	$ 390,912
Cost								
Balance at January 1, 2022	$ 23,278	$ 137,230	$ 898,364	$ 4,102	$ 29,981	$ 83,157	$ 196	$ 1,176,308
Additions	-	-	41,696	1,381	748	5,454	65,735	115,014
Disposals	-	-	(7,070)	(395)	(490)	(2,160)	-	(10,115)
Reclassified (Note)	-	-	7,329	-	24	46	7,127	14,526
Effect of foreign currency exchange differences	30	1,931	26,932	81	2,540	3,114	(413)	34,215
Balance at December 31, 2022	$ 23,308	$ 139,161	$ 967,251	$ 5,169	$ 32,803	$ 89,611	$ 72,645	$ 1,329,948
Accumulated depreciation and impairment								
Balance at January 1, 2022	$ 7,709	$ 128,384	$ 575,864	$ 3,050	$ 27,992	$ 62,397	$ -	$ 805,396
Disposals	-	-	(6,861)	(355)	(459)	(2,112)	-	(9,787)
Depreciation expense	-	2,500	68,701	530	355	6,762	-	78,848
Reclassified (Note)	-	-	-	-	-	-	-	-
Effect of foreign currency exchange differences	-	2,098	22,352	71	2,484	2,563	-	29,568
Balance at December 31, 2022	$ 7,709	$ 132,982	$ 660,056	$ 3,296	$ 30,372	$ 69,610	$ -	$ 904,025
Carrying amount at December 31, 2022	$ 15,599	$ 6,179	$ 307,195	$ 1,873	$ 2,431	$ 20,001	$ 72,645	$ 425,923

Note: Transferred from other non-current asset prepayments for equipment.

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

Buildings	
Main buildings	20-39 years
Others	1-10 years
Machinery and equipment	2-15 years
Transportation equipment	4-5 years
Office equipment	2-10 years
Other equipment	2-10 years

Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 34.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2022	2021
Carrying amount		
Land (includes land use rights)	$ 16,994	$ 12,091
Building	38,681	26,368
Transportation equipment	283	711
	$ 55,958	$ 39,170

	For the Year Ended December 31	
	2022	2021
Additions to right-of-use assets	$ 31,655	$ 1,209
Disposal of right-of-use assets	$ -	$ (487)
Depreciation charge for right-of-use assets		
Land (includes land use rights)	$ 2,604	$ 2,113
Building	13,976	14,272
Transportation equipment	427	427
	$ 17,007	$ 16,812

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the years ended December 31, 2022 and 2021.

b. Lease liabilities

	December 31	
	2022	2021
Carrying amount		
Current	$ 16,693	$ 12,533
Non-current	$ 34,713	$ 21,724

Ranges of discount rates for lease liabilities were as follows:

	December 31	
	2022	2021
Land	1.3%	1.3%
Building	1.22%-2.28%	1.36%-3.78%
Transportation equipment	1.3%	1.3%

c. Material lease activities and terms as lessee

The Group leases land to build its plant and buildings as staff dormitories and plant. The lease period is 2-50 years, and the rent shall be paid according to the amount signed in the contract. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor’s consent.

d. Other lease information

The Group’s leases as lessor of investment properties under operating leases are set out in Notes 16.

	For the Year Ended December 31	
	2022	2021
Expenses relating to short-term leases	$ 6,490	$ 5,746
Expenses relating to low-value asset leases	$ 283	$ 157
Total cash outflow for leases	$ (24,168)	$ (22,926)

The Group’s leases of certain parking space, plants and staff dormitories qualify as short-term lease and leases of certain photocopiers qualify as low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

16. INVESTMENT PROPERTIES

	Completed Investment Properties December 31	
	2022	2021
Cost		
Balance at January 1	$ 3,254	$ 2,958
Effect of foreign currency exchange differences	(1,200)	296
Balance at December 31	$ 2,054	$ 3,254
Accumulated depreciation		
Balance at January 1	$ 2,178	$ 1,786
Depreciation expense	215	206
Effect of foreign currency exchange differences	(1,064)	186
Balance at December 31	$ 1,329	$ 2,178
Carry Amount at December 31	$ 725	$ 1,076

The rental period of investment properties is 6 years.

Except for the aforementioned recognized depreciation, the Group did not have significant addition, disposal and impairment of investment properties during the years ended December 31, 2022 and 2021.

The maturity analysis of lease payments receivable under operating leases of investment properties at December 31, 2022 was as follows:

	December 31	
	2022	2021
Year 1	$ 5,401	$ 5,322
Year 2	2,475	5,322
Year 3	-	2,432
	$ 7,876	$ 13,076

To reduce the residual asset risk related to the plant at the end of the relevant lease, the Group follows its general risk management strategy in relation to the lease.

The abovementioned investment properties are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings	20 years
Others	3 years

The investment properties are not valued by an independent valuer but valued by the Group's management using the valuation model that market participants would use in determining the fair value, and the fair value was measured using Level 3 inputs. The valuation was arrived at by reference to market evidence of transaction prices for similar properties and by the discounted cash flow analysis. The significant unobservable inputs used include discount rates. The appraised fair value is as follows:

	December 31	
	2022	2021
Fair value of investment properties	$ 20,287	$ 17,709
Discount rate	14.67%	16.42%

All of the Group's investment properties are freehold properties.

17. GOODWILL

	December 31	
	2022	2021
Cost		
Balance at January 1	$ 8,909	$ 9,166
Effect of foreign currency exchange differences	975	(257)
Balance at December 31	$ 9,884	$ 8,909
Accumulated impairment losses		
Balance at January 1	$ 8,909	$ -
Impairment loss recognized	-	9,033
Effect of foreign currency exchange differences	975	(124)
Balance at December 31	$ 9,884	$ 8,909
Carrying amount at January 1	$ -	$ 9,166
Carrying amount at December 31	$ -	$ -

The Group acquired Pletronics Inc. on June 3, 2019 and recognized goodwill of $10,173 thousand. The equity value of Pletronics Inc. as acquired by the Group was based on the report issued by an expert. The difference between the investment cost and the fair value of the identifiable assets obtained on the acquisition date which is not amortized assets was classified as goodwill. The recoverable amount of Pletronics Inc. was lower than the related carrying amount, and an impairment loss of $9,033 thousand was recognized for the year ended December 31, 2021. The recoverable amount of Pletronics Inc. was determined based on a value in use calculation that used the cash flow projections in the financial budgets approved by management covering a 5-year period; the discount rate was 14.67%. Other key assumptions included budgeted revenue and budgeted gross margin. Such assumptions were based on the past performance of the cash-generating unit and management's expectations of market development.

18. OTHER INTANGIBLE ASSETS

	Computer Software	Other	Total
Cost			
Balance at January 1, 2021	$ 31,169	$ 11,890	$ 43,059
Additions	927	-	927
Disposals	(3,384)	-	(3,384)
Effect of foreign currency exchange differences	(32)	(64)	(96)
Balance at December 31, 2021	$ 28,680	$ 11,826	$ 40,506
Accumulated amortization and impairment			
Balance at January 1, 2021	$ 27,307	$ 11,885	$ 39,192
Amortization expense	729	4	733
Disposals	(3,384)	-	(3,384)
Effect of foreign currency exchange differences	(155)	(63)	(218)
Balance at December 31, 2021	$ 24,497	$ 11,826	$ 36,323
Carrying amount at December 31, 2021	$ 4,183	$ -	$ 4,183
Cost			
Balance at January 1, 2022	$ 28,680	$ 11,826	$ 40,506
Additions	321	-	321
Effect of foreign currency exchange differences	34	185	219
Balance at December 31, 2022	$ 29,035	$ 12,011	$ 41,046
Accumulated amortization and impairment			
Balance at January 1, 2022	$ 24,497	$ 11,826	$ 36,323
Amortization expense	1,166	-	1,166
Effect of foreign currency exchange differences	(18)	185	167
Balance at December 31, 2022	$ 25,645	$ 12,011	$ 37,656
Carrying amount at December 31, 2022	$ 3,390	$ -	$ 3,390

Other intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer software	3-10 years
Others	10-15 years

	For the Year Ended December 31	
	2022	**2021**
An analysis of amortization by function		
Operating costs	$ 526	$ 157
General and administrative expenses	640	576
	$ 1,166	$ 733

19. OTHER ASSETS

	December 31	
	2022	**2021**
Current		
Prepayments		
Prepayment for purchase	$ 17,546	$ 20,084
Prepayment for insurance	1,356	1,058
Others	6,561	5,608
	$ 25,463	$ 26,750
Non-current		
Other non-current assets		
Refundable deposits	$ 2,688	$ 2,480
Prepayments for equipment	35,541	15,402
Overdue receivables (Note 11)	-	-
	$ 38,229	$ 17,882

20. BORROWINGS

	December 31	
	2022	**2021**
Unsecured borrowings	$ 184,000	$ 235,360

The range of interest rates on bank loans were 1.39%-1.72% and 0.98%-1.310% per annum as of December 31, 2022 and 2021, respectively.

21. OTHER LIABILITIES

	December 31	
	2022	2021
Current		
Other payables		
Payables for salaries and bonuses	$ 84,624	$ 67,806
Payables for compensation of employees	32,416	18,975
Payables for remuneration of directors	6,946	4,220
Payables for professional service fees	3,448	4,423
Payables for VAT	3,433	1,197
Payable for insurance	2,439	2,169
Payables for miscellaneous items	2,297	1,298
Payables for consumables	1,954	3,786
Payable for pension cost	1,393	1,326
Payables for repair	1,343	962
Payables for commission	1,254	2,122
Payables for equipment (Note 29)	134	2,330
Others	17,447	29,598
	$ 159,128	$ 140,212
Other liabilities		
Receipts under custody	$ 2,063	$ 1,403
Non-current		
Deferred revenue		
Government grants (Note 28)	$ 6,480	$ 7,261
Other liabilities		
Guarantee deposits	$ 16,310	$ 16,493

22. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

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

The employees of the Group's subsidiary in mainland China and the United States are members of a state-managed retirement benefit plan operated by the government of mainland China and the United States. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

b. Defined benefit plan

The defined benefit plan adopted by the Group in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Group contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor ("Bureau"); the Group has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plan are as follows:

	December 31	
	2022	**2021**
Present value of defined benefit obligation	$ 111,726	$ 104,066
Fair value of plan assets	(73,145)	(62,510)
Deficit	38,581	41,556
Asset ceiling	-	-
Net defined benefit liabilities	$ 38,581	$ 41,556

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	**Fair Value of the Plan Assets**	**Net Defined Benefit Liabilities**
Balance at January 1, 2021	$ 109,402	$ (60,620)	$ 48,782
Service cost			
Current service cost	1,189	-	1,189
Net interest expense (income)	547	(315)	232
Recognized in profit or loss	1,736	(315)	1,421
Return on plan assets (excluding amounts included in net interest)	-	(747)	(747)
Actuarial loss - changes in demographic assumptions	2,340	-	2,340
Actuarial gain - experience adjustments	(5,252)	-	(5,252)
Recognized in other comprehensive income	(2,912)	(747)	(3,659)
Benefits paid	(4,160)	4,160	-
Contributions from the employer	-	(4,988)	(4,988)
Balance at December 31, 2021	104,066	(62,510)	41,556
Service cost			
Current service cost	940	-	940
Net interest expense (income)	520	(325)	195
Recognized in profit or loss	1,460	(325)	1,135
Return on plan assets (excluding amounts included in net interest)	-	(4,887)	(4,887)
Actuarial gain changes in demographic Assumptions	(8,147)	-	(8,147)
Actuarial loss experience adjustments	14,347	-	14,347
Recognized in other comprehensive income	6,200	(4,887)	1,313
Benefits paid	-	-	-
Contributions from the employer	-	(5,423)	(5,423)
Balance at December 31, 2022	$ 111,726	$ (73,145)	$ 38,581

Through the defined benefit plans under the Labor Standards Act, the Company is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets shall not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations are as follows:

	December 31	
	2022	**2021**
Discount rate	1.38%	0.500%
Expected rate of salary increase	2.75%	2.750%

If possible reasonable changes in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2022	**2021**
Discount rate		
0.25% increase	$ (2,170)	$ (2,423)
0.25% decrease	$ 2,238	$ 2,506
Expected rate of salary increase/decrease		
0.25% increase	$ 2,169	$ 2,409
0.25% decrease	$ (2,114)	$ (2,342)

The above sensitivity analysis presented may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that changes in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2022	**2021**
Expected contributions to the plan for the next year	$ 5,775	$ 4,920
Average duration of the defined benefit obligation	7.9 years	9.5 years

23. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2022	2021
Shares authorized (in thousands of shares)	120,000	120,000
Amount of shares authorized	$ 1,200,000	$ 1,200,000
Shares issued and fully paid (in thousands of shares)	68,334	68,334
Amount of shares issued and fully paid	$ 683,338	$ 683,338

b. Capital surplus

	December 31	
	2022	2021
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note 1)		
Issuance of ordinary shares	$ 374,069	$ 374,069
Treasury share transactions	3,978	3,978
Employee share options	578	578
Expired share options	20	20
May only be used to offset a deficit		
Changes in equity of subsidiaries accounted for using the equity method (Note 2)	26,075	26,075
Others	3,626	3,626
	$ 408,346	$ 408,346

Note 1: Such capital surplus may be used to offset a deficit; in addition, when the Group has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Group's paid-in capital each year).

Note 2: Such capital surplus is recognized from the changes in capital surplus of subsidiaries accounted for using the equity method.

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the Articles of Incorporation of the Company after the amendments, when the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distributed as dividends and bonus to shareholders. For the policies on the distribution of compensation of employees and remuneration of directors, refer to Note 25 (g).

The Company's dividend policy is based on the principle of stability and balance, and takes into consideration the future operating and development capital needs and sound financial conditions. Out of the dividends and bonuses distributed to shareholders in the current year, at least 50% shall be distributed as cash dividends. However, the board of directors may adjust the ratio according to the working capital needs of the current year, and submit it to the shareholders in their meeting for resolution.

According to the Company Act No. 237, the Company shall recognize as legal reserve 10% of the remaining profit, until the accumulated legal reserve equals the total amount of paid-in capital. The legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The Company is required to make appropriation to or reversal from the special reserve for the items referred to in Rule No. 1010012865 issued by the FSC and in the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs". The FSC issued Rule No. 1090150022 on March 31, 2021, and Rule No. 1010012865 was repealed on December 31, 2021.

The appropriations of earnings for 2021 and 2020 approved in the shareholders' meetings on June 17, 2022 and August 27, 2021, respectively, were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2021	**2020**
Legal reserve	$ 24,123	$ 356
Special reserve	$ 772	$ -
Cash dividends	$ 143,501	$ 8,200
Cash dividends per share (NT$)	$ 2.10	$ 0.12

The appropriations of earnings for 2022, which were proposed by the Company's board of directors on March 23, 2023, were as follows:

	For the Year Ended December 31, 2022
Legal reserve	$ 35,781
Reverse of special reserve	$ 15,104
Cash dividends	$ 239,168
Cash dividends per share (NT$)	$ 3.5

The appropriation of earnings for 2022 will be presented for approval by the Company's shareholders meeting to be held on June 16, 2023 (expected).

d. Special reserve

(1) In accordance with the provisions of Article 41, Paragraph 1 of the Securities and Exchange Act, the special reserve shall be set aside for the net debit balance of shareholders' equity recorded in the current year. For the subsequent decrease in the deduction amount to stockholders' equity, any special reserve appropriated may be reversed to the extent that the net debit balance reverses. (2) The special reserve is set aside and reversed in accordance with the provisions of "Questions and Answers on the Application of IFRSs to the special Surplus Reserve".

The special reserves recognized as of December 31, 2022 and 2021 was as follows:

	December 31	
	2022	2021
Listed in accordance with Article 41, Paragraph 1 of the Securities and Exchange Act	$ 80,617	$ 79,845
First application of Rule issued by the FSC transferred to retained earnings	15,450	15,450
	$ 96,067	$ 95,295

e. Other equity items

1) Exchange differences on the translation of the financial statements of foreign operations:

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ (90,397)	$ (84,919)
Recognized for the year		
Exchange differences on translation of the financial statements of foreign operations	25,920	(6,849)
Income tax effect	(5,184)	1,371
Other comprehensive income (loss) recognized for the year	20,736	(5,478)
Balance at December 31	$ (69,661)	$ (90,397)

2) Unrealized valuation gain on financial assets at FVTOCI

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ (5,670)	$ (5,553)
Recognized for the year		
Unrealized (loss) gain - debt instruments	(1,482)	8
Unrealized (loss) gain - equity instruments	(4,923)	24,812
Income tax effect	773	163
Other comprehensive (loss) income recognized for the year	(5,632)	24,983
Reclassification adjustments		
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	-	(25,100)
Balance at December 31	$ (11,302)	$ (5,670)

24. REVENUE

a. Contract information

Revenue from the sale of goods

The main operating revenue of the Group is from the sale of SMD crystals and SMD oscillators. All goods are sold at their respective fixed amounts as agreed in the contracts.

b. Contract balances

	December 31, 2022	December 31, 2021	January 1, 2021
Notes receivable and trade receivables (Note 11)	$ 537,855	$ 643,379	$ 409,401
Contract liabilities - current			
Sale of goods	$ 14,616	$ 11,020	$ 6,088

Revenue in the current year that was recognized from the contract liability balance at the beginning of the year and from the performance obligations satisfied in the previous periods was summarized as follows:

	For the Year Ended December 31	
	2022	2021
Sale of goods	$ 9,608	$ 5,016

c. Disaggregation of revenue

For information on disaggregation of revenue, please refer to Note 38.

25. NET PROFIT FROM CONTINUING OPERATIONS

Net profit from continuing operations was attributable to:

a. Interest income

	For the Year Ended December 31	
	2022	2021
Bank deposits	$ 1,008	$ 564
Investments in financial assets at amortized cost	1,521	1,137
Financial assets at FVTPL	1,102	904
Investments in debt instruments at FVTOCI	124	39
	$ 3,755	$ 2,644

b. Other income

	For the Year Ended December 31	
	2022	2021
Rental income	$ 5,852	$ 5,559
Government grants	2,510	4,619
Dividends	2,919	359
Others	1,391	4,187
	$ 12,672	$ 14,724

c. Other gains and losses

	For the Year Ended December 31	
	2022	2021
Loss on disposal of property, plant and equipment	$ (13)	$ (2,609)
Gain on disposal of right-of-use assets	-	16
Fair value changes of financial assets and financial liabilities		
Financial assets mandatorily classified as at FVTPL	1,870	6,043
Loss on impairment of goodwill	-	(9,033)
Net foreign exchange gains (losses)	53,209	(7,353)
Others	(807)	(1,430)
	$ 54,259	$ (14,366)

d. Finance costs

	For the Year Ended December 31	
	2022	2021
Interest on bank loans	$ 2,499	$ 2,545
Interest on lease liabilities	721	787
	$ 3,220	$ 3,332

e. Depreciation and amortization

	For the Year Ended December 31	
	2022	2021
Property, plant and equipment	$ 78,848	$ 82,985
Right-of-use assets	17,007	16,812
Investment properties	215	206
Intangible assets	1,166	733
	$ 97,236	$ 100,736
An analysis of depreciation by function		
Operating costs	$ 81,614	$ 84,293
Operating expenses	14,456	15,710
	$ 96,070	$ 100,003
An analysis of amortization by function		
Operating costs	$ 526	$ 157
Operating expenses	640	576
	$ 1,166	$ 733

f. Employee benefits expense

	For the Year Ended December 31	
	2022	2021
Short-term benefits	$ 507,836	$ 425,522
Post-employment benefits (Note 22)		
Defined contribution plan	36,320	30,395
Defined benefit plan	1,135	1,421
Termination benefits	414	65
Other employee benefits	92,268	80,070
	$ 637,973	$ 537,473
An analysis of employee benefits expense by function		
Operating costs	$ 356,667	$ 298,882
Operating expenses	281,306	238,591
	$ 637,973	$ 537,473

g. Compensation of employees and remuneration of directors

According to the Company's Articles of Incorporation, the Company accrues compensation of employees at rates between 5% to 15%, and remuneration of directors at rates of no higher than 2% of net profit before income tax, compensation of employees and remuneration of directors.

The compensation of employees and the remuneration of directors for the years ended December 31, 2022 and 2021, which were approved by the Company's board of directors on March 23, 2023 and March 24, 2022, respectively, are as follows:

Accrual rate

	For the Year Ended December 31	
	2022	2021
Compensation of employees	7%	7%
Remuneration of directors	1.5%	1.6%

Amount

	For the Year Ended December 31			
	2022		2021	
	Cash	Shares	Cash	Shares
Compensation of employees	$ 32,416	$ -	$ 18,975	$ -
Remuneration of directors	6,946	-	4,220	-

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

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the financial statements for the years ended December 31, 2022 and 2021.

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

h. Gains or losses on foreign currency exchange

	For the Year Ended December 31	
	2022	2021
Foreign exchange gains	$ 99,008	$ 26,390
Foreign exchange losses	(45,799)	(33,743)
Net foreign exchange gains (losses)	$ 53,209	$ (7,353)

26. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2022	2021
Current tax		
In respect of the current year	$ 107,817	$ 58,726
Adjustments for prior years	(4,833)	(913)
Income tax on unappropriated earnings	3,641	241
	106,625	58,054
Deferred tax		
In respect of the current year	24,556	31,116
Income tax expense recognized in profit or loss	$ 131,181	$ 89,170

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

	For the Year Ended December 31	
	2022	2021
Profit before tax from continuing operations	$ 490,036	$ 302,378
Income tax expense calculated at the statutory rate	$ 98,007	$ 60,476
Nondeductible expenses in determining taxable income	319	2,736
Tax-exempt income	(160)	(185)
Income tax on unappropriated earnings	3,641	241
Deferred income tax not recognized prior years and adjusted in the current year	-	(5,689)
Unrecognized loss carryforwards and deductible temporary differences	(1,250)	(9,866)
Effect of different tax rates of group entities operating in other jurisdictions	35,456	42,370
Adjustments for prior years' income tax	(4,832)	(913)
Income tax expense recognized in profit or loss	$ 131,181	$ 89,170

The tax rate applicated to subsidiaries in China is 25%. Tax rates applicated to other entities operating in other jurisdictions are based on the tax laws in those jurisdictions.

The tax rates for the subsidiaries located in the United States are based on the US federal tax rate of 21%; California state tax rate of 8.84%; Virginia state tax rate of 6.00% and Colorado state tax rate of 4.63%.

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2022	**2021**
Deferred tax		
In respect of the current year		
Translation of foreign operations	$ (5,184)	$ 1,371
Remeasurement of defined benefit plan	263	(731)
Fair value changes of financial assets at FVTOCI	296	(2)
Share of other comprehensive income of subsidiary accounted for using the equity method	477	165
Total income tax recognized in other comprehensive income	$ (4,148)	$ 803

c. Current tax assets and liabilities

	December 31	
	2022	**2021**
Current tax assets		
Tax refund receivable	$ 299	$ 294
Current tax liabilities		
Income tax payable	$ 81,113	$ 32,252

d. Deferred tax assets and liabilities

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

For the year ended December 31, 2022

	Opening Balance	**Recognized in Profit or Loss**	**Recognized in Other Compre-hensive Income**	**Exchange Difference**	**Closing Balance**
Deferred tax assets					
Temporary differences					
Capitalizing expenditures	$ 303	$ (129)	$ -	$ -	$ 174
Allowance for impairment loss	148	(138)	-	3	13
Unrealized loss on foreign exchange	1,582	1,005	-	-	2,587

(Continued)

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Exchange Difference	Closing Balance
Inventory write-downs	$ 20,824	$ 3,446	$ -	$ 179	$ 24,449
Unamortized fixed manufacturing overheads	23	1,102	-	-	1,125
Payables for annual leave	295	24	-	2	321
Unrealized gain on affiliated company transaction	633	849	-	-	1,482
Defined benefit obligations	9,403	(858)	263	-	8,808
Fair value changes of financial assets at FVTOCI	105	-	477	-	582
Fair value changes of debt instruments at FVTOCI	-	-	294	-	294
Exchange differences on the translation of the financial statements of foreign operations	9,646	-	(5,184)	-	4,462
Fair value changes of financial assets at FVTPL	208	214	-	-	422
Deferred revenue	1,815	-	-	29	1,844
	$ 44,985	$ 5,515	$ (4,150)	$ 213	$ 46,563

Deferred tax liabilities

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Exchange Difference	Closing Balance
Temporary differences					
Unrealized gain on foreign exchange	$ 729	$ 3,757	$ -	$ -	$ 4,486
Net gain on investments accounted for using the equity method	39,818	22,139	-	-	61,957
Depreciation expense tax difference	28,970	4,175	-	430	33,575
Fair value changes of debt instruments at FVTOCI	2	-	(2)	-	-
	$ 69,519	$ 30,071	$ (2)	$ 430	$ 100,018

(Concluded)

For the year ended December 31, 2021

Deferred tax assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Exchange Difference	Closing Balance
Temporary differences					
Capitalizing expenditures	$ 233	$ 70	$ -	$ -	$ 303
Allowance for impairment loss	150	-	-	(2)	148
Unrealized loss on foreign exchange	1,497	85	-	-	1,582
Inventory write-downs	20,581	309	-	(66)	20,824
Unamortized fixed manufacturing overheads	720	(697)	-	-	23
Payables for annual leave	200	96	-	(1)	295
Unrealized gain on affiliated company transaction	58	575	-	-	633
Defined benefit obligations	10,848	(714)	(731)	-	9,403
Fair value changes of financial assets at FVTOCI	-	-	105	-	105
Exchange differences on the translation of the financial statements of foreign operations	8,275	-	1,371	-	9,646
Fair value changes of financial assets at FVTPL	-	208	-	-	208
Deferred revenue	1,810	14	-	(9)	1,815
	44,372	(54)	745	(78)	44,985
Loss carryforwards	10,604	(10,602)	-	(2)	-
	$ 54,976	$ (10,656)	$ 745	$ (80)	$ 44,985

Deferred tax liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Exchange Difference	Closing Balance
Temporary differences					
Unrealized gain on foreign exchange	$ 556	$ 173	$ -	$ -	$ 729
Unrealized gains on equity investments	18,394	21,424	-	-	39,818
Depreciation expense tax difference	30,267	(1,137)	-	(160)	28,970
Fair value changes of debt instruments at FVTOCI	-	-	2	-	2
Fair value changes of financial assets at FVTOCI	60	-	(60)	-	-
	$ 49,277	$ 20,460	$ (58)	$ (160)	$ 69,519

e. Deductible temporary differences and unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2022	**2021**
Loss carryforwards		
Expiry in 2034	$ 3,214	$ 3,449
Expiry in 2035	21,535	22,248
Expiry in 2036	4,108	4,686
Expiry in 2038	-	288
Expiry in 2039	-	1,164
Expiry in 2040	3,326	2,998
Expiry in 2041	564	835
	$ 32,747	$ 35,668
Deductible temporary differences		
Allowance for impairment loss	$ 28	$ 1,190
Inventory write-downs	9,964	9,810
Gain or loss on investments in subsidiaries and associates accounted for using the equity method	154,471	188,153
	$ 164,463	$ 199,153

f. Carryforwards as of December 31, 2022 comprised:

Unused Amount	**Expiry Year**
$ 3,214	2034
21,535	2035
4,108	2036
3,326	2040
564	2041
$ 32,747	

g. The aggregate amount of temporary differences associated with investments for which deferred tax liabilities have not been recognized

As of December 31, 2022 and 2021, the taxable temporary differences associated with investments in subsidiaries for which no deferred tax liabilities have been recognized were $301,780 thousand and $177,079 thousand, respectively.

h. Income tax assessments

1) The tax authorities have assessed the income tax returns of the Company through 2020.
2) Other overseas group entities are not involved in any material action regarding taxation.

27. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2022	**2021**
Basic earnings per share	$ 5.25	$ 3.12
Diluted earnings per share	$ 5.17	$ 3.10

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

Net Profit for the Year

	For the Year Ended December 31	
	2022	**2021**
Earnings used in the computation of basic earnings per share	$ 358,855	$ 213,208
Earnings used in the computation of diluted earnings per share	$ 358,855	$ 213,208

The weighted average number of ordinary shares outstanding (in thousands of shares) was as follows:

	For the Year Ended December 31	
	2022	**2021**
Weighted average number of ordinary shares used in the computation of basic earnings per share	68,334	68,334
Effect of potentially dilutive ordinary shares		
Compensation of employees	1,035	455
Weighted average number of ordinary shares used in the computation of diluted earnings per share	69,369	68,789

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

28. GOVERNMENT GRANTS

a. In 2021 and 2020, the subsidiary Taitien Electronic (Nanjing) Ltd. received a government grant of $928 thousand and $7,740 thousand for its purchase of technical equipment. The amount was recognized as deferred revenue and subsequently transferred to profit or loss over the useful life of the related asset. This policy resulted in a credit to other income of $900 thousand and $873 thousand during the years ended December 31, 2022 and 2021, respectively.

b. In 2021, the subsidiary Taitien Electronic (Nanjing) Ltd. received a government grant of $3,039 thousand as pandemic subsidy from the Nanjing Jiangning (National) Economic and Technological Development Zone Administrative Committee. The amount was recognized during the years ended December 31, 2021 as other income.

29. CASH FLOW INFORMATION

a. Non-cash transactions

For the years ended December 31, 2022 and 2021, the Group entered into the following non-cash investing and financing activities which were not reflected in the statements of cash flows:

- As of December 31, 2022 and 2021, the unpaid amounts from the Group's acquisition of property, plant and equipment were $134 thousand and $2,330 thousand, respectively, and were recognized in other payables - payables for equipment.

b. Changes in liabilities arising from financing activities

For the year ended December 31, 2022

			Non-cash Changes					
	Opening Balance	**Cash Flows**	**New Leases**	**Disposal**	**Interest Expense**	**Exchange Rate Changes**	**Others**	**Closing Balance**
Short-term borrowings	$ 235,360	$ (52,550)	$ -	$ -	$ -	$ 1,190	$ -	$ 184,000
Lease liabilities	34,257	(16,674)	31,655	-	721	2,168	(721)	51,406
Guarantee deposits received	16,493	(443)	-	-	-	260	-	16,310
	$ 286,110	$ (69,667)	$ 31,655	$ -	$ 721	$ 3,618	$ (721)	$ 251,716

For the year ended December 31, 2021

			Non-cash Changes					
	Opening Balance	**Cash Flows**	**New Leases**	**Disposal**	**Interest Expense**	**Exchange Rate Changes**	**Others**	**Closing Balance**
Short-term borrowings	$ 251,200	$ (14,374)	$ -	$ -	$ -	$ (1,466)	$ -	$ 235,360
Lease liabilities	50,555	(16,236)	1,209	(503)	787	(768)	(787)	34,257
Guarantee deposits received	11,546	5,010	-	-	-	(63)	-	16,493
	$ 313,301	$ (25,600)	$ 1,209	$ (503)	$ 787	$ (2,297)	$ (787)	$ 286,110

30. CAPITAL MANAGEMENT

The Group manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Group's overall strategy remained unchanged in the current year.

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

The management of the Group periodically reviews its capital structure. As part of the review, the management considers the cost of capital, financial ratios required by loans, and related risks in determining the proper structure for its capital. Followed the management's suggestion, the Group balances its overall capital structure by adjusting the amount of dividends paid to the shareholders, issuing new shares, buyback shares, and obtaining financing facilities from financial institutions.

31. FINANCIAL INSTRUMENTS

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

The Group's management believes that the carrying amounts of financial assets and financial liabilities recognized in the financial statements which are not measured at fair value approximates their fair value or that the fair value of such assets and liabilities cannot be reliably measured.

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

1) Fair value hierarchy

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non-derivative financial assets				
Mutual funds	$ 29,887	$ -	$ -	$ 29,887
Financial assets at FVTOCI				
Investments in equity instruments				
Unlisted shares in domestic market	$ -	$ -	$ 7,409	$ 7,409
Unlisted shares in foreign market	-	-	5,031	5,031
Investments in debt instruments				
Foreign corporate bonds	2,992	-	-	2,992
	$ 2,992	$ -	$ 12,440	$ 15,432

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Non-derivative financial assets				
Mutual funds	$ 30,311	$ -	$ -	$ 30,311
Financial assets at FVTOCI				
Investments in equity instruments				
Unlisted shares in domestic market	$ -	$ -	$ 9,947	$ 9,947
Unlisted shares in foreign market	-	-	7,288	7,288
Investments in debt instruments				
Foreign corporate bonds	4,068	-	-	4,068
	$ 4,068	$ -	$ 17,235	$ 21,303

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

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

For the year ended December 31, 2022

Financial Assets	**Financial Assets at FVTOCI**
	Equity Instruments
Balance at January 1, 2022	$ 17,235
Recognized in other comprehensive loss	(4,923)
Effect of foreign currency exchange differences	128
Balance at December 31, 2022	$ 12,440

For the year ended December 31, 2021

Financial Assets	**Financial Assets at FVTOCI**
	Equity Instruments
Balance at January 1, 2021	$ 23,457
Disposal	(31,260)
Recognized in other comprehensive income	24,812
Effect of foreign currency exchange differences	226
Balance at December 31, 2021	$ 17,235

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

The fair value of unlisted (over-the-counter) company stocks held by the Group is estimated using the asset approach and the market approach. The asset approach uses the net asset value measured by the fair value of the latest financial statements of the investment target, and calculates the fair value of the stock after considering the liquidity discount parameter. The market approach uses to the market transaction price of comparable companies with similar business and industrial attributes of the investment target, and calculates the fair price of the stock after considering the liquidity discount parameters.

c. Categories of financial instruments

	December 31	
	2022	**2021**
Financial assets		
Financial assets at FVTPL		
Mandatorily classified as at FVTPL	$ 29,887	$ 30,311
Financial assets measured at amortized cost (1)	1,322,354	1,344,176
Financial assets at FVTOCI		
Equity instruments	12,440	17,235
Debt instruments	2,992	4,068
Financial liabilities		
Financial liabilities at amortized cost (2)	400,749	598,114

1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, notes receivable, trade receivables from related parties, other receivables excluding income tax refund receivable and refundable deposits.

2) The balances include financial liabilities, which comprise short-term loans, trade payables to related parties, other payables (excluding payable for salaries and bonuses, compensation of employees, remuneration of directors, payable for insurance and pension cost), and other payables to related parties.

d. Financial risk management objectives and policies

The Group's major financial instruments include cash and cash equivalents, financial assets at amortized cost, notes receivable, trade receivables, notes payable, trade payables, borrowings and lease liabilities. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk, and liquidity risk.

1) Market risk

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

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

a) Foreign currency risk

The Group has foreign currency denominated sales and purchases, which exposed the Company to foreign currency risk. The Group assesses the net risk position of non-functional currency denominated sales and purchases periodically and adjusts its non-functional cash position on the basis of its assessment.

The carrying amounts of the Group's foreign-currency-denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 35.

<u>Sensitivity analysis</u>

The Group was mainly exposed to the USD, JPY and CNY.

The following table details the Group's sensitivity to a 5% increase and decrease in the New Taiwan dollar (i.e., the functional currency) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 5%. The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the year for a 5% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit and other equity associated with the New Taiwan dollar strengthening 5% against the relevant currency. For a 5% weakening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit and other equity, and the balances below would be negative.

	USD Impact		JPY Impact	
	For the Year Ended December 31		For the Year Ended December 31	
	2022	2021	2022	2021
Profit or loss	$ 24,573 (i)	$ 21,826 (i)	$ (1,091) (ii)	$ 509 (ii)

	CNY Impact	
	For the Year Ended December 31	
	2022	2021
Profit or loss	$ 6,399 (iii)	$ 2,498 (iii)

i. The result was mainly attributable to the exposure on outstanding cash and cash equivalents, financial assets at FVTOCI, trade receivables, trade payables and short-term borrowings in USD that were not hedged at the end of the year.

ii. The result was mainly attributable to the exposure on outstanding cash and cash equivalents, trade receivables and trade payables in JPY that were not hedged at the end of the year.

iii. The result was mainly attributable to the exposure on outstanding cash and cash equivalents, financial assets at amortized cost, trade receivables and trade payables in CNY that were not hedged at the end of the year.

The above results of the Group's tests of sensitivity to changes in foreign exchange rates during the current period were mainly due to the increase in financial assets in USD, the increase in financial liabilities in JPY and the increase in financial assets in CNY.

b) Interest rate risk

The Group is exposed to interest rate risk because the Group's bank balances, lease liabilities and borrowings are at both fixed and floating interest rates.

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

	December 31	
	2022	**2021**
Fair value interest rate risk		
Financial assets	$ 147,170	$ 52,098
Financial liabilities	235,406	214,257
Cash flow interest rate risk		
Financial assets	585,587	607,030
Financial liabilities	-	55,360

Sensitivity analysis

The sensitivity analysis below is based on the Group's exposure to interest rates of non-derivative instruments at the end of the year. For floating rate liabilities, the analysis was prepared assuming the amount of the liabilities outstanding at the end of the year was outstanding for the whole year. A 1% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2022 and 2021 would have decreased/increased by $5,856 thousand and $5,517 thousand, respectively.

For the year ended December 31, 2022, the Group's sensitivity to interest rates decreased during the current period mainly due to the decrease in floating assets.

c) Other price risk

The price risk of the Group's investments in mutual funds, overseas bonds and equity instruments mainly comes from financial assets at FVTPL and financial assets at FVTOCI. The investments in mutual funds, overseas bonds and equity instruments are strategic investments, and the Group manages risks by holding low-risk portfolio products.

Sensitivity analysis

The sensitivity analysis below is based on the exposure to fund price risk and equity instrument investment price risk at the end of year.

If fund prices had been 1% higher/lower, the pre-tax profit or loss for the years ended December 31, 2022 and 2021 would have increased/decreased by $299 thousand and $303 thousand, as a result of the changes in fair value of financial assets at FVTPL.

If the fair value of overseas bonds and equity securities had been 1% higher/lower, the other comprehensive income before tax for the years ended December 31, 2022 and 2021 would have increased/decreased by $154 thousand and $213 thousand, respectively.

The Group's sensitivity to fund price had not changed significantly from the prior year. The Group's sensitivity to overseas bonds and equity prices decreased due to the change in prices of such equity securities.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. At the end of the accounting period, the Group’s maximum exposure to credit risk, which would cause a financial loss to the Group due to failure of counterparties to discharge their obligations and due to the financial guarantees provided by the Group, could be equal to the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The policies adopted by the Group are applicable only to transactions with reputable counterparties. Where necessary, sufficient collateral must be obtained to reduce the risk of financial losses. The Group evaluates major customers by establishing complete basic customer data files, using other publicly available financial and non-financial information, and referring to each other’s past transaction records. The Group continues to monitor the credit risk insurance and the credit ratings of the counterparties and controls the credit risk through the counterparty credit limits that are reviewed and approved by the responsible supervisor every year.

The Group will continue to evaluate the financial status of the accounts receivable customers and review the recoverable amount of the accounts receivable to ensure that the uncollectible accounts receivable have been included in the appropriate impairment loss.

The Group’s concentration of credit risk of 52% and 58% of the total credit risk as of December 31, 2022 and 2021, respectively, was attributable to the Group’s major customers.

3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2022 and 2021, the Group had available unutilized bank loan facilities set out in (b) below.

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

The following table details the Group’s remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

To the extent that interest flows are at floating rates, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

December 31, 2022

	On Demand or Less than 1 Month	1 Month to 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing liabilities	$ 139,116	$ 60,128	$ 1,195	$ 16,310	$ -
Lease liabilities	1,417	2,782	13,220	35,460	-
Fixed interest rate liabilities	-	115,339	69,454	-	-
	$ 140,533	$ 178,249	$ 83,869	$ 51,770	$ -

Additional information on the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 17,419	$ 35,460	$ -	$ -	$ -	$ -

December 31, 2021

	On Demand or Less than 1 Month	1 Month to 3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-interest bearing liabilities	$ 255,273	$ 88,078	$ 2,910	$ 16,493	$ -
Lease liabilities	1,283	2,461	9,321	22,531	-
Fixed interest rate liabilities	70,054	-	110,434	-	-
Variable interest rate liabilities	-	27,747	27,838	-	-
	$ 326,610	$ 118,286	$ 150,503	$ 39,024	$ -

Additional information on the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	$ 13,065	$ 22,531	$ -	$ -	$ -	$ -

b) Financing facilities

	December 31	
	2022	2021
Unsecured bank overdraft facilities, reviewed annually:		
Amount used	$ 184,000	$ 235,360
Amount unused	338,840	273,040
	$ 522,840	$ 508,400

29. TRANSACTIONS WITH RELATED PARTIES

In addition to those disclosed in the other notes, details of transactions between the Company and related parties are as follows:

a. Related party name and category

Related Party Name	Related Party Category
Tai Tien Electronic Co., Ltd.	Substantive related party
Wan-an County Huan-Jin Electronics Co., Ltd.	Substantive related party

b. Cost of goods sold

Line Item	Related Party Category/Name	For the Year Ended December 31	
		2022	2021
Substantive related party	Others	$ -	$ 1,696

The purchase prices and payment terms to related parties were not significantly different from those of non-related parties. The payment term is 60 days after the purchase of goods.

c. Acquisition of property, plant and equipment

Line Item	Related Party Category/Name	For the Year Ended December 31	
		2022	2021
Substantive related party	Wan-an County Huan-Jin Electronics Co., Ltd.	$ -	$ 697

d. Lease arrangements

Acquisition right-of-use assets

The Group leases land for a lease period of 5 years to build the plant, and the rent is paid according to the amount signed in the contract. Upon termination of the lease term, the Group shall have no preferential right to purchase the land, and it is agreed that the Group shall not sublease or transfer the leased land without the consent of the lessor.

Line Item	Related Party Category/Name	December 31	
		2022	2021
Right-of-use assets	Others		
	Tai Tien Electronic Co., Ltd.	$ 11,317	$ 6,273
Lease liabilities - current	Others		
	Tai Tien Electronic Co., Ltd.	$ 2,591	$ 1,890
Lease liabilities - non-current	Others		
	Tai Tien Electronic Co., Ltd.	$ 8,883	$ 4,506

Related Party Category/Name	For the Year Ended December 31 2022	2021
Interest expense		
Others		
Others	$ 132	$ 94
Depreciation expense		
Others		
Others	$ 2,369	$ 1,882
Lease expense		
Others		
Others	$ 48	$ 48

The Group leases land and business premises in the industrial parks from the related party, Tai Tien Electronic Co., Ltd. The terms of the lease contract are based on the general market conditions, and the monthly rent is paid before the end of each month.

e. Remuneration of key management personnel

The remuneration of key management personnel are as follows:

	For the Year Ended December 31 2022	2021
Short-term employee benefits	$ 42,627	$ 28,680
Share-based payment	635	616
	$ 43,262	$ 29,296

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and with reference to market trends.

33. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The amounts of restricted assets of the Group that were provided as guarantees are as follows:

	December 31 2022	2021
Pledged deposits (classified as financial assets at amortized cost)	$ 200	$ 200

34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group at December 31, 2022 and 2021 were as follows:

a. Unrecognized commitments were as follows

	December 31	
	2022	**2021**
Acquisition of property, plant and equipment	$ 31,678	$ 70,236

b. Taitien Electronic (Nanjing) Ltd.'s relocation compensation agreement
In cooperation with Nanjing Jiangning (National) Economic and Technological Development Zone's urban planning in Jiangsu Province, China, the subsidiary Taitien Electronic (Nanjing) Ltd. signed an agreement with Nanjing Jiangning (National) Economic and Technological Development Zone Administrative Committee on the relocation compensation of assets such as land use rights, buildings, attachments and equipment on April 24, 2022. The compensation amount was RMB84,913 thousand. Taitien Electronic (Nanjing) Ltd. planned to submit the relevant application and carry out the relocation before the end of December 2023.

35. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount (In NTD)
Financial assets			
Monetary items			
USD	$ 12,462	30.710 (USD:NTD)	$ 382,713
JPY	19,719	0.232 (JPY:NTD)	4,583
CNY	29,641	4.409 (CNY:NTD)	130,702
USD	6,661	6.965 (USD:CNY)	204,554
JPY	67,631	0.053 (JPY:CNY)	15,718
Financial liabilities			
Monetary items			
USD	2,577	30.710 (USD:NTD)	79,131
JPY	57,890	0.232 (JPY:NTD)	13,454
CNY	616	4.409 (CNY:NTD)	2,715
USD	543	6.965 (USD:CNY)	16,668
JPY	98,301	0.053 (JPY:CNY)	22,846
JPY	25,051	0.008 (JPY:USD)	5,822

December 31, 2021

	Foreign Currency	Exchange Rate	Carrying Amount (In NTD)
Financial assets			
Monetary items			
USD	$ 15,569	27.680 (USD:NTD)	$ 430,945
JPY	91,872	0.2405 (JPY:NTD)	22,095
CNY	19,783	4.341 (CNY:NTD)	85,889
USD	6,626	6.3757 (USD:CNY)	183,414
JPY	121,130	0.0554 (JPY:CNY)	29,133
Financial liabilities			
Monetary items			
USD	3,899	27.680 (USD:NTD)	107,929
JPY	71,332	0.2405 (JPY:NTD)	17,155
CNY	8,277	4.341 (CNY:NTD)	35,935
USD	2,525	6.3757 (USD:CNY)	69,902
JPY	99,320	0.0554 (JPY:CNY)	23,888

For the years ended December 31, 2022 and 2021, realized and unrealized net foreign exchange losses (gains) were $53,209 thousand and $(7,353) thousand, respectively. It is impractical to disclose net foreign exchange gains or losses by each significant foreign currency due to the variety of functional currencies.

36. OTHERS

Contracts have been signed for the transactions between Taitien Electronics Co., Ltd. and Taiden JP Limited, Taitien Electronics (Thailand) Co., Ltd., Zhengzhou Huajing Electronics Co., Ltd., Shenzhen Yijing Co., Ltd., and Henan Dali Electronics Co., Ltd., where the transaction price, terms of payment, and other transaction conditions were laid out. The compliance test is carried out by the internal auditors on a quarterly basis. The relevant internal audit plan and implementation are reviewed by certified accountants to ensure that the Group's transactions with each company are carried out in accordance with the agreed contracts.

37. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and b. investees:

1) Financing provided to others (None)

2) Endorsements/guarantees provided (Table 1)

3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 2)

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

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

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

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 3)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 4)

9) Trading in derivative instruments (None)

10) Other: Business relationships and inter-company transactions between the parent company and the subsidiaries (Table 5)

b. Information on investees (Table 6)

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income and limit on the amount of investment in the mainland China area (Table 7).

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 8):

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

c) The amount of property transactions and the amount of the resultant gains or losses.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

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

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.

d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 9)

e. In accordance with the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises, the following disclosures should be made about the controlling company and the subsidiaries individually:

1) Elimination of transactions between the controlling company and subsidiaries and between subsidiaries (Table 5).

2) Information about accommodations of funds or endorsements (Table 1)

3) Information about derivative instrument transactions (None)

4) Significant contingencies (None)

5) Significant events after the reporting period (None)

6) Names, quantities, costs, market prices (if not available, disclose net worth per share), capital proportions and the highest shareholding percentages of the securities (Tables 2, 6 and 7)

7) Others (None)

f. The subsidiaries holding the parent company’s shares should list clearly the Company’s name, number of shares held, the total amounts and the related reasons: None.

38. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Subsidiaries in different geographical areas are considered as separate operating segments. The reporting segments of the Group are the headquarters, Shenzhen factory, Nanjing factory and others. Specifically, the Group’s reportable segments were as follows:

a. Segment revenue and results

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

	Segment Revenue For the Year Ended December 31		Segment Profit or Loss For the Year Ended December 31	
	2022	2021	2022	2021
Headquarters	$ 809,229	$ 853,176	$ 203,477	$ 130,861
Shenzhen factory	265,539	247,929	(12,747)	(10,675)
Nanjing factory	700,545	750,219	214,214	190,238
Others	594,106	417,356	60,888	20,750
Continuing operations	$ 2,369,419	$ 2,268,680	465,832	331,174
Interest income			3,755	2,644
Other revenue			12,672	14,724
Other gains and losses			54,259	(14,366)
General administration expenses and remuneration of director			(3,220)	(3,332)
Finance costs			(43,262)	(28,466)
Profit before tax (continuing operations)			$ 490,036	$ 302,378

The abovementioned revenue was generated from the transactions between entities in the Group and the third parties. All inter-segment transactions for the years ended December 31, 2022 and 2021 were eliminated upon consolidation.

Segment profit represents the profit before tax earned by each segment without allocation of general administration expenses and remuneration of directors, interest income, other revenue, other gains and losses, finance costs and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Total segment assets and liabilities

The measure of assets and liabilities of the Group is not reported to the chief operating decision maker. Therefore, the information of segment assets and liabilities does not need to be disclosed.

c. Revenue from major products and services

The following is an analysis of the Group's revenue from continuing operations from its major products and services:

	For the Year Ended December 31	
	2022	**2021**
SMD crystals	$ 647,599	$ 890,446
SMD oscillators	1,609,426	1,257,705
Others	112,394	120,529
	$ 2,369,419	$ 2,268,680

d. Geographical information

The Group operates in four principal geographical areas - Taiwan, Asia, Americas and Europe.

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

	Revenue from External Customers For the Year Ended December 31		Non-current Assets December 31	
	2022	**2021**	**2022**	**2021**
Taiwan	$ 206,388	$ 133,934	$ 92,093	$ 92,367
Asia	1,489,684	1,711,532	394,254	300,679
Americas	431,292	260,732	37,878	40,177
Europe	230,037	142,765	-	-
Others	12,018	19,717	-	-
	$ 2,369,419	$ 2,268,680	$ 524,225	$ 433,223

Non-current assets exclude financial instruments, goodwill and deferred tax assets.

d. Information about major customers

There was no single customer that contributed 10% or more to the revenue in the consolidated statements of comprehensive income for the years ended December 31, 2022 and 2021.

TABLE 1

TAITIEN ELECTRONICS CO., LTD. AND SUBSIDIARIES

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

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements	Aggregate Endorsement/ Guarantee Limit (Note 1)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship (Note 3)											
0	Taitien Electronic Co., Ltd.	Taitien Electronic (Nanjing) Ltd.	c.	$ 523,097	$ 59,440	$ -	$ -	$ -	0.00%	$ 697,462	Yes	No	Yes	
		Pletronics, Inc.	c.	523,097	31,750	30,710	-	-	1.76%	697,462	Yes	No	No	
		Taitien USA, Inc.	b.	523,097	31,750	30,710	-	-	1.76%	697,462	Yes	No	No	
		Wintron Electronics Ltd.	c.	523,097	63,500	61,420	-	-	3.52%	697,462	Yes	No	Yes	

Note 1: The total amount of the guarantees provided by Taitien Electronics Co., Ltd. to subsidiaries shall not exceed 40% of Taitien Electronics Co., Ltd.'s net worth based on its most recent audited financial statements.

Note 2: The total amount of the guarantees provided by Taitien Electronics Co., Ltd. to individual subsidiaries shall not exceed 30% of Taitien Electronics Co., Ltd.'s net worth based on its most recent audited financial statements.

Note 3: The seven types of relationships between the endorser/guarantor and endorsee/guarantee indicated as numbers in the table above are as follows:

a. Having a business relationship.
b. The endorser/guarantor owns directly more than 50% of the ordinary shares of the endorsee/guarantee.
c. The endorsee/guarantee owns directly or indirectly more than 50% of the ordinary shares of the endorser/guarantor.
d. The endorser/guarantor owns directly or indirectly more than 50% of the ordinary shares of the endorsee/guarantee.
e. Mutually endorsed/guaranteed companies for the construction project based on the construction contract.
f. Due to joint venture, each shareholder provides endorsements/guarantees to the endorsee/guarantee in proportion to its ownership.
g. Companies in the same industry that are liable for joint endorsements/guarantees of the preconstruction house contract under the consumer protection law.

Note 4: The listed amounts were eliminated upon consolidation.

TAITIEN ELECTRONICS CO., LTD. AND SUBSIDIARIES

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Maximum Number of Shares During the Period	Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value		
Taitien Electronic Co., Ltd.	Fund								
	PIMCO Funds: Global Investors Series plc Dynamic Multi Asset Fund Class E (USD hedged)/Accumulation	None	Financial assets at FVTPL - current	21,739	$ 7,698	-	$ 7,698	21,739	Note 1
	AB FCP I-Global High Yield Portfoloio Class EA Shares USD	None	Financial assets at FVTPL - current	15,396	4,563	-	4,563	15,396	Note 1
	PineBridge ESG Quantitative Income and Growth Fund N9 CNY	None	Financial assets at FVTPL - current	244,990	10,179	-	10,179	244,990	Note 1
	Allianz Global Investors Income and Growth Fund	None	Financial assets at FVTPL - current	16,413	4,204	-	4,204	16,413	Note 1
	Franklin Income A (Mdis) USD	None	Financial assets at FVTPL - current	10,582	3,243	-	3,243	10,582	Note 1
	Corporate bond								
	Apple Inc.	None	Financial assets at FVTOCI - non-current	160,000	2,992	-	2,992	160,000	Note 1
	Shares								
	Yongchuang Investment	None	Financial assets at FVTOCI - non-current	1,000,000	7,409	2.53	7,409	1,000,000	Note 1
	Taiwan Crystal Superior Technology Co., Ltd.	None	Financial assets at FVTOCI - non-current	275,000	-	18.33	-	275,000	Note 1
Taitien Electronic (Shenzhen) Ltd.	Equity Investment								
	YanTai MDH Technology Co., Ltd.	None	Financial assets at FVTOCI - non-current	762,700	5,031	1.24	5,031	762,700	Note 1

Note 1: All of the marketable securities held are not pledged as collateral.

Note 2: For the information about subsidiaries, associates and joint ventures, refer to Table 6 and Table 7.

TAITIEN ELECTRONICS CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes Receivable (Payable)/Trade Receivables (Payables)	
			Purchases/ Sales	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total
Purchases										
Taitien Electronic Co., Ltd.	Taitien Electronic (Nanjing) Ltd.	Parent company	Purchases	$ 442,448	62	Net 45-60 days from the end of the month of when invoice is issued	Cost-plus pricing	Net 30-150 days from the end of the month of when invoice is issued	$ (63,377)	67
Taitien Electronic (Shenzhen) Ltd.	Taitien Electronic (Nanjing) Ltd.	The same parent company	Purchases	222,307	92	105 days from the end of the month of when invoice is issued	Cost-plus pricing	Net 30-150 days from the end of the month of when invoice is issued	(112,343)	98
Taitien Electronic (Nanjing) Ltd.	Taitien Electronic Co., Ltd.	Parent company	Purchases	187,728	20	Net 45-90 days from the end of the month of when invoice is issued	Cost-plus pricing	Net 30-150 days from the end of the month of when invoice is issued	(69,150)	35
Taitien USA, Inc.	Taitien Electronic Co., Ltd.	Parent company	Purchases	145,950	95	Net 45-90 days from the end of the month of when invoice is issued	Cost-plus pricing	Net 30-150 days from the end of the month of when invoice is issued	(16,350)	95
Sales										
Taitien Electronic Co., Ltd.	Taitien USA, Inc.	Parent company	Sales	(147,773) (Note 1)	12	Net 45-90 days from the end of the month of when invoice is issued	Cost-plus pricing	Net 30-150 days from the end of the month of when invoice is issued	16,350	6
	Taitien Electronic (Nanjing) Ltd.	Parent company	Sales	(187,997) (Note 2)	16	Net 45-90 days from the end of the month of when invoice is issued	Cost-plus pricing	Net 30-150 days from the end of the month of when invoice is issued	69,150	25
Taitien Electronic (Nanjing) Ltd.	Taitien Electronic Co., Ltd.	Parent company	Sales	(442,750) (Note 3)	32	Net 45-60 days from the end of the month of when invoice is issued	Cost-plus pricing	Net 30-150 days from the end of the month of when invoice is issued	63,401 (Note 4)	21
	Taitien Electronic (Shenzhen) Ltd.	The same parent company	Sales	(222,307)	16	105 days from the end of the month of when invoice is issued	Cost-plus pricing	Net 30-150 days from the end of the month of when invoice is issued	112,343	37

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Note 1: Taitien USA, Inc. recognized $145,950 thousand as purchases and $1,823 thousand as manufacturing costs.

Note 2: Taitien Electronic (Nanjing) Ltd. recognized $187,728 thousand as purchases and $269 thousand as research and development expenses.

Note 3: Taitien Electronic Co., Ltd. recognized $442,448 thousand as purchases, $214 thousand as manufacturing costs and $88 thousand as research and development expenses.

Note 4: Taitien Electronic Co., Ltd. recognized $63,377 thousand as trade payables to related parties and $24 thousand as other payables to related parties.

Note 5: The listed amounts were eliminated upon consolidation.

TABLE 4

TAITIEN ELECTRONICS CO., LTD. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance (Note 2)	Turnover Rate	Overdue		Amount Received in Subsequent Period (Note 1)	Allowance for Impairment Loss
					Amount	Actions Taken		
Taitien Electronic (Nanjing) Ltd.	Taitien Electronic (Shenzhen) Ltd.	The same parent company	$ 112,343	2.77	$ -	-	$ 63,181	$ -

Note 1: The amount received in the subsequent period as of March 23, 2023.

Note 2: The listed amounts were eliminated upon consolidation.

TABLE 5

TAITIEN ELECTRONICS CO., LTD. AND SUBSIDIARIES

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

No	Company Name	Related Party	Relationship	Transaction Details			
				Financial Statement Accounts	Amount (Note 1)	Transaction terms	Percentage of Consolidated Net Revenue or Total Assets (%) (Note 2)
0	Taitien Electronic Co., Ltd.	Taitien Electronic (Nanjing) Co., Ltd.	The parent company to the sub-subsidiary	Sales	$ 187,997 (Note 3)	Price set based on cost-plus pricing. Payment is due net 45-90 days on the condition that each related party resells the goods to a third party.	8
				Trade receivables - related parties	69,150		3
		Taitien USA, Inc.	The parent company to the subsidiary	Sales	147,773	Price set based on cost-plus pricing. Payment is due net 45-90 days on the condition that each related party resells the goods to a third party.	6
				Trade receivables - related parties	16,350		1
		Pletronics, Inc.	The parent company to the sub-subsidiary	Sales	53,851	Price set based on cost-plus pricing. Payment is due net 45-60 days on the condition that each related-party resells the goods to a third party.	2
				Endorsements and guarantees	30,710		1
		Taitien USA, Inc	The parent company to the subsidiary	Endorsements and guarantees	30,710		1
		Wintron Electronics Co., Ltd.	The parent company to the sub-subsidiary	Endorsements and guarantees	61,420		2
1	Taitien Electronic (Nanjing) Co., Ltd.	Taitien Electronic Co., Ltd.	The sub-subsidiary to the parent company	Sales	442,750 (Note 4)	Price set based on cost-plus pricing. The credit period is net 45-60 days.	19
				Trade receivables - related parties	63,401		2
		Taitien Electronic (Shenzhen) Co., Ltd.	The subsidiary to the subsidiary	Sales	222,307	Price set based on cost-plus pricing. The credit period is net 105 days.	9
				Trade receivables - related parties	112,343		4
		Wintron Electronics Co., Ltd.	The subsidiary to the subsidiary	Sales	25,131	Price set based on the contract. The credit period is net 45-60 days.	1
2	Taitien Electronic (Shenzhen) Co., Ltd.	Wintron Electronics Co., Ltd.	The subsidiary to the subsidiary	Sales	24,836	Price set based on cost-plus pricing. The credit period is net 45-60 days.	1
				Investments accounted for using the equity method	72,146	Cash injection.	3
		Taitien Electronic Co., Ltd.	The subsidiary to the parent company	Sales	10,517	Price set based on cost-plus pricing. The credit period is net 45-60 days.	-

(Continued)

Business relationships between parent and subsidiaries:

Taitien Electronic Co., Ltd., Colorado Crystal Corporation, and Pletronics, Inc. are mainly engaged in the production and sales of electronics components; Taitien USA, Inc. is mainly engaged in sales of electronics components; Taitien Electronic (Nanjing) Ltd. and Taitien Electronic (Shenzhen) Ltd. are mainly engaged in the manufacturing of crystal related products and equipment; Wintron Electronics Ltd. is mainly engaged in the manufacturing and selling of frequency control components, sensor components, electronic measurement instruments and machine system design. Taitien Holding Co., Ltd., Hardy Holding Corporation and Indus Taitien Marketing Ltd. are mainly holding company.

Note 1: The transaction has been eliminated upon consolidation.

Note 2: Regarding the percentage of transaction amount to consolidated total operating revenue or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenue for income statement accounts.

Note 3: Taitien Electronic (Nanjing) Ltd. recognized $187,728 thousand as purchases and $269 thousand as research and development expenses.

Note 4: Taitien Electronic Co., Ltd. recognized $442,448 thousand as purchases, $214 thousand as manufacturing costs and $88 thousand as research and development expenses.

Note 5: Transactions with amounts above $10 million are listed in this table.

(Concluded)

TABLE 6

TAITIEN ELECTRONICS CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, or Otherwise Stated)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income/(Loss) of the Investee	Share of Profit/(Loss) of Investee	Remark
				December 31, 2022	December 31, 2021	Number of Shares (In Thousands)	%	Carrying Amount			
Taitien Electronic Co., Ltd.	Indus Taitien Marketing Ltd.	Tortola, British Virgin Islands	Holding company	$ 7,631	$ 7,631	50,000	100	$ 80,863	$ 23,654	$ 20,821 (Note 1)	Subsidiary
	Taitien Holding Co., Ltd.	Tortola, British Virgin Islands	Holding company	652,265	652,265	20,126,824	100	1,171,925	184,484	181,005 (Note 1)	Subsidiary
	Taitien USA, Inc.	California, USA	Sales of electronics components	104,209	104,209	3,200,000	100	26,863	16,053	16,085 (Note 1)	Subsidiary
	Colorado Crystal Corporation	Colorado, USA	Production, and sales of electronics components	78,187	78,187	385,094	100	43,265	1,030	1,030	Subsidiary
Taitien Holding Co., Ltd.	Hardy Holding Corporation	Tortola, British Virgin Islands	Holding company	610,546 (US$ 19,881)	610,546 (US$ 19,881)	19,880,974	100	1,180,032 (US$ 38,425)	184,582 (US$ 6,193)	184,582 (US$ 6,193)	Subsidiary
Indus Taitien Marketing Ltd.	Pletronics, Inc.	Washington state, USA	Production, and sales of electronics components	100,084 (US$ 3,259)	100,084 (US$ 3,259)	41,000	100	85,128 (US$ 2,772)	23,695 (US$ 795)	23,695 (US$ 795)	Subsidiary

Note 1: These were transactions between subsidiaries and upstream transactions of the unrealized profit and realized profit.

Note 2: The highest number of shares held of each investee during the period is the same as those held at the end of the period, and all the shares held are not pledged as collateral.

Note 3: For information on investments in mainland China, refer to Table 7.

Note 4: The above original investment amount is calculated by the original investment exchange rate. The balance sheet items denominated in foreign currencies are translated into NTD using the exchange rate as of December 31, 2022: US$1=NT$30.7100, RMB1=NT$4.4094; net income items denominated in foreign currencies are translated using the average exchange rate of 2022: US$1=NT$29.8050, RMB1=NT$4.4347.

Note 5: The transaction has been eliminated upon consolidation.

TAITIEN ELECTRONICS CO., LTD. AND SUBSIDIARIES

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

1. Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, current profit and loss and recognized investment income or loss, carrying amount of the investment at the end of the period and repatriations of investment income:

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2022	Accumulated Repatriation of Investment Income as of December 31, 2022
					Outward	Inward						
Taitien Electronic (Nanjing) Ltd.	Manufacturing of crystal related products and equipments	$ 451,437 (US$ 14,700)	b. 1)	$ 452,543 (US$ 14,736)	$ -	$ -	$ 452,543 (US$ 14,736)	$ 174,747 (US$ 5,863)	100	$ 174,866 (US$ 5,867)	$ 813,569 (US$ 26,492)	$ -
Taitien Electronic (Shenzhen) Ltd.	Manufacturing of crystal related products and equipments	147,408 (US$ 4,800)	b. 2)	159,661 (US$ 5,199)	-	-	159,661 (US$ 5,199)	16,572 (US$ 556)	100	9,687 (US$ 325)	363,299 (US$ 11,830)	-
Wintron Electronics Ltd.	Manufacturing and selling of frequency control components, sensor components, electronic measuring instruments and machine system design	176,073 (RMB 39,931)	c.	-	-	-	-	13,903 (RMB 3,135)	100	13,903 (RMB 3,135)	180,611 (RMB 40,960)	-

2. Limit on the amount of investments in the mainland China area:

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2022	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA (Note 5)
$ 612,204 (US$ 19,935)	$ 612,204 (US$ 19,935)	$ 1,046,194

Note 1: The method of investment includes the following:

a. Direct investment in mainland China.

b. Indirect investment in mainland China through companies registered in a third region.

1) Taitien Electronic (Nanjing) Ltd. was invested through Hardy Holding Corporation.

2) Taitien Electronic (Shenzhen) Ltd. was invested through Hardy Holding Corporation.

c. Other method.

Wintron Electronics Ltd. was invested through Taitien Electronic (Shenzhen) Ltd.

(Continued)

Note 2: The method of the investment income (loss) recognition includes the following:

a. The basis for investment income (loss) recognition is from the financial statements audited and attested by the parent company's CPA in the ROC.

b. These were transactions between subsidiaries and upstream transactions of the unrealized profit and realized profit.

Note 3: The above original investment amount is calculated by the original investment exchange rate. The balance sheet items denominated in foreign currencies are translated into NTD using the exchange rate as of December 31, 2022: US$1=NT$30.7100, RMB1=NT$4.4094; net income items denominated in foreign currencies are translated using the average exchange rate of 2022: US$1=NT$29.8050, RMB1=NT$4.4347.

Note 4: All amounts of the investee companies' paid-in capital were not pledged.

Note 5: Calculated by the 60% of consolidated net worth according to letter No. 09704604680 issued by Ministry of Economic Affairs.

Note 6: As of December 31, 2022, the paid-in capital of Wintron Electronics Ltd. was increased in RMB20,000 thousand. The reason for the difference between the paid-in capital is that Taitien Electronic (Shenzhen) Ltd. would conduct follow-on offering amounting to RMB2,000 thousand agreed by the board of directors on November 11, 2021.

Note 7: In March 2023, the paid-in capital of Hardy Holding Corporation will increase by US$6,000 thousand. The reason for the difference between the paid-in capital is that Taitien Electronic (Nanjing) Ltd. will conduct cash capital reduction amounting to US$6,000 thousand back to shareholder Hardy Holding Corporation agreed by the board of directors on November 10, 2022. Received the notice of registration documents approved by the Bureau of Nanjing Jiangning municipal administration for market regulation on January 10, 2023. Taitien Electronic (Nanjing) Ltd. remitted the capital to Hardy Holding Corporation in March 2023.

Note 8: The highest number of shares held of each investee during the period is the same as those held at the end of the period, and all the shares held are not pledged as collateral.

Note 9: The transaction has been eliminated upon consolidation.

(Concluded)

TAITIEN ELECTRONICS CO., LTD. AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. There were the amounts and percentages of the purchases, also the amounts and percentages displayed in the ending balance of the related payables.

2. There were the amounts and percentages of the sales, also the amounts and percentages displayed in the ending balance of the related receivables.

Related Party	Transaction Type	Amount	% to Total Sales or Purchases	Transaction Details			Notes Receivable (Payable)/Trade Receivables (Payables)		Unrealized (Gain) Loss
				Price	Payment Terms	Comparison with Normal Transactions	Ending Balance	%	
Taitien Electronic (Nanjing) Co., Ltd.	Sales	$ (187,997)	(16)	Price set based resale deducting spread rate	Net 45-90 days from the end of the month of when invoice is issued	Net 30-150 days from the end of the month of when invoice is issued	$ 69,150	25	$ 2,589
	Purchases	442,448	62	Price set based resale deducting spread rate	Net 45-60 days from the end of the month of when invoice is issued	Net 30-150 days from the end of the month of when invoice is issued	(63,377)	(67)	5,341
Taitien Electronic (Shenzhen) Co., Ltd.	Purchases	10,517	1	Price set based resale deducting spread rate	Net 45-60 days from the end of the month of when invoice is issued	Net 30-150 days from the end of the month of when invoice is issued	(2,042)	(2)	21
Wintron Electronics Co., Ltd.	Sales	(3,249)	-	Price set based resale deducting spread rate	Net 45-60 days from the end of the month of when invoice is issued	Net 30-150 days from the end of the month of when invoice is issued	-	-	-
	Purchases	2,670	-	Price set based resale deducting spread rate	Net 45-60 days from the end of the month of when invoice is issued	Net 30-150 days from the end of the month of when invoice is issued	(1,236)	(1)	61

3. There was no other information relating to the amount and the profits/losses incurred from the proceeds from property transactions.

4. Refer to Table 1 for information relating to the ending balance and purposes of notes endorsements/guarantees or the collaterals provided.

5. There was no other information relating to the maximum balance and ending balance of financing facility, the rate intervals and the gross amounts of interest in the period.

6. There was no other transaction that had a significant impact on the gains or losses for the period, such as the rendering or receipt of services.

TAITIEN ELECTRONICS CO., LTD.

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2022

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Sheng-Tai Song	9,800,618	14.34
Jia Yu Investment Corp.	7,283,636	10.65

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

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