The English version is the translated version, without an accountant's review or verification.

Advanced International Multitech Co., Ltd. and Subsidiaries Consolidated Financial Statements and Independent Auditors' Review Report

For the Years Ended December 31, 2022 and 2021
(Stock Code: 8938)

Company Address: No.26, Zhonglin Rd., Xiaogang Dist., Kaohsiung City

Tel: (07) 872-1410

The reader is advised that these financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

Advanced International Multitech Co., Ltd. and Subsidiaries Consolidated

Financial Statements and Independent Auditors' Review Report

For the Years Ended December 31, 2022 and 2021

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Advanced International Multitech Co., Ltd.

Letter of Representation for Consolidated Financial Statements

For the year 2022 (from January 1 to December 31, 2022), the Company's entities that are required to be included in the consolidated financial statements of affiliated enterprises under the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those required to be included in the parent-subsidiary consolidated financial statements under the International Financial Reporting Standards 10. Moreover, the related information required to be disclosed for the consolidated financial statements of affiliated enterprises has been fully disclosed in the aforementioned parent-subsidiary consolidated financial statements. Therefore, consolidated financial statements of affiliated enterprises will not be prepared.

Represented by

Company Name: Advanced International Multitech Co.,Ltd.

Responsible Person: Hsi-Chien Cheng

February 23, 2023

Independent Auditor’s Report

To Advanced International Multitech Co., Ltd.

Auditor’s Opinions

Advanced International Multitech Co., Ltd. and Subsidiaries' ("the Group" hereinafter) consolidated balance sheets ended December 31, 2022 and 2021, consolidated statements of comprehensive income, the consolidated statements of changes in equity, consolidated statements of cash flows from January 1 to December 31, 2022 and 2021, and the notes to the consolidated financial statements (including the summary of significant accounting policies) have been reviewed by the auditor.

In our opinion, based on our audits and the reports from other auditors(please refer Other Matters item), the aforementioned consolidated financial statements present fairly, in all material respects, the consolidated financial position of Advanced International Multitech Co., Ltd. as of December 31, 2022 and 2021, and its consolidated financial performance and consolidated cash flows from January 1 to December 31, 2022 and 2021 are presented in conformity with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," as well as International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations, and SIC Interpretations endorsed and effected by the Financial Supervisory Commission.

Basis for Audit Opinion

We planned and conducted our audits in accordance with the "Rules Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants" and Generally Accepted Auditing Standards in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We have stayed independent from Advanced Group as required by the Code of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled other responsibilities as stipulated by the Code. Based on our audits and the reports from other auditors, we believe that we have obtained sufficient and appropriate audit evidence to serve as 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 2022 consolidated financial statements of Advanced Group. Such matters have been dealt with in the course of auditing and compiling the consolidated financial statements and in the preparation of our audit opinion. As such, we do not respond to each key matter individually.

Key Audit Matters for the consolidated financial statements of Advanced Group for 2022 are stated as follows:

Assessment of Impairment of Accounts Receivable

Descriptions

Please refer to Note IV(X) and (XI) to the consolidated financial statements for accounting policies regarding accounts receivables and impairment assessment; please refer to Note V(II) to the consolidated financial statements for uncertainties of accounting estimates and assumptions regarding accounts receivables; and please refer to Note VI(IV) to the consolidated financial statements for net accounts receivables.

In measuring the expected credit losses, Advanced Group must use its judgment to identify the factors that affect the future recoverability of the accounts receivable, and consider the time value of money, the information that is reasonable and available to prove the forecast of future economic conditions, and the supporting documents obtained by the management. Therefore, we identified the evaluation of impairment for accounts receivables as a key audit matter for Advanced Group.

Audit Procedures

The procedures we have performed on the aforementioned key audit matter are summarized as follows:

1. Based on our understanding of Advanced Group's operation and its sales counter-party, we have determined the reasonableness of the policy and procedures regarding provision of loss allowance for accounts receivables, including the objective evidence that determine the loss rate, e.g. characters of customers, assessment of past payment collection experience, and future economic conditions. We have also compared whether the policy for provision of loss allowance for accounts receivables is consistent throughout the reporting period.
2. We have assessed the reasonableness of the supporting documents based on the expected loss rates for different days past due as provided by the management.
3. We have also verified the correctness of the aging of accounts receivables in order to ensure the agreement of the financial information with its policy.
4. We have also tested the recovery of accounts receivables after the audit period so as to evaluate the possibility of recovery.

Inventory Valuation

Descriptions

Refer to Note IV(XIII) to the consolidated financial statements for accounting policies regarding inventory valuation; Note V(II) for uncertainty of accounting estimates and assumptions regarding inventory valuation; and Note VI(V) for details of inventory accounting subjects.

The main business of Advanced Group is to undertake the production of consumer products for the world's major brands. The inventory of such products, owing to rapid changes in technology and a high degree of customization, possesses higher risk of Inventory valuation loss or obsolescence. Advanced Group measures the value of inventory through the employment of an item by item approach which recognizes the value at the lower of cost and net realizable value. Advance Group also evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date and writes down the cost of inventories to the net realizable value. Since the assessment process may involve the management's judgment based on the relevant supporting documents obtained, which is an area to be determined in an audit, we have identified the inventory valuation as the key audit matter for Advanced Group.

Audit Procedures

The procedures we have performed on the aforementioned key audit matter are summarized as follows:

1. We have compared whether the policy for provision of allowance of inventory valuation loss is consistent throughout the reporting period and assessed the reasonableness of its provision policy.
2. We have examined the inventory management process, reviewed the annual inventory plan and participated in annual inventory counts in order to assess the effectiveness of management's judgment and control of obsolete inventory.
3. We have sampled and tested the net realizable value of individual inventory item to assess the reasonableness of the allowance to reduce inventory to market.

Other Matters – reference to other accountants' audits

We did not audit the financial statements of certain associates and joint ventures accounted for under the equity method. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions expressed herein are based solely on the audit reports of the other auditors. The total investment amount of those aforementioned companies accounted for under equity method amounted to NT$15,568 thousand, representing 0.09% of total consolidated assets as of 31 December 2022. The total operating revenues(losses) of those aforementioned companies accounted for under equity method amounted to NT$(32) thousand, representing 0% of total consolidated comprehensive profit or loss for the period from January 1 to December 31, 2022.

Other Matters - parent company only financial statements

Advanced International Multitech Co., Ltd. has also compiled parent company only financial statements for 2022 and 2021, and issued an unqualified audit opinion with other matter paragraph and an unqualified audit opinion report respectively from our CPA for reference.

Responsibility of the management and the governing body for the consolidated financial statements

It is the management's responsibility to fairly present the Consolidated Financial Statements in conformity with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," as well as International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations, and SIC Interpretations endorsed and effected by the Financial Supervisory Commission, and to maintain internal controls which are necessary for the preparation of the Consolidated Financial Statements so as to avoid material misstatements due to fraud or errors therein.

In preparing the consolidated financial statements, the responsibility of management includes assessing Advanced Group's ability to continue as a going concern, disclosing going concern matters, as well as adopting going concern accounting, unless the management intends to liquidate Advanced Group or terminate the business, or no practicable measure other than liquidation or termination of the business can be taken.

The governing bodies of Advanced Group (including Audit Committee) have the responsibility to oversee the financial reporting process.

The Accountants' Responsibility in Auditing the Consolidated Financial Statements

The purpose of our audit is to provide reasonable assurance that the consolidated financial statements as a whole contains no material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. "Reasonable assurance" refers to a high level of assurance. Nevertheless, our audit, which was carried out in accordance with the Generally Accepted Auditing Standards in the Republic of China does not guarantee that a material misstatement(s) in the consolidated financial statements will be detected. There may still be material misstatements due to fraud or errors, which are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users of the consolidated financial statements.

We have exercised professional judgment and maintained professional skepticism while abiding by the Generally Accepted Auditing Standards in the Republic of China in our audit. The following tasks have also been performed:

1. Identify and evaluate the risk of material misstatements due to fraud or error in the consolidated financial statements; design and carry out appropriate countermeasures for the evaluated risk; and obtain sufficient and appropriate evidence as the basis for the audit opinion. As fraud may involve collusion, forgery, deliberate omissions, false statements, or violations of internal controls, the risk of an undetected material misstatement due to fraud is greater than that due to errors.

2. Acquired necessary understanding of internal controls pertaining to the audit in order to develop audit procedures appropriate under the circumstances. Nevertheless, the purpose of such understanding is not to provide any opinion on the effectiveness of the internal controls of Advanced Group.

3. Assess the appropriateness of the accounting policies adopted by the management level, as well as the reasonableness of their accounting estimates and relevant disclosures.

4. Concluded, based on the audit evidence acquired, on the appropriateness of the management's use of the going-concern basis of accounting, and determined whether a material uncertainty exists where events or conditions that might cast significant doubt on

the ability of Advanced Group to continue as going concerns. If we believe there are events or conditions indicating the existence of a material uncertainty, we are required to remind the users of the consolidated financial statements in our audit report of the relevant disclosures therein, or to amend our audit opinion in the event that any inappropriate disclosure was found. Our conclusion is based on the audit evidence obtained as of the date of the audit report. However, future events or circumstances may cause Advanced Group to cease to continue as a going concern.

5. Evaluate the overall expression, structure and contents of the consolidated financial statements (including relevant Notes), and whether the consolidated financial statements fairly present relevant transactions and items.

6. Acquired sufficient and appropriate audit evidence regarding the financial information of entities within Advanced Group in order to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and execution of auditing the Group, and for formation of an audit opinion.

Communications between us and the company's governing body take account of the scope and timing of the planned audit and significant audit findings, including any significant deficiencies in the internal controls during the audit process.

We have also provided the governing body with our statement of independence in accordance with the Code of Professional Ethics for Certified Public Accountant of the Republic of China, and communicated with the governing body all relationships and other matters that may be deemed to have an influence on our independence (including safeguard measures).

From the matters communicated with those charged with governance, we determined the key audit matters of the 2022 consolidated financial statements of Advanced Group. Such matters have been explicitly stated in our audit report, unless laws or regulations prevent their disclosures, or, in extremely rare cases, we decide not to communicate such matters in our audit report in consideration that the reasonably anticipated adverse impacts of such communication would be greater than the public interest it would promote.

PwC Taiwan

CPA: Chun-Kao Wang
Chien-Chih Wu

Financial Supervisory Commission, R.O.C. (Taiwan)
Approval No.: Jin Guan Zheng Shen Zi No. 1110349013
Jin Guan Zheng Shen Zi No. 1030027246

February 23, 2023

Advanced International Multitech Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
December 31, 2022 and 2021

Unit: In Thousands of New Taiwan Dollars

	Assets	Notes	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current assets					
1100	Cash and cash equivalents	VI (I)	$ 2,291,800	14	$ 833,023	7
1110	Financial assets at fair value through profit or loss – current	VI(II)	10,037	-	139	-
1136	Financial assets at amortized cost – current	VI (III) and VIII	23,788	-	283,323	2
1150	Notes receivable – net	VI(IV)	5,983	-	9,567	-
1170	Account receivable – net	V and VI(IV)	5,043,280	30	4,132,586	32
1200	Other receivables		48,440	-	17,169	-
130X	Inventories	V and VI(V)	4,106,782	25	3,178,869	24
1410	Prepayments	VI(VII)	216,928	1	319,016	3
1470	Other current assets		20,492	-	29,617	-
11XX	**Total current assets**		11,767,530	70	8,803,309	68
	Non-current assets					
1510	Financial assets at fair value through profit or loss – non-current	VI(II)	19,448	-	-	-
1517	Financial assets at fair value through other comprehensive income – non-current	VI(VI)	55	-	55	-
1535	Financial assets at amortized cost – non-current	VI(III) and VIII	5,630	-	3,860	-
1550	Investment accounted for using the equity method	VI(VIII)	34,344	-	3,200	-
1600	Property, plant and equipment	VI(IX)and VIII	3,789,767	23	3,099,062	24
1755	Right-of-use assets	VI(X)	846,828	5	768,513	6
1780	Intangible assets	VI(XI)	17,828	-	12,539	-
1840	Deferred income tax assets	VI(XXX)	89,642	1	65,354	-
1915	Prepayment for business facilities		67,754	-	128,540	1
1990	Other non-current assets – others	VIII	178,569	1	146,575	1
15XX	**Total non-current assets**		5,049,865	30	4,227,698	32
1XXX	**Total assets**		$ 16,817,395	100	$ 13,031,007	100

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Advanced International Multitech Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
December 31, 2022 and 2021

Unit: In Thousands of New Taiwan Dollars

	Liabilities and equities	Notes	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current liabilities					
2100	Short-term loans	VI(XII) and VIII	$ 1,515,967	9	$ 1,901,873	15
2120	Financial liabilities at fair value through profit or loss - current	VI(II)	417	-	-	-
2150	Notes payable		1,622	-	3,821	-
2170	Accounts payable	VII	2,230,307	13	2,088,622	16
2200	Other payable	VI(XIII)	2,246,177	13	1,874,926	14
2230	Income tax liabilities		650,310	4	348,802	3
2280	Lease liabilities -current		61,870	1	30,639	-
2300	Other current liabilities	VI(XIV)(XVI)(XXII) (XXV) and VIII	131,515	1	224,617	2
21XX	**Total current liabilities**		6,838,185	41	6,473,300	50
	Non-current liabilities					
2530	Convertible bonds payable	VI(XV)	1,286,647	8	-	-
2540	Long-term loans	VI(XVI) and VIII	78,221	1	137,536	1
2570	Deferred income tax liabilities	VI(XXX)	243,594	1	164,860	1
2580	Lease liabilities – non-current		567,788	3	528,689	4
2630	Long-term deferred income	VI(XVI)	456	-	159	-
2640	Net defined benefit liabilities – non-current	VI(XVII)	64,719	-	73,348	1
2670	Other non-current liabilities - other		689	-	632	-
25XX	**Total non-current liabilities**		2,242,114	13	905,224	7
2XXX	**Total liabilities**		9,080,299	54	7,378,524	57
	Equities					
	Equity attributable to shareholders of the parent company					
	Share capital	VI(XIX)				
3110	Capital of common shares		1,371,929	8	1,353,127	10
	Capital surplus	VI(XV)(XX)				
3200	Capital surplus		973,927	6	781,236	6
	Retained earnings	VI(XXI)				
3310	Legal reserve		1,063,914	6	929,358	7
3320	Special reserve		167,767	1	142,996	1
3350	Undistributed earnings		3,736,047	22	2,376,835	18
	Other equities					
3400	Other equities		(89,642)	-	(167,766)	(1)
3500	Treasury stock	VI(XIX)	(227,667)	(1)	(258,235)	(2)
31XX	**Total equity attributable to shareholders of the parent company**		6,996,275	42	5,157,551	39
36XX	**Non-controlling interests**	IV(III)	740,821	4	494,932	4
3XXX	**Total equities**		7,737,096	46	5,652,483	43
	Significant contingent liabilities and unrecognized contractual commitments	IX				
	Significant subsequent event	XI				
3X2X	**Total liabilities and equities**		$ 16,817,395	100	$ 13,031,007	100

The accompanying notes to the Consolidated financial statements are an integral part of the consolidated financial. Please refer to them as well.

Chairman：His-Chien Cheng　　Manager：I-Nan Chou　　Accounting Manager：Yi-Miao Kuo

Advanced International Multitech Co., Ltd. And Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to December 31, 2022 and 2021

Unit: In Thousands of New Taiwan Dollars
(Except for Earnings Per Share Presented in New Taiwan Dollars)

	Item	Notes	2022 Amount	2022 %	2021 Amount	2021 %
4000	Sales revenue	VI(XXII)	$ 21,422,785	100	$ 16,908,024	100
5000	Cost of goods sold	VI(V)(XI)(XXVIII)(XXIX)	(17,067,951)	(80)	(13,691,412)	(81)
5900	Gross Profits		4,354,834	20	3,216,612	19
	Operating expenses	VI(XI)(XXVIII)(XXIX) and VII				
6100	Sales and marketing expenses		(291,829)	(1)	(259,389)	(2)
6200	Administrative expenses		(613,757)	(3)	(518,665)	(3)
6300	Research and development expenses		(756,715)	(4)	(669,909)	(4)
6450	Expected credit impairment loss	XII(II)	(1,871)	-	(369)	-
6000	Total operating expenses		(1,664,172)	(8)	(1,448,332)	(9)
6500	Other income and expenses – net	VI(XXIII)	137,364	1	178,394	1
6900	Operating income		2,828,026	13	1,946,674	11
	Non-operating income and expenses					
7100	Interest income	VI(XXIV)	16,271	-	3,787	-
7010	Other income	VI(XXV)	7,088	-	24,796	-
7020	Other gain and losses	VI(II)(XXVI)	460,289	2	(122,637)	(1)
7050	Finance costs	VI(IX)(X)(XXVII)	(59,741)	-	(28,578)	-
7060	Share of the profit (loss) of associates and joint ventures accounted for using the equity method	VI(VIII)	(7,331)	-	(2,469)	-
7000	Total non-operating income and expenses		416,576	2	(125,101)	(1)
7900	**Net income before tax**		3,244,602	15	1,821,573	10
7950	Income tax expenses	VI(XXX)	(744,365)	(3)	(369,733)	(2)
8200	**Net income**		$ 2,500,237	12	$ 1,451,840	8

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Advanced International Multitech Co., Ltd. And Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to December 31, 2022 and 2021

Unit: In Thousands of New Taiwan Dollars
(Except for Earnings Per Share Presented in New Taiwan Dollars)

	Item	Notes	2022 Amount	2022 %	2021 Amount	2021 %
	Other comprehensive income					
	Items that will not be re-classified to profit or loss					
8311	Defined benefit plan re-measurements	VI(XVII)	$ 6,993	-	($ 2,381)	-
8349	Income tax-related items that are not reclassified subsequently to profit or loss	VI(XXX)	(1,399)	-	476	-
8310	Total of items that will not be re-classified to profit or loss		5,594	-	(1,905)	-
	Items that may be re-classified subsequently to profit or loss					
8361	Exchange differences on translation of foreign financial statements		78,124	-	(24,770)	-
8300	**Other comprehensive income - net**		$ 83,718	-	($ 26,675)	-
8500	**Total comprehensive income**		$ 2,583,955	12	$ 1,425,165	8
	Net income(loss) attributable to:					
8610	Shareholders of the parent		$ 2,240,780	11	$ 1,347,465	7
8620	Non-controlling interests		259,457	1	104,375	1
	Total		$ 2,500,237	12	$ 1,451,840	8
	Comprehensive income(loss) attributable to:					
8710	Shareholders of the parent		$ 2,324,498	11	$ 1,320,790	7
8720	Non-controlling interests		259,457	1	104,375	1
	Total		$ 2,583,955	12	$ 1,425,165	8
	Earnings per Share	VI(XXXI)				
9750	Basic		$ 16.92		$ 10.01	
9850	Diluted		$ 16.20		$ 9.92	

The accompanying notes to the Consolidated financial statements are an integral part of the consolidated financial statements. Please refer to them as well.

Chairman：His-Chien Cheng　　Manager：I-Nan Chou　　Accounting Manager：Yi-Miao Kuo

Advanced International Multitech Co., Ltd. And Subsidiaries
Consolidated Statements of Changes in Equity
January 1 to December 31, 2022 and 2021

Unit：In Thousands of New Taiwan Dollars

	Notes	Capital of common shares	Capital Reserve: Share premium	Capital Reserve: Recognized value of changes in equity of ownership of subsidiaries	Capital Reserve: Stock option	Capital Reserve: Others	Retained Earnings: Legal reserve	Retained Earnings: Special reserve	Retained Earnings: Undistributed earnings	Exchange difference on translation of foreign financial statements	Treasury stock	Total	Non-controlling interest	Total equity
		Equity attributable to shareholders of the parent company												
2021														
Balance as of January 1, 2021		$ 1,353,127	$739,866	$ 16,480	$ -	$ 24,890	$ 861,536	$133,828	$ 1,473,609	($ 142,996)	$ -	$ 4,460,340	$ 408,534	$ 4,868,874
Net income		-	-	-	-	-	-	-	1,347,465	-	-	1,347,465	104,375	1,451,840
Other comprehensive income(loss)		-	-	-	-	-	-	-	(1,905)	(24,770)	-	(26,675)	-	(26,675)
Total comprehensive income(loss)		-	-	-	-	-	-	-	1,345,560	(24,770)	-	1,320,790	104,375	1,425,165
Earnings appropriation and allocation for 2020	VI(XXI)													
Provision of legal reserve		-	-	-	-	-	67,822	-	(67,822)	-	-	-	-	-
Provision of special reserve		-	-	-	-	-	-	9,168	(9,168)	-	-	-	-	-
Cash dividends for common shares		-	-	-	-	-	-	-	(365,344)	-	-	(365,344)	-	(365,344)
Cash dividends from subsidiaries		-	-	-	-	-	-	-	-	-	-	-	(17,977)	(17,977)
Treasury stock buyback	VI(XIX)	-	-	-	-	-	-	-	-	-	(258,235)	(258,235)	-	(258,235)
Balance as of December 31, 2021		$ 1,353,127	$739,866	$ 16,480	$ -	$ 24,890	$ 929,358	$142,996	$ 2,376,835	($ 167,766)	($258,235)	$ 5,157,551	$ 494,932	$ 5,652,483
2022														
Balance as of January 1, 2022		$ 1,353,127	$739,866	$ 16,480	$ -	$ 24,890	$ 929,358	$142,996	$ 2,376,835	($ 167,766)	($258,235)	$ 5,157,551	$ 494,932	$ 5,652,483
Net Income		-	-	-	-	-	-	-	2,240,780	-	-	2,240,780	259,457	2,500,237
Other comprehensive income(loss)		-	-	-	-	-	-	-	5,594	78,124	-	83,718	-	83,718
Total comprehensive income(loss)		-	-	-	-	-	-	-	2,246,374	78,124	-	2,324,498	259,457	2,583,955
Earnings appropriation and allocation for 2021	VI(XXI)													
Provision of legal reserve		-	-	-	-	-	134,556	-	(134,556)	-	-	-	-	-
Provision of special reserve		-	-	-	-	-	-	24,771	(24,771)	-	-	-	-	-
Cash dividends for common shares		-	-	-	-	-	-	-	(727,835)	-	-	(727,835)	-	(727,835)
Cash dividends from subsidiaries		-	-	-	-	-	-	-	-	-	-	-	(56,179)	(56,179)
Recognized equity items due to the issuance of convertible bond- from stock option	VI(XV)	-	-	-	65,084	-	-	-	-	-	-	65,084	42,611	107,695
Conversion of convertible bonds	VI(XV)	18,802	137,519	-	(9,912)	-	-	-	-	-	-	146,409	-	146,409
Treasury stock transfer to employees	VI(XVIII)(XIX)	-	-	-	-	-	-	-	-	-	30,568	30,568	-	30,568
Balance as of December 31, 2022		$ 1,371,929	$877,385	$ 16,480	$ 55,172	$ 24,890	$ 1,063,914	$167,767	$ 3,736,047	($ 89,642)	($227,667)	$ 6,996,275	$ 740,821	$ 7,737,096

The accompanying notes to the Consolidated financial statements are an integral part of the consolidated financial statements. Please refer to them as well.

Chairman：His-Chien Cheng　　Manager：I-Nan Chou　　Accounting Manager：Yi-Miao Kuo

Advanced International Multitech Co., Ltd. And Subsidiaries
Consolidated Statements of Cash Flows
January 1 to December 31, 2022 and 2021

Unit：In Thousands of New Taiwan Dollars

	Notes	2022	2021
Cash flows from operating activities			
Net income before tax		$ 3,244,602	$ 1,821,573
Adjustments			
Income and expense items			
Depreciation expenses	VI(IX)(X)(XXVIII)	638,409	523,384
Amortization expenses	VI(XXVIII)	66,602	25,256
Expected credit impairment loss	XII(II)	1,871	369
Net loss(gain) from financial assets and liabilities at fair value through profit or loss	VI(II)(XXVI)	6,512	(1,857)
Interest expense	VI(XXVII)	59,584	28,391
Interest income	VI(XXIV)	(16,271)	(3,787)
Share of the profit(loss) of associates and joint ventures accounted for using the equity method	VI(VIII)	7,331	2,469
Loss on non-financial assets impairments	VI(VIII)(XXVI)	-	42,407
Loss on disposal and retirement of property, plant and equipment	VI(XXVI)	243	7,950
Reclassification of property, plant and equipment to expense	VI(XXXII)	1,377	1,002
Gains on lease modification	VI(X)	(1,596)	(204)
Changes in operating assets and liabilities			
Net changes in operating assets			
Financial assets at fair value through profit or loss – current		(6,311)	7,462
Notes receivables		3,584	(1,759)
Account receivables		(845,224)	(1,001,056)
Other receivables		(31,249)	599
Inventories		(832,054)	(949,792)
Prepayments		106,557	(119,476)
Other current assets		9,369	(21,638)
Net changes in operating liabilities			
Financial liabilities at fair value through profit or loss – current		(6,117)	(5,295)
Notes payable		(2,199)	573
Account payable		75,719	237,193
Other payable		299,137	407,379
Other current liabilities		(23,824)	(21,810)
Long-term deferred income		297	159
Net defined benefit liabilities – non-current		(1,933)	(14,854)
Cash provided by operating activities		2,754,416	964,638
Income tax paid		(391,081)	(212,610)
Net cash provided by operating activities		2,363,335	752,028

(Continue to next page)

Advanced International Multitech Co., Ltd. And Subsidiaries
Consolidated Statements of Cash Flows
January 1 to December 31, 2022 and 2021

Unit：In Thousands of New Taiwan Dollars

	Notes	2022	2021
Cash provided by investing activities			
Financial assets at fair value through profit or loss – increase in non-current		($ 21,586)	$ -
Financial assets at amortized cost – decrease in current		259,535	181,765
Financial assets at amortized cost – decrease (increase) in non-current		(1,770)	40,789
Acquisition of investments accounted for using the equity method		(37,890)	-
Acquisition of property, plant, and equipment	VI(XXXII)	(711,372)	(930,363)
Increase in prepayments for business facilities		(370,711)	(121,826)
Proceeds from disposal of property, plant, and equipment		2,543	3,964
Acquisition of intangible assets	VI(XI)	(12,620)	(10,410)
Increase in refundable deposits		-	(6)
Decrease in refundable deposits		22,352	12,306
Other non-current assets – increase in others		(111,387)	(61,844)
Interest received		16,271	3,787
Net cash outflows from investing activities		(966,635)	(881,838)
Cash provided by (used in) financing activities			
Increase in short-term loans	VI(XXXIII)	15,635,914	15,432,107
Decrease in short-term loans	VI(XXXIII)	(16,107,130)	(14,533,888)
Repayment of the principal amount of rentals	VI(XXXIII)	(61,436)	(128,438)
Increase in long-term loans	VI(XXXIII)	93,200	27,700
Repayment in long-term loans	VI(XXXIII)	(221,680)	(96,012)
Increase in deposits received		44	87
Interest paid		(56,861)	(21,668)
Issuance of corporate bond	VI(XXXIII)	1,530,661	-
Cash dividend distributed	VI(XXI)	(727,835)	(365,344)
Cash dividend distributed by subsidiaries		(56,179)	(17,977)
Treasury stock buyback cost	VI(XIX)	-	(258,235)
Transfer of treasury stock to employees	VI(XVIII)(XIX)	30,568	-
Net cash provided by (used in) financing activities		59,266	38,332
Effect of exchange rate changes on cash and cash equivalents		2,811	(6,054)
Increase(Decrease) in cash and cash equivalents for the current period		1,458,777	(97,532)
Cash and cash equivalents, beginning of the period		833,023	930,555
Cash and cash equivalents, end of the period		$ 2,291,800	$ 833,023

The accompanying notes to the Consolidated financial statements are an integral part of the consolidated financial statement. Please refer to them as well.

Chairman：His-Chien Cheng　　Manager：I-Nan Chou　　Accounting Manager：Yi-Miao Kuo

Advanced International Multitech Co., Ltd. And Subsidiaries
Notes to the Consolidated Financial Statements
For the Year of 2022 and 2021

Unit：NT$1,000
(Unless otherwise specified)

I. Company History

(I) Advanced International Multitech Co., Ltd. ("the Company" hereinafter) , originally known as Advanced Composite Design Co., Ltd., obtained its establishment approval on July 20, 1987 and started operation in January 1988. The Company merged with its subsidiaries, Da-an Precision Casting Co., Ltd. and Advanced International Co. Ltd., on July 1, 1998. The Company and its subsidiaries ("the Group" hereinafter) are mainly engaged in the manufacturing, processing, trading, import and export of carbon fiber prepackaged materials, and carbon fiber products (e.g., baseball bat, billiard stick, arrow target, golf club shaft and head, fishing tools, bicycle and accessories), as well as composite materials, namely carbon fiber fabrics, for the aviation industry.

(II) The Company’s stocks have been traded on the Taipei Exchange (“TPEx”hereinafter) since December 2002.

II. Approval Date and Procedure of Financial Statements

The consolidated financial statements were released on February 23, 2023, after being approved by the Board of Directors.

III. Application of New and Amended Standards and the Interpretations

(I) Effects of the Adoption of New and Amended IFRSs Endorsed by the Financial Supervisory Commission (“FSC” hereinafter)

The following table summarizes the new, revised, and amended standards and interpretations of IFRSs endorsed by the FSC that are applicable in 2022:

New/Revised/Amended Standards and Interpretations	Effective date issued by the International Accounting Standards Board (IASB)
Amendments to IFRS 3 “Reference to the Conceptual Framework”	January 1, 2022
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022
Amendments to IAS 37 “Onerous contract - the cost of fulfilling the contract”	January 1, 2022
Annual Improvements to 2018-2020 Cycle	January 1, 2022

The Group assessed the effects of adopting the aforementioned standards and interpretations and found no significant effects on the Group’s financial position and financial performance.

(II) Effects of Not Yet Applying the Newly Announced and Revised IFRSs Endorsed by the FSC

The following table summarizes the new, revised, and amended standards and interpretations of IFRSs endorsed by the FSC that are applicable in 2023:

New/Revised/Amended Standards and Interpretations	Effective date issued by the International Accounting Standards Board (IASB)
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023
Amendments to IAS 12 "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"	January 1, 2023

The Group assessed the effects of adopting the aforementioned standards and interpretations and found no significant effects on the Group’s financial position and financial performance.

(III) Effects of IFRSs Issued by IASB but Not Yet Endorsed by the FSC

The following table summarizes the new, amended, revised standards and interpretation of IFRSs that have been issued by IASB but not yet endorsed by the FSC:

New/Revised/Amended Standards and Interpretations	Effective date issued by the International Accounting Standards Board (IASB)
Amendments to IFRS 10 and IAS 28 "Sales or Contributions of Assets between Its Associate/Joint Venture"	Yet to be determined by the IASB
Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”	January 1, 2024
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 relating to “Transition Requirement for Issuers Applying IFRS 17 and IFRS 9 for the First Time – 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

The Group assessed the effects of adopting the aforementioned standards and interpretations and found no significant effects on the Group’s financial position and financial performance

IV. Summary of Significant Accounting Policies

Significant accounting policies adopted to compile this consolidated financial statement are stated as below. Unless otherwise specified, the policies shall be applicable to all reporting periods presented.

(I) Statement of Compliance

The consolidated financial statements have been prepared in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers," as well as International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), the Interpretations, and the Interpretations endorsed by the Financial Supervisory Commission (collectively ”IFRSs” hereinafter).

(II) Basis of Preparation

1. Except for the following significant items, these consolidated financial statements have been prepared under the historical cost convention:
   (1) Financial assets and liabilities at fair value through profit or loss (including derivative instruments).
   (2) Financial assets at fair value through other comprehensive income.
   (3) Defined benefit liability that is derived from retirement plan assets less the present value of net defined benefit obligation.
2. Critical accounting estimates are required in preparing a set of financial statements in compliance with the IFRSs. Management judgments are also required in the process of applying the Group's accounting policies. For items that are highly judgmental, complex, or related to significant assumptions and estimates of the consolidated financial statements, please refer to Note V.

(III) Basis of Consolidation

1. Principles for the Preparation of Consolidated Financial Statements
   (1) Group includes all subsidiaries as entities in the consolidated financial statements. Subsidiaries refer to entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are included in the consolidated financial statements from the date on which the Group obtains control, and are excluded from the consolidated financial statements from the date when such control ceases.
   (2) Transactions, balances and unrealized gains or losses between companies within the Group are eliminated. Accounting policies of subsidiaries are adjusted, when necessary, to remain consistent with those of the Group.
   (3) The profit or loss and each component of other comprehensive income is attributed to the owners of the parent company and to the non-controlling interest. Total comprehensive income is also attributed to the owners of the parent company and non-controlling interest even if this results in the non-controlling interests having a deficit balance.

(4) A change in the ownership interest of a subsidiary without a loss of control (transactions with non-controlling interests) is accounted for as an equity transaction, i.e. transactions with owners in their capacity as owners. 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.

2. Subsidiaries included in the consolidated financial statements:

			Ownership(%)		
Investor	Subsidiary	Main Business Activities	December 31, 2022	December 31, 2021	Note
Advanced International Multitech Co., Ltd.	Advanced Group International (BVI) Co., Ltd.	Overseas investment	100	100	
Advanced International Multitech Co., Ltd.	Advanced International Multitech (VN) Corporation Ltd.	Engaged in the production and sales of various golf club shafts and heads, golf sets	100	100	
Advanced International Multitech Co., Ltd.	Launch Technologies Co., Ltd.	Engaged in the production of sports products, other plastic products and international trade	55.93	55.93	
Advanced Group International (BVI) Co., Ltd.	Advanced Sporting Goods (Dongguan) Co., Ltd.	Engaged in the production, import and export of carbon fiber prepreg materials and sports products	100	100	

3. Subsidiaries that are not included in the consolidated financial statements: None.
4. Different accounting and adjustments adopted by subsidiaries in the accounting period: None.
5. Significant restrictions: None.
6. Subsidiaries with material non-controlling interests to the Group:

As of December 31, 2022 and 2021,the Group's non-controlling interests totaled $740,821 and $494,932 respectively. The following table showed information on the Group’s material non-controlling interests and its subsidiaries:

		Non-Controlling Interests			
		December 31, 2022		December 31, 2021	
Subsidiary	Principal place of business	Amount	Ownership (%)	Amount	Ownership (%)
Launch Technologies Co., Ltd.	Taiwan	$740,821	44.07	$ 494,932	44.07

Summary of the financial information of subsidiaries is as follows:

Balance Sheets

	Launch Technologies Co., Ltd. (LTC)	
	December 31, 2022	December 31, 2021
Current assets	$ 1,953,266	$ 1,001,013
Non-current assets	1,278,058	1,192,609
Current liabilities	(991,077)	(861,103)
Non-current liabilities	(613,335)	(209,474)
Total net assets	$ 1,626,912	$ 1,123,045

Statements of Comprehensive Income

	Launch Technologies Co., Ltd. (LTC)	
	2022	2021
Revenue	$ 3,598,019	$ 2,608,496
Net income before tax	724,411	289,580
Income tax expense	(135,680)	(52,743)
Net income	588,731	236,837
Other comprehensive income (loss) (net amount after tax)	-	-
Total comprehensive income (loss)	$ 588,731	$ 236,837

Statement of Cash Flows

	Launch Technologies Co., Ltd. (LTC)	
	2022	2021
Net cash provided by operating activities	$ 749,026	$ 380,691
Net cash used in investing activities	(220,970)	(176,838)
Net cash provided by (used in) financing activities	65,394	(136,831)
Increase in cash and cash equivalents for the current period	593,450	67,022
Cash and cash equivalents, beginning of the period	131,709	64,687
Cash and cash equivalents, end of the period	$ 725,159	$ 131,709

(IV) Foreign Currency Translation

All items on the financial statements of each entity of the Group are measured at the currency of the principal economic environment in which the entity operates (i.e., functional currency).The Consolidated Financial Statements are presented and reported in the Group’s functional currency, New Taiwan Dollars (NT$).

1. Foreign Currency Transaction and Balance

(1) Foreign currency transaction is translated to the functional currency by using the spot exchange rate on the trade date or measurement date. Any translation differences occurred are to be recognized in the current profit or loss.

(2) Balances of monetary assets and liabilities denominated in foreign currencies are adjusted at the spot exchange rates prevailing at the balance sheet date. Exchange gains or losses arising from such adjustments are recognized in profit or loss.

(3) Balances of non-monetary assets and liabilities denominated in foreign currency, if they are measured at fair value through profit or loss, they are adjusted using the spot exchange rate prevailing at the balance sheet date and any exchange differences arising from there are recognized as profit or loss; if such are measured at fair value through other comprehensive income, they are adjusted using the spot exchange rate prevailing at the balance sheet date and any exchange differences arising from there are recognized in other comprehensive income or loss; and if such are not measured at fair value, they are measured at the historical exchange rates on initial transaction dates.

(4) All exchange gains and losses are presented as “Other gains and losses” on the statement of comprehensive income.

2. Translation from Foreign Operations

The operating results and financial position of all entities within the Group that have a functional currency different from the presentation currency are translated into the presentation currency by applying the following approaches:

(1) Assets and liabilities presented on each balance sheet are translated using the closing exchange rate prevailing at the balance sheet date;

(2) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

(3) All the resulting exchange differences are recognized in other comprehensive income.

(4) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, if the Group still retains partial interests in the former foreign subsidiary but has lost its controlling power over the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in these foreign operations.

(V) <u>Classification of Current and Non-Current Assets and Liabilities</u>

1. Assets that meet one of the following criteria are classified as current assets:

(1) Assets that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle.

(2) Assets held primarily for trading purposes.

(3) Assets that are expected to be realized within 12 months after the balance sheet date.

(4) Cash and cash equivalents, excluding those that are restricted, or to be exchanged or used to settle liabilities at least twelve months after the balance sheet date.

Otherwise, they are classified as non-current assets.

2. Liabilities that meet one of the following criteria are classified as current liabilities:

(1) Liabilities that are expected to be settled within the normal operating cycle.

(2) Is held primarily for trading purposes.

(3) Liabilities that are expected to be settled within 12 months after the balance sheet date.

(4) Liabilities for which the repayment date cannot be extended unconditionally to more than 12 months after balance sheet date. Settlement by the issue of equity instruments based on transaction party's choice does not impact classification.

Otherwise, they are classified as non-current liabilities.

(VI) Cash Equivalents

Cash equivalents refer to the investments that are short-term, highly liquid, subject to low risk of changes in value, and readily convertible to known amount of cash. Time deposits satisfying the aforementioned definition and for which the objective of holding is to meet the short-term operating cash commitment are classified as the cash equivalent.

(VII) Financial Assets Measured at Fair Value through Profit or Loss

1. Financial assets that are neither measured at amortized cost nor measured at fair value through other comprehensive income.
2. For financial assets measured at fair value through profit or loss in transactions that meet regular purchase or sale rules, the Group adopts settlement date accounting to recognize such financial assets.
3. Financial assets at fair value through profit or loss are initially recognized at fair value with related transaction costs recognized in profit or loss, and subsequently measured at fair value with related gains or losses recognized in profit or loss.
4. The Group recognizes dividends income when the rights of shareholders to receive payment are established, provided that the economic benefits related to such dividends are probable to flow to the Group and the amount of such benefits can be reliably measured.

(VIII) Financial Assets measured at Fair Value through Other Comprehensive Income

1. Refers to the irrevocable election made at initial recognition that allows the Group to present fair value changes of equity investment not held for trading in other comprehensive income; or debt investment that meets all the criteria simultaneously:
   (1) Financial assets held within a business model of which the objective of holding is to collect the contractual cash flows and to sell.
   (2) The cash flows on specific dates that are generated from the contractual terms of the financial assets are solely payments of the principle and interest on the principle amount outstanding.
2. For financial assets measured at fair value through other comprehensive income in transactions that meet regular purchase or sale rules, the Group adopts settlement date accounting to recognize such financial assets.
3. Financial assets measured at fair value through other comprehensive income are initially measured at fair value plus transaction costs, and subsequently such are measured at fair value with fair value changes in equity instruments recognized in other comprehensive income. Upon de-recognition, the cumulative gains or losses previously recognized in other comprehensive income shall not be reclassified to profit or loss, but to be transferred to retained earnings. The Group recognizes dividends income when the rights of shareholders to receive payment are established, provided that the economic benefits related to such dividends are probable to flow to the Group and the amount of such benefits can be reliably measured.

(IX) Financial Assets Measured at Amortized Cost

1. Financial assets at amortized cost are those that meet all of the following criteria:
   (1) The objective of the Company’s business model is achieved by collecting contractual cash flows of the financial assets;

(2) The cash flows on specific dates that are generated from the contractual terms of the financial assets are solely payments of the principle and interest on the principle amount outstanding.

2. For financial assets measured at amortized cost in transactions that meet regular purchase or sale rules, the Group adopts settlement date accounting to recognize such financial assets.
3. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. In subsequent periods, interest income and impairment loss is recognized using the effective interest method based on amortization procedures during the circulation period. Upon de-recognition, the gain or loss is recognized in profit or loss.

(X) Account Receivables and Notes Receivables

1. Accounts receivables and notes receivables are receivables and notes of which the contractual right to consideration for goods sold or services rendered is unconditional.
2. However, short-term accounts/notes receivables without interest payment, given insignificant effects of their discounting, are subsequently measured at the invoice price.

(XI) Impairment of Financial Assets

The Group measures the loss allowance for financial assets measured at amortized cost after taking into account all reasonable and proving information (including foreseeing information) at each balance sheet date; where the credit risk has not significantly increased since initial recognition, the loss allowance is measured at the 12-month expected credit losses; where the credit risk has increased significantly since initial recognition, the loss allowance is measured at full lifetime expected credit losses; and where they are accounts receivables or contract assets that do not comprise any significant financing components, the loss allowance is measured at full lifetime expected credit losses

(XII) De-Recognizition of Financial Assets

The Group de-recognizes an asset when its contractual rights to receive cash flows from the financial asset expire.

(XIII) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted moving average method. The costs of work in progress and finished goods include the cost of raw materials, direct labor, other direct cost and a proportion of manufacturing overheads (based on normal operating capacity), excluding borrowing cost. The item by item approach is employed when evaluating the lower of costs and net realizable value. Net realizable value is the balance of estimated selling price in the normal operating course less the estimated cost of completion and applicable variable selling expenses.

(XIV) Investments accounted for using the Equity Method

1. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20% or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.
2. The Group’s share of its associates’ post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Group’s share of losses in an associate

equals or exceeds its interest in the associate (including any other unsecured receivables), the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

3. Any changes in equity of associates are recognized as “capital surplus” by the Group in proportion to its shareholding ratio, provided that such changes are not attributable to profit or loss, or to other comprehensive income, or affect the Group’s shareholding percentage.
4. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group’s interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates are adjusted, when necessary, to remain consistent with those of the Group.
5. When the Group disposes its investment in an associate and loses significant influence over this associate, the accounting treatment for amounts previously recognized in other comprehensive income in relation to the associate are the same as the one required if the relevant assets or liabilities were directly disposed of. That is, if gain/loss previously recognized in other comprehensive income will be reclassified to profit or loss upon disposal of relevant assets or liabilities, such gain/loss will be reclassified from equity to profit or loss when the Group loses significant influence over the associate. If it still retains significant influence over this associate, then the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

(XV) <u>Property, Plant and Equipment</u>

1. Property, plant, and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
2. Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is de-recognized. All other repairs and maintenance are recognized in profit or loss when incurred.
3. Except for land which is not depreciated, other property, plant, and equipment are subsequently measured using the cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. If the property, plant, and equipment comprise any significant components, they are depreciated individually.
4. The Group reviews each assets' residual values, useful lives and depreciation methods at the end of each financial year. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Housing and structures	1 year to 56 years
Machinery and equipment	1 year to 30 years
Utility equipment	1 year to 41 years
Transportation equipment	6 years to 10 years
Office equipment	1 year to 10 years
Other equipment	1 year to 30 years

(XVI) Lease Transaction in a Capacity of a Lease - Right-of-Use Assets/Lease Liabilities

1. A right-of-use asset and a lease liability are recognized for a leased asset on the date when it becomes readily available for the Group's use. When a lease contract is a short-term lease or when it is a lease of which the underlying asset is of low value, lease payments are recognized as an expense on a straight-line basis over the lease term.
2. A lease liability is recognized at the commencement date of the lease in the amount equal to the present value of the remaining lease payments (i.e. the remaining lease payments discounted at the Group's incremental borrowing rate.) Lease payments include:
   (1) Fixed payments, less any lease incentives receivables;
   (2) Variable lease payments that based on the current value of an index or a rate;
   (3) Lease payments expected to be payable by the Group under the residual value guarantee; and
   (4) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

   Subsequently, lease liabilities are measured at the amortized cost using the effective interest rate method, and interest expense is allocated over the lease term. When a change in the lease term or lease payments occurs due to reasons other than lease modifications, lease liabilities are reassessed and the re-measurements are adjusted to the right-of-use assets.
3. At the commencement date, the right-of-use asset should be measured at cost. Cost comprises:
   (1) The amount of the initial measurement of the lease liability;
   (2) Any lease payments made at or before the commencement date;
   (3) Any initial direct costs incurred; and
   (4) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

   A right-of-use asset is subsequently measured using the cost model and depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset and the end of the lease term. When a lease liability is reassessed, the right-of-use asset is adjusted for any re-measurements of the lease liability.

(XVII) Intangible Assets

Computer software is recognized at acquisition cost, amortized by the straight-line method, with an estimated useful life of 3 to 5 years

(XVIII) Impairment of Non-Financial Assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized when the asset's carrying amount exceeds its recoverable amount. The recoverable amount of an asset is the greater of its 'fair value minus costs to sell' and its 'value in use'. When circumstances contributed to the recognition of impairment loss of an asset in the previous period do not exist or are decreased, the recognized impairment loss is reversed to the carrying amount of an asset to the extent that it does not exceed the carrying amount (net of depreciation and amortization) if the impairment loss had not been recognized.

(XIX) Borrowings

Borrowings are short-term and long-term loans borrowed from banks. Borrowings are recognized initially at fair value, net of transaction costs incurred. Subsequently, borrowing expenses are recognized in profit or loss based on the difference amounts between the proceeds (net of any transaction costs) and the redemption value that are amortized over the lives of borrowings using the effective interest method.

(XX) Account Payable and Notes Payable

1. These refer to the debts incurred by purchase of materials, goods, or services on credit, and the notes payable incurred by both operating and non-operating activities.
2. However, short-term accounts/notes payable without interest payment, given insignificant effects of their discounting, are subsequently measured at the invoice price.

(XXI) Financial Liabilities at Fair Value through Profit or Loss

1. Financial liabilities at fair value through profit or loss refer to financial liabilities designated upon initial recognition to be measured at fair value through profit or loss. Financial liabilities that meet one of the following criteria are designated to be measured at fair value through profit or loss on initial recognition:
   (1) Hybrid (combined) contracts; or
   (2) Can be eliminated or has a significant reduction in measurement or being recognition inconsistency; or
   (3) Such are managed and their performance are evaluated on a fair value basis in accordance with a documented risk management policy.
2. Financial assets at fair value through profit or loss are initially recognized at fair value with related transaction costs recognized in profit or loss, and subsequently measured at fair value with related gains or losses recognized in profit or loss.

(XXII) Convertible Bond Payable

The convertible bond issued by the Group was embedded with conversion right (meaning the bondholders can exercise the right to convert the bond into common shares of the Group and the conversion was preset to convert a fixed amount for a fixed number of shares) and call option. At the time of initial issuance, the issue price is classified into financial assets or equity according to the issuance terms and conditions, and the accounting treatment is as follows:

1.Embedded Call Option: At the time of initial recognition, the net amount of the fair value is recorded as "financial assets measured at fair value through profit and loss"; then on the balance sheet date, it is evaluated at the current fair value, and the amount difference is recognized as "gains or losses of financial assets measured at fair value through profit or loss".

2.Host Contract of the Corporate Bond: It is measured at fair value at the time of initial recognition, and the difference between the redemption value, and a premium or discount of corporate bonds payable is recognized when there is a difference between the fair value and the redemption value. The effective interest method is subsequently used to recognize gain or loss within the bond circulation period according to the amortization procedure and is deemed as adjustment to "financial costs”.

3.Embedded Conversion Right (meet the definition of equity): At the time of initial recognition, the residual value after deducting the above mentioned “financial assets measured at fair value through profit and loss” and “corporate bond payable” from the issuance amount is recorded as “capital reserve-stock option” and will not re-evaluate thereafter.

4.Any directly-linked transaction costs of the issuance are allocated in proportion to the elements of each liability and equity based on the above-mentioned element’s initial book value.

5.When bondholders convert, the elements of liability on the book (including “corporate bond payable” and “financial assets measured at fair value through profit and loss”) are treated in accordance with the subsequent measurement of the associated classification, and the book value of the aforementioned liability elements is added with the book value of “capital reserve-stock option” to be the issuance cost of the common stock conversion.

(XXIII) The De-Recognition of Financial Liabilities

The Group de-recognizes a liabilities, when the Group fulfills, cancels or expires the obligations specified in the contract.

(XXIV) The Offsetting of Financial Assets and Financial Liabilities

Financial assets and financial liabilities may be offset only when an entity has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously, and the net amount is presented in the balance sheet.

(XXV) Non-Hedgeing Derivatives

Non-hedging derivatives are initially measured at the fair value of the date when contracts are executed and presented as financial assets or liabilities measured at fair value through profit or loss. Subsequently, they are measured at fair value with gains or losses recognized in profit or loss.

(XXVI) Employee Benefits

1. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid and should be recognized as expenses in the period when the employees render service.

2. Pensions

(1) Defined contribution plan

For defined contribution plans, the contributions are recognized as pension cost when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(2) Defined benefit plans

A. The net obligation under a defined benefit plan is defined as the present value of pension benefits that employees will receive on retirement for their services with the Company in the current period or prior periods. The amount recognized is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is computed by independent actuaries every year using the projected unit credit method. The discount rate employed is by reference either to the market yields on high quality corporate bonds of which the currency and duration are consistent with the currency and duration of the defined benefit plan, or to the market yields on government bonds (on the balance sheet date) in countries where there is no deep market for high quality corporate bonds.

B. The re-measured amount of defined benefit plans is recognized in other comprehensive income as it arises and presented in retained earnings.

3. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Company's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Group recognizes expenses at the earlier of when it can no longer withdraw the termination contracts or when it recognizes relevant restructuring costs. Benefits due more than 12 months after balance sheet date are discounted to their present value.

4. Employees' compensation, and directors and supervisors' remuneration Compensation to employees and remuneration to directors and supervisors are recognized as expenses and liabilities, provided that such recognition is required under legal or constructive obligations and those amounts can be reliably estimated. If the accrued amounts are different from the actual distributed amounts resolved by the shareholders subsequently, the differences should be accounted for as changes in accounting estimates.

(XXVII) Employee Share-Based Payment

The equity-settled, share-based payment agreement is based on the fair value of the equity instrument given on the grant date to measure the employee services obtained, which are recognized as remuneration costs during the vesting period, and the equity is adjusted accordingly. The fair value of such equity instruments should reflect the impact of market price under vested conditions and non-vested conditions. The recognized remuneration cost is adjusted according to the amount of rewards that are expected to meet the service conditions and non-market vested conditions, until the final recognized amount is recognized based on the vested amount on the date of grant.

(XXVIII) Income Tax

1. Income tax expense includes current income tax and deferred income tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which tax is recognized in other comprehensive income or directly in equity.
2. The income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the shareholders resolve to retain the earnings.
3. Deferred income tax adopts the balance sheet approach. It is recognized as the temporary difference between the tax bases of assets and liabilities and their carrying amounts on the consolidated balance sheet at the reporting date. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is

probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

4. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.
5. Current income tax assets and liabilities are offset when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

(XXIX) Share Capital

1. Common shares are classified as equity.
2. When the Group buys back the issued shares, the consideration paid and the directly attributable incremental costs are recognized as a deduction from shareholders' equity (net of tax). On subsequent reissues of the repurchased shares, the difference between the consideration received, net of any directly attributable incremental costs and the effect of income taxes, and the carrying amount is recognized as an adjustment to shareholders' Equity.

(XXX) Dividend Distribution

Dividends to be distributed in cash to shareholders of the Company are recognized as liabilities in the financial statements when the dividend plan is resolved in Board of Directors’ Meeting; dividends to be distributed in stocks to shareholders of the Company, after the dividend plan being resolved in the shareholders’ Meeting, are recognized as stock dividends to be distributed, which is transferred to common share on the date when new shares are issued.

(XXXI) Revenue Recognition

1. The Group manufactures and sells consumer related products and recognizes sales revenue when the control of products is passed to customers, i.e. when products are delivered to customers and the Group doesn’t have further performance obligations that might affect the acceptance of goods by customers. Goods are deemed delivered when the risk of delivery, obsolescence and loss is transferred to customers and customers has accepted the goods in accordance with the contractual terms, or when any objective evidence suggests that all criteria for acceptance have been satisfied.
2. Sales revenue is recognized at the contract price, net of business tax, and sales returns, discounts and allowances. The payment terms of most sales transaction are usually due within 60~90 days after the shipping date. Since the time interval between when the committed goods or services are transferred to customers and when customers pay is shorter than one year, the Group does not adjust the transaction price to reflect the time value of money.
3. The Group provides allowance for defective products sold and estimates discounts on a historical basis. A refund liability is recognized upon sales of products.

4. Accounts receivable is recognized when goods are delivered to customers because at which time the Group’s right to the consideration for contracts from customers is unconditional, except for passage of time.

(XXXII) Government Grants

Government grants are recognized at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. If a government grant is to compensate the Group’s expense, then when the related expenses occur, the grant is recognized as profit or loss on a systematic basis.

(XXXIII) Operating Segments

Information on the operating segments is reported in a manner that is consistent with other information reported in the internal management reports for the chief operating decision makers. The chief operating decision makers are responsible for allocating resources to the operating segments and assessing their performance.

V. The Primary Sources of Uncertainties in Major Accounting Judgments, Estimates, and Assumptions

When preparing the consolidated financial statement, management of the Group had determined its accounting policies based on its judgments and made accounting estimates and assumptions based on a rational expectation of future events depending on the circumstances at the balance sheet date. If there is any difference between any major accounting estimates and assumptions made and actual results, the historical experience, the impact of COVID-19 and other factors will be taken into account in order to continue assessment and adjustment. Such estimates and assumptions may result in a risk of a material adjustment to the carrying amount of assets and liabilities in the next year. Description of the uncertainties in major accounting judgments, estimates, and assumptions is as follows:

(I) Major Judgement in Adopting the Accounting Policies

None.

(II) Major Accounting Estimates and Assumptions

1. Expected credit loss of accounts receivable

A loss allowance for accounts receivable is provided based on their full lifetime expected credit losses. In measuring the expected credit losses, the Group must use its judgment to identify the factors that affect the future recoverability of the accounts receivable (e.g., customers' operation condition and historical transaction records that may affect customers' ability to pay), and consider the time value of money, and the information that is reasonable and available to prove the forecast of future economic conditions. The said judgments and factors may significantly affect the measurement of the expected credit losses.

As of December 31, 2022, the carrying amount of the Group's accounts receivable was $5,043,280.

2. Evaluation of inventories

As inventories are stated at the lower of cost and net realizable value, the Group must determine the net realizable value of inventories on balance sheet date using judgments and estimates. Due to the rapid technological changes, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on the balance sheet date, and writes down the cost of inventories to the net realizable value. Since the inventory valuation is estimated based on demands for products in a specific future period, it may be subject to significant changes.

As of December 31, 2022, the carrying amount of the Group's inventory was $4,106,782.

VI. Description of Major Accounting Subjects

(I) Cash and Cash Equivalents

	December 31, 2022	December 31, 2021
Cash on hand and revolving funds	$ 1,142	$ 895
Checking deposit and demand deposit	1,522,150	757,128
Cash equivalents - time deposit	588,508	75,000
Cash equivalents - Repo bonds	180,000	-
	$ 2,291,800	$ 833,023

1. The Group work with financial institutions having high credit quality. The Group also deals with various financial institutions for credit risk diversification. Therefore, the expected risk of default is pretty low.
2. The Group's demand deposits of which being restricted for specific use due to the provision of pledges or overseas fund returned to Taiwan and deposited in special bank accounts have been transferred to "financial assets at amortized cost - current" and "financial assets at amortized cost - non-current". Please refer to Note VI (III) for more detailed information.
3. No cash or cash equivalents were pledged as collateral by the Group.

(II) Financial Assets and Liabilities at fair value through profit or loss

Item	December 31, 2022	December 31, 2021
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Non-hedging derivatives	$ -	$ 139
Convertible bond redemption right	2,641	-
Convertible bond contract	7,396	-
	$ 10,037	$ 139
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Private fund	$ 21,586	$ -
Valuation adjustment	(2,138)	-
	$ 19,448	$ -
Current items:		
Financial liabilities held for trading		
Non-hedging derivatives	$ 417	$ -

1. Financial assets and liabilities measured at fair value through profit or loss recognized in profit or loss are detailed as below:

	2022	2021
Financial assets mandatorily measured at fair value through profit or loss		
Non-hedging derivatives	$ 946	$ 10,448
Private funds	(2,138)	-
Convertible bond redemption right	1,214	-
Financial liabilities held for trading		
Non-hedging derivatives	(6,534)	(8,591)
	($ 6,512)	$ 1,857

2. Below states the Group's engagement in transactions and contracts of derivative financial assets and liabilities that do not apply hedge accounting:

	December 31, 2022	
Derivative Financial Assets	Contract Amount (Nominal Principal)	Contract Period
Current item: None		
Derivative Financial Liabilities		
Current item:		
Forward foreign exchange contract	USD 5,000 thousand	December 8, 2022~January 18, 2023

	December 31, 2021	
Derivative Financial Assets	Contract Amount (Nominal Principal)	Contract Period
Current item:		
Forward foreign exchange contract	USD 2,000 thousand	December15, 2021~January 21, 2022
Derivative Financial Liabilities		
Current item: none		

The Group entered into foreign exchange forward contracts to sell US dollars in order to hedge the risk arising from purchase and sales of goods. However, such transactions did not apply hedge accounting.

3. For information on the credit risks of financial assets at fair value through profit or loss, please refer to Note XII(II).

(III) Financial Assets at Amortized Cost

Item	December 31, 2022	December 31, 2021
Current item:		
Demand deposit - special account of overseas fund	$ 21,286	$ 282,135
Restricted bank deposits	2,502	1,188
	$ 23,788	$ 283,323
Non-current item:		
Restricted bank deposits	$ 5,630	$ 3,860

1. As of December 31, 2022 and 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortized cost was its carrying amount.
2. The Group had financial assets at amortized cost pledged as collateral to others, and please refer to Note VIII.
3. Demand deposit - special account of overseas fund is the amount deposited in the bank's special account by the Group in accordance with the Regulations Governing the Management, Utilization and Taxation of Overseas Fund Repatriation, and the use of funds is limited to the amount approved for the plan.
4. For information on the credit risk of financial assets measured by amortized cost, please refer to Note XII(II).The group work with financial institutions having high credit quality. Therefore, the expected risk of default is pretty low.

(IV) Notes Receivables and Account Receivables

	December 31, 2022	December 31, 2021
Notes Receivables	$ 5,983	$ 9,567
Account Receivables	$ 5,047,328	$ 4,134,762
Less: loss allowance	(4,048)	(2,176)
	$ 5,043,280	$ 4,132,586

1.Aging analysis of account receivables and note receivables is stated as follows:

	December 31, 2022		December 31, 2021	
	Notes Receivables	Account Receivables	Notes Receivables	Account Receivables
Not overdue	$ 5,983	$ 4,945,224	$ 9,567	$ 3,962,561
Overdue:				
Within 30 days	-	89,260	-	120,904
31-90 days	-	6,979	-	48,787
91-180 days	-	5,385	-	2,510
More than 181 days	-	480	-	-
	$ 5,983	$ 5,047,328	$ 9,567	$ 4,134,762

The above aging analysis is based on the number of days past due.

2.As of December 31, 2022, December 31, 2021, and January 1, 2021, the Group's account receivables and contract receivables (including notes receivable) amounted to $5,053,311, $4,144,329, and $3,162,361 respectively.

3.Neither account receivables nor notes receivables were pledged as collateral by the Group.

4.As of December 31, 2022 and 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the notes and accounts receivable was its carrying amount.

5.For information on the credit risks of notes receivables and accounts receivables, please refer to Note XII(II).

(V) Inventories

	December 31, 2022		
	Cost	Allowance for price decline	Carry amount
Raw materials	$ 1,544,679	($ 31,308)	$ 1,513,371
Work in progress	736,328	(1,157)	735,171
Finished goods	1,787,425	(16,815)	1,770,610
Inventory in transit	87,630	-	87,630
	$ 4,156,062	($ 49,280)	$ 4,106,782

	December 31, 2021		
	Cost	Allowance for price decline	Carry amount
Raw materials	$ 1,037,025	($ 28,075)	$ 1,008,950
Work in progress	651,980	(2,755)	649,225
Finished goods	1,459,919	(30,710)	1,429,209
Inventory in transit	91,485	-	91,485
	$ 3,240,409	($ 61,540)	$ 3,178,869

The Group's inventory cost recognized as an expense for the current period:

	2022	2021
Cost of inventories sold	$ 17,090,190	$ 13,671,486
(Recovery gain) loss from price decline	(12,260)	(8,640)
Idle cost	-	36,854
Disposition loss	13,319	6,270
Others	(23,298)	(14,558)
	$ 17,067,951	$ 13,691,412

In 2022 and 2021, a decrease in the cost of sales was recognized due to the recovery of the net realizable value of inventories contributed by the well-performed liquidation of excess stocks and retirement of some inventories

(VI) Financial Assets at Fair Value through Other Comprehensive Income

Item	December 31, 2022	December 31, 2021
Non-current items:		
Unlisted stocks	$ 55	$ 55
Valuation adjustments	-	-
	$ 55	$ 55

1. The Group elects to classify strategic equity investments as financial assets at fair value through other comprehensive income (FVTOCI). The fair value of such investments as of December 31, 2022 and 2021 both totaled $1,009.
2. No financial asset measured at fair value through other comprehensive income was pledged by The Group as collateral.

(VII) Prepayments

	December 31, 2022	December 31, 2021
Input tax	$ 44,670	$ 150,979
Tax overpaid retained	59,621	81,954
Prepaid expenses	62,030	59,630
Prepayment for purchase	50,607	26,453
	$ 216,928	$ 319,016

(VIII) Investments accounted for using Equity Method

	December 31, 2022	December 31, 2021
Maya Metal Technology Co., Ltd.	$ 15,228	$ -
Technology on Prototyping Ultimate Co., Ltd.	15,568	-
Baoji Zatech Material Co., Ltd.	3,548	3,200
Munich Composites GmbH	-	-
	$ 34,344	$ 3,200

1. As at December 31, 2022 and 2021, the Group did not have any significant associates.
2. The carrying amount and operating results of the Group's individually insignificant associates are summarized as follows:
   As of December 31, 2022 and 2021, the carrying amounts of the Group's individually insignificant associates totaled $34,344 and $3,200 respectively.

	2022	2021
Net loss for the Period	($ 7,331)	($ 2,469)
Other comprehensive income or loss (net of tax)	-	-
Total comprehensive income or loss	($ 7,331)	($ 2,469)

3. The Group holds 27.27% equity interest in Munich Composites GmbH and is the single largest shareholder of the Company. As it only holds one out of four seats of directors, the

Group has no practical ability to direct the relevant activities, and thus it is judged that the Group has no control but only significant influence over the Company.

4. The Group assessed the recoverable value of Munich Composites GmbH's continued operations in accordance with the "IAS 36” with the discount rate of 11%. As a result of the assessment, the recoverable amount was less than the carrying amount, so an impairment loss of $42,407 was recognized in 2021 and listed under "other gains and losses". Up until December 31, 2022, the Group assesses there wasn’t significant changes.
5. The Group holds 25.66% equity interest in Technology on Prototyping Ultimate Co., Ltd. and is the single largest shareholder of the Company. As there is other shareholder (no a related party) holding more of the Company’s shares than the Group, and the Group does not obtain any of the director seats, showing that the Group has no practical ability to direct the relevant activities, and thus it is judged that the Group has no control but only significant influence over the Company.
6. The Group's investment in Technology on Prototyping Ultimate Co., Ltd. is based on the evaluation of the financial report audited by the accountant appointed by the Company. In 2022, the profit (loss) of its subsidiaries, affiliated enterprises and joint venture recognized by the equity method was ($32). The balance of the investments using the equity method on December 31, 2022 was $15,568.

(IX) Property, Plant and Equipment

	December 31, 2022	December 31, 2021
Land	$ 162,544	$ 162,544
Housing and structures	1,553,376	990,817
Machinery equipment	1,286,533	1,011,340
Utility equipment	143,852	117,555
Transportation equipment	1,821	2,047
Office equipment	27,180	23,845
Other equipment	243,651	193,482
Equipment to be inspected / Construction in progress	370,810	597,432
	$ 3,789,767	$ 3,099,062

Cost	2022					
Name of Assets	January 1	Addition	Disposal	Reclassification	Net exchange difference	December 31
Land	$ 162,544	$ -	$ -	$ -	$ -	$ 162,544
Housing and structures	1,670,272	289,136	(27,455)	355,714	47,745	2,335,412
Machinery equipment	2,058,239	393,493	(89,073)	179,144	49,804	2,591,607
Utility equipment	329,585	44,212	(5,024)	10,431	6,161	385,365
Transportation equipment	3,478	350	(225)	-	21	3,624
Office equipment	74,838	14,446	(4,475)	130	2,044	86,983
Other equipment	475,612	97,876	(41,938)	41,597	9,641	582,788
Equipment to be inspected/Construction in progress	597,432	(82,933)	-	(157,280)	13,591	379,810
	$ 5,372,000	$ 756,580	($ 168,190)	$ 429,736	$ 129,007	$ 6,519,133

Accumulated Depreciation & Impairments						
Name of Assets	January 1	Depreciation expenses and impairment loss	Disposal	Reclassification	Net exchange difference	December 31
Housing and structures	$ 679,455	$ 112,083	($ 27,424)	$ -	$ 17,922	$ 782,036
Machinery equipment	1,046,899	314,050	(86,346)	-	30,471	1,305,074
Utility equipment	212,030	29,893	(4,996)	-	4,586	241,513
Transportation equipment	1,431	581	(225)	-	16	1,803
Office equipment	50,993	11,597	(4,475)	-	1,688	59,803
Other equipment	282,130	91,893	(41,938)	-	7,052	339,137
	$ 2,272,938	$ 560,097	($ 165,404)	$ -	$ 61,735	$ 2,729,366
	$ 3,099,062					$ 3,789,767

Cost	2021					
Name of Assets	January 1	Addition	Disposal	Reclassification	Net exchange difference	December 31
Land	$ 162,544	$ -	$ -	$ -	$ -	$ 162,544
Housing and structures	1,637,706	57,293	(107,921)	93,368	(10,174)	1,670,272
Machinery equipment	1,937,235	243,950	(194,714)	83,109	(11,341)	2,058,239
Utility equipment	331,957	2,344	(3,761)	433	(1,388)	329,585
Transportation equipment	4,005	1,168	(1,688)	-	(7)	3,478
Office equipment	77,617	6,719	(9,014)	-	(484)	74,838
Other equipment	422,610	86,604	(38,540)	6,933	(1,995)	475,612
Equipment to be inspected/Construction in progress	217,145	527,602	-	(145,838)	(1,477)	597,432
	$ 4,790,819	$ 925,680	($ 355,638)	$ 38,005	($ 26,866)	$ 5,372,000

Accumulated Depreciation & Impairments

Name of Assets	January 1	Depreciation expenses and impairment loss	Disposal	Reclassification	Net exchange difference	December 31
Housing and structures	$ 692,494	$ 98,575	($ 107,378)	$ -	($ 4,236)	$ 679,455
Machinery equipment	999,668	239,933	(185,283)	-	(7,419)	1,046,899
Utility equipment	190,553	26,247	(3,754)	-	(1,016)	212,030
Transportation equipment	2,535	588	(1,688)	-	(4)	1,431
Office equipment	50,051	10,322	(9,007)	-	(373)	50,993
Other equipment	247,549	72,827	(36,614)	-	(1,632)	282,130
	$ 2,182,850	$ 448,492	($ 343,724)	$ -	($ 14,680)	$ 2,272,938
	$ 2,607,969					$ S3,099,062

1. Capitalized amount and interest range of borrowing costs attributable to property, plant and equipment:

	2022	2021
Capitalization amount	$ 1,546	$ 1,141
Range of capitalized interest rate	0.569%~1.645%	0.4392%~1.145%

2. Significant components of the Group's buildings and structures include buildings and air conditioning engineering works, which are respectively depreciated over the periods of 36~ 56 years and 3~21 years.
3. For the information about property, plant and equipment pledged as collateral, please refer to Note VIII for details.

(X) Lease Transaction - Lessee

1. The Group's leased underlying assets comprise lands and buildings, of which the lease term is usually between 2 years to 50 years. Lease contracts are individually negotiated and include various terms and conditions that impose no other restrictions except that the leased assets shall not be collateralized against any borrowings, nor shall they be subleased, co-leased, lent out for others' use, nor the right of lease be transferred to others.
2. Below is the carrying amounts of right-of-use assets and their recognized depreciation expenses:

	December 31, 2022	December 31, 2021
	Carrying amount	Carrying amount
Land	$ 731,802	$ 753,337
Housing and structures	113,070	15,176
Machinery equipment	1,072	-
Transportation equipment	884	-
	$ 846,828	$ 768,513

	2022	2021
	Depreciation expense	Depreciation expense
Land	$ 26,862	$ 28,095
Housing and structures	51,068	46,797
Machinery equipment	357	-
Transportation equipment	25	-
	$ 78,312	$ 74,892

3. Additions to the Group's right-of-use assets for the years ended December 31, 2022 and 2021 amounted to $163,835 and $8,783 respectively.
4. Profit or loss items in connection with lease contracts are stated as follows:

	2022	2021
Items that affect current profit or loss		
Interest expense on lease liabilities	$ 8,368	$ 7,078
Expenses on lease of low-value asses	34,307	26,842
Gain on lease modification	1,596	204

5. The cash outflow used in the Group's leases for the years ended December 31, 2022 and 2021 totaled $104,111 and $162,358 respectively.
6. The option to extend a lease and the option to terminate a lease
   (1) Contracts of which the underlying assets are types of land, buildings and structures contain a lease extension option exercisable by the Group.
   (2) The Group determines the lease term by taking into consideration all relevant facts and circumstances that create an economic incentive for the Group to exercise the extension option. The lease term is reassessed if there occur significant events that affect the assessment as to whether the Company would exercise the option to extend the lease or would not exercise the option to terminate the lease.

(XI) Intangible Assets

	Computer Software	
	2022	2021
January 1		
Cost	$ 24,198	$ 19,829
Accumulated amortization	(11,659)	(12,296)
	$ 12,539	$ 7,533
January 1	$ 12,539	$ 7,533
Addition - separately acquired	12,620	10,410
De-recognition - reduce in cost	(1,258)	(6,041)
Reclassification	150	-
Amortization expenses	(8,008)	(5,282)
De-recognition - reduce in accumulated amortization	1,258	6,041
Effect of exchange rate changes	527	(122)
December 31	$ 17,828	$ 12,539
December 31		
Cost	$ 35,710	$ 24,198
Accumulated amortization	(17,882)	(11,659)
	$ 17,828	$ 12,539

Amortization of intangible assets are detailed as below:

	2022	2021
Operating costs	$ 3,033	$ 415
Administration expenses	1,883	2,864
R&D expenses	3,092	2,003
	$ 8,008	$ 5,282

(XII) Short-Term Borrowings

Type of Loans	December 31, 2022	December 31, 2021
Bank credit loan	$ 1,485,401	$ 1,822,451
Loans against letter of credit	30,566	79,422
	$ 1,515,967	$ 1,901,873
Range of interest rates	0%~5.10%	0.42%~1.35%

1. For collateral against the said short-term loans, please refer to Note VIII - Pledged Assets.
2. For information on the Group's interest expense of bank loans recognized in profit or loss, please refer to Note VI(XXVII).

(XIII) Other Payable

	December 31, 2022	December 31, 2021
Payroll and bonus payable	$ 1,087,737	$ 832,490
Processing fee payable	420,609	410,950
Employee, director and supervisors remuneration payable	185,183	113,601
Equipment expense payable	108,156	62,948
Other payable	444,492	454,937
	$ 2,246,177	$ 1,874,926

(XIV) Other Current Liabilities

	December 31, 2022	December 31, 2021
Receipt under custody	$ 64,856	$ 102,418
Long-term borrowings due within 1 year	29,512	99,338
Contract liabilities - current	33,977	18,887
Others	3,170	3,974
	$ 131,515	$ 224,617

(XV) Corporate Bond Payable

	December 31, 2022
Bonds payable	$ 1,347,700
Less: Discount on bonds payable	(61,053)
	1,286,647
Less: Bonds mature within 1 year or 1 operation cycle	-
	$ 1,286,647

On December 31, 2021: None.

1.The Company issued the 3rd domestic unsecured convertible bond

(1) Terms and Conditions:

A. Upon competent authority's approval, the Company raised and issued the third domestic unsecured convertible corporate bond, which was issued at 102% of the face value of $1,000,000. The total amount raised was $1,026,225 with 0% coupon rate. The circulation period is 3 years, starting from July 20, 2022 to July 20, 2025. When the convertible corporate bonds mature, bondholders will be repaid in cash in one lump sum according to the face value of the bonds. The convertible corporate bonds were listed and traded on July 20, 2022 at the Taipei Exchange.

B. Except for the periods specified in the prospectus or the temporary suspension periods required by regulations, starting from the following day (October 21, 2022) of three full months after the bond issuance date till the date of mature, the bondholders can exercise the right to convert into the Company's common stocks, which have the same rights and obligations with the generally issued common stock.

C. The conversion price of this convertible corporate bond is determined according to the pricing model stipulated in the conversion method. The conversion price at the time of issuance was NT$81 per share, which may be adjusted following the pricing model stipulated in the conversion method if there is circumstance of anti-dilution; subsequently, on the base date stated on the conversion method, the company will re-adjust the conversion price based on the pricing model stipulated in the conversion method. If the adjusted price is higher than the initially set conversion price, then the conversion price will not be adjusted. Up until December 31, 2022, the conversion price has not been adjusted.

D. Within the period starting from the day following the 3 full months of the issuance date of the convertible bonds (October 21, 2022) to 40 days before the expiration of the issuance period (June 10, 2025), if the closing price of the Company's common stock exceeds 30% of the initially set conversion price for consecutive 30 transaction days, the Company is able to notify bondholders and buyback all the bonds in cash with the face value stated on the bond within 30 business days. Or within the period starting from the day following the 3 full months of the issuance date of the convertible bonds (October 21, 2022) to 40 days before the expiration of the issuance period (June 10, 2025), if the amount of the remaining outstanding bonds is lower than 10% of the total issuance amount, the Company may buy back all the remaining outstanding bonds in cash with the face value stated on the bonds at any time.

E. According to the conversion method, all the converted corporate bonds that the company has collected (including repurchased from the TPEx), repaid or converted will be canceled, and all the rights and obligations attached to the bonds will also be extinguished, and will no longer be issued.

(2) Up until December 31, 2022, the convertible corporate bonds with a face value of $152,300 had been converted into 1,880 thousand common shares, and is recorded as common stock share capital of $18,802 and in the account of capital reserve-converted bond conversion premium of $137,519.

(3) Up until December 31, 2022, the convertible bonds have not been bought back from the Taipei Exchange.

(4) When issuing convertible bonds, the Company separated equity type conversion right from all the liabilities components and recorded $65,084 in the account of "Capital Reserve-Stock Option" according to IAS 32 "Financial Instrument - Presentation". Up until December 31, 2022, the balance of the account "Capital Reserve - Stock Option" was $55,172 due to the conversion of bonds into common stock. Besides, according to IFRS 9 "Financial Instruments", the embedded call right is treated separately when the liability product's financial character and risk is not closely linked, and the net value is recorded as "financial assets or liabilities measured at fair value through profit and loss". After the separation, the effective interest rate of the liability on the main contract is 1.4745%.

2. Launch Technologies Co., Ltd., a subsidiary of the Company, issued the 1st domestic unsecured convertible bond

(1) Terms and Conditions as below:

A. The Company's subsidiary, Launch Technologies Co., Ltd., upon competent authority's approval, raised and issued the 1st domestic unsecured convertible corporate bond, which was issued at 102.98% of the face value of $500,000. The total amount raised was $514,901 with 0% coupon rate. The circulation period is 3 years, starting from October 7, 2022 to October 7, 2025. When the convertible corporate bonds mature, bondholders will be repaid in cash in one lump sum according to the face value of the bonds on the 5th business day from the day following the mature day. The convertible corporate bonds were listed and traded on October 7, 2022 at the Taipei Exchange.

B. Except for the periods specified in the prospectus or the temporary suspension periods required by regulations, starting from the following day (January 8, 2023) of three full months after the bond issuance date till the day of mature, the bondholders can exercise the right to convert into common stocks of Launch Technologies Co., Ltd., a subsidiary of the Company, which have the same rights and obligations with the generally issued common stock.

C. The conversion price of this convertible corporate bond is determined according to the pricing model stipulated in the conversion method. The conversion price at the time of issuance was NT$75 per share, which may be adjusted following the pricing model stipulated in the conversion method if there is circumstance of anti-dilution; subsequently, on the base date stated on the conversion method, Launch Technologies Co., Ltd., a subsidiary of the Company, will re-adjust the conversion price based on the pricing model stipulated in the conversion method. If the adjusted price is higher than the initially set conversion price, then the conversion price will not be adjusted.

D. Within the period starting from the day following the 3 full months of the issuance date of the convertible bonds (January 8, 2023) to 40 days before the expiration of the issuance period (August 28, 2025), if the closing price of Launch Technologies Co., Ltd.'s, the Company's subsidiary, common stock exceeds 30% of the initially set conversion price for consecutive 30 transaction days, or within the period starting from the day following the 3 full months of the issuance date of the convertible bonds (January 8, 2023) to 40 days before the expiration of the issuance period (August 28, 2025), if the amount of the remaining outstanding bonds is lower than 10% of the total issuance amount, Launch Technologies Co., Ltd., the Company's subsidiary, may buy back all the remaining outstanding bonds in cash with the face value stated on the bonds at any time.

E. According to the conversion method, all the converted corporate bonds that Launch Technologies Co., Ltd., the company's subsidiary, has collected (including repurchased from the TPEx), repaid or converted will be canceled, and all the rights and obligations attached to the bonds will also be extinguished, and will no longer be issued.

(2) Up until December 31, 2022, the convertible corporate bonds have not been converted into common stock or adjust in its conversion price.

(3) Up until December 31, 2022, Launch Technologies Co., Ltd., the Company's subsidiary, does not have the situation of buying back the convertible bonds from the Taipei Exchange.

(4) When issuing convertible bonds, Launch Technologies Co., Ltd., the Company's subsidiary, separated equity type conversion right from all the liabilities components and recorded $42,611 in the account of "Non-controlling interest" according to IAS 32 "Financial Instrument - Presentation". Besides, according to IFRS 9 "Financial Instruments", the embedded call right is treated separately when the liability product's financial character and risk is not closely linked, and the net value is recorded as "financial assets measured at fair value through profit and loss". After the separation, the effective interest rate of the liability on the main contract is 2.2563%.

(XVI) Long-Term Loans

Type of loans	Loan period and repayment method	Interest rate range	Collateral	December 31, 2022
Long-term bank loans				
Secured loan	Duration from March 2021 to March 2026 and interest paid on a monthly basis. In addition, from May 2021 onwards, the remaining amounts are paid back in 59 installments on a monthly basis. (Note)	1.125%	Demand deposit, housing and structures	$ 40,331
Secured loan	Duration from June 2022 to March 2026 and interest paid on a monthly basis. In addition, from April 2023 onwards, the remaining amounts are paid back in 36 installments on a monthly basis. (Note)	1.125%	Housing and structures, machinery equipment, and other equipment	67,402
				107, 733
Less: long-term loan due within one year				(29,512)
				$ 78,221

Type of loans	Loan period and repayment method	Interest rate range	Collateral	December 31, 2021
Long-term bank loans				
Secured loan	Duration from June 2018 to June 2023 and interest paid on a monthly basis. In addition, from September 2020 onwards, the remaining amounts are paid back in 12 installments on a quarterly basis.	0.945% ~1.145%	Machinery equipment and other equipment	$ 91,982
Secured loan	Duration from July 2018 to July 2025 and interest paid on a monthly basis. In addition, from October 2020 onwards, the remaining amounts are paid back in 20 installments on a quarterly basis.	1.145%	Housing and structures	119,925
Secured loan	Duration from March 2021 to March 2026 and interest paid on a monthly basis. In addition, from May 2021 onwards, the remaining amounts are paid back in 59 installments on a monthly basis. (Note)	0.500%	Demand deposit, Housing and structures	24,967
				236,874
Less: long-term loan due within one year				(99,338)
				$ 137,536

Note: From March 15, 2021 to June 15, 2022, the Group obtained a low-interest loan from the Executive Yuan for the Accelerated Investment Project of Taiwan Enterprises. The loan period is 5 years, and the loan amount is $120,900. Upon receipt of the loan amount, we recognized a deferred government subsidy benefit of $1,333. As of December 31, 2022 and 2021, the balances of the deferred government subsidy benefits were $930 and $269 respectively (separately listed under "Other Current Liabilities - Others" were $474 and $111 respectively and under "long-term deferred income" were $456 and $159 respectively), and in the year of 2022 and 2021, we respectively recognized government subsidy income of $347 and $55 respectively based on the interest amortization during the loan period.

1. For collateral against the said long-term loans, please refer to Note VIII - Pledged assets.
2. Please refer to Note XII (II) 3.(3) for explanations on the said loan repaid ahead of time.
3. For information on the Group’s interest expenses of bank loans recognized in profit or loss, please refer to Note VI (XXVII).

(XVII) Pension Fund

1. (1) In compliance with the requirements set forth in the Labor Standards Law, the Company has stipulated a defined benefit pension plan, which is applicable to the years of service rendered by regular employees prior to, and after (if employees elect to continue to apply the Labor Standards Law), the implementation of the Labor Pension Act on July 1, 2005. Pension payments for employees qualified for the aforementioned retirement criteria are calculated in accordance with the years of service rendered and the average salaries or wages of the last 6 months prior to retirement. Two base points are given for each full year of service over (including) the first 15 years, and one base point is given for every additional year of service thereafter, provided that the ceiling of the total base points is forty-five (45). The Company contributes, on a monthly basis, 2% of the total salary (wages) as the pension fund, which is deposited in a designated account with the Bank of Taiwan under the name of the Supervisory Committee of Workers’ Retirement Fund. Prior to the end of each annual period, the Company assesses the balance of the aforementioned designated account for the labor pension fund. If the balance is determined insufficient to pay off the pension amount computed by the aforementioned approach for employees qualified for retirement within the next year, the Company will make a lump sum contribution to make up the shortfall before the end of March of the following year.

	December 31, 2022	December 31, 2021
Present value of defined benefit obligations	$ 104,993	$ 111,955
Fair value of planned assets	(40,274)	(38,607)
Net defined benefit liabilities	$ 64,719	$ 73,348

(3) Changes in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of planned assets	Net defined benefit liabilities
2022			
Balance on January 1	$ 111,955	($ 38,607)	$ 73,348
Service cost in the current period	143	-	143
Interest expenses (income)	784	(270)	514
	112,882	(38,877)	74,005
Re-measurement:			
Return of planned asset (exclude interest income or expense)			
Effect of changes in financial assumptions	(4,846)	-	(4,846)
Experience adjustment	319	(2,466)	(2,147)
	(4,527)	(2,466)	(6,993)
Provision of pension fund	-	(2,293)	(2,293)
Pension paid	(3,362)	3,362	-
Balance on December 31	$ 104,993	($ 40,274)	$ 64,719

	Present value of defined benefit obligations	Fair value of planned assets	Net defined benefit liabilities
2021			
Balance on January 1	$ 108,696	($ 26,646)	$ 82,050
Service cost in the current period	146	-	146
Interest expenses (income)	326	(80)	246
	109,168	(26,726	82,442
Re-measurement:			
Return of planned asset (exclude interest income or expense)			
Effect of change in population assumption	102	-	102
Effect of changes in financial assumptions	(4,567)	-	(4,567)
Experience adjustment	7,252	(406)	6846
	2,787	(406)	2,381
Provision of pension fund	-	(11,475)	(11,475)
Pension paid	-	-	-
Balance on December 31	$ 111,955	($ 38,607)	$ 73,348

(4) The fund asset of the Company’s defined benefit pension plan (the “Fund”) is entrusted to the Bank of Taiwan, which manages, or entrusts others to manage, the Fund in accordance with entrusted items enumerated in Article 6 of the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund (i.e. deposit in domestic or foreign institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, and investment in domestic or foreign real estate and its securitization products) to the extent of limitations on investment percentage and amount as stipulated in the Fund’s annual utilization plan. The status of utilization of the Fund is subject to supervision by the Labor Pension Fund Supervisory Committee. With regard to utilization of the Fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts

accrued from two-year time deposits with the interest rates offered by local banks. In case any deficiency in the earnings arises, Treasury Funds can be used to cover the deficits after the approval of the competent authority. Since the Company has no right to participate in the operation and management of the Fund, it is not able to disclose the classification of the fair value of plan assets as required in IAS 19 paragraph 142. For the fair value of the total retirement fund as at December 31, 2022 and 2021, please refer to the Labor Retirement Fund Utilization Report published by the government each year.

(5) Actuarial assumptions on pensions are summarized as follows:

	2022	2021
Discount rate	1.20%	0.70%
Future salary increase rate	2.50%	2.50%

Future mortality rate is estimated based on the 6th Taiwan Standard Ordinary Experience Mortality Table.

Analysis of the present value of defined benefit obligation affected by changes in primary actuarial assumptions is as follows:

	Discount rate		Future salary rate	
	Increase by 0.25%	Decrease by 0.25%	Increase by 0.25%	Decrease by 0.25%
December 31, 2022				
Effect on the present value of defined benefit obligation	($ 2,309)	$ 2,384	$ 2,086	($ 2,035)

	Discount rate		Future salary rate	
	Increase by 0.25%	Decrease by 0.25%	Increase by 0.25%	Decrease by 0.25%
December 31, 2021				
Effect on the present value of defined benefit obligation	($ 2,671)	$ 2,763	$ 2,428	($ 2,364)

The sensitivity analysis presented above is an analysis of effects resulted from changes in a single assumption while other assumptions are held constant. In practice, quite a few changes in assumptions are correlated. The method employed for sensitivity analysis is the same as the method used to calculate the net pension liability presented on the balance sheet.

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

(6) The Company expects to make contributions of $2,231 to the pension plans within one year.

(7) As of December 31, 2022, the weighted average duration of the retirement plan is 9 years.

2.(1) Starting from July 1, 2005, the Company and subsidiaries have set up a defined contribution plan for all employees with ROC citizenship in accordance with the Labor Pension Act. Where the employees have elected to apply the labor pension system as stipulated in the Labor Pension Act, the Company and subsidiaries make a contribution in an amount equal to 6% of the employees’ monthly salaries or wages to their individual accounts in the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(2) Advanced Sporting Goods (Dong Guan) Co., Ltd. and Advanced Sporting Goods (Sha Tian, Dong Guan) Co., Ltd. make a pension contribution on a monthly basis in an amount equal to a certain percentage of the employees' monthly salaries and wages in accordance with the requirements as set forth in the pension system of the People's Republic of China. The contribution percentage for 2022 and 2021 were both 13%. The pension for each employee is managed by the government, hence the Group doesn't have further obligations except for making a monthly contribution.

(3) As required by the Vietnamese government, Advanced International Multitech (VN) Corporation Ltd. makes a monthly contribution in an amount equal to one month of an employee's minimum wages to the retirement plan, which is managed by the various responsible departments of the Vietnamese government. Other than making a monthly contribution, the Company has no further obligations.

(4) For the years ended December 31, 2022 and 2021, the Group's net pension costs recognized under the defined contribution plan were $136,440 and $119,531 respectively.

(XVIII) Share-Basis Contribution

1. In the year of 2022, the Group's share-based payment agreement (show in 1000 shares) is as follows:

Type of agreement	Grant Date	Amount Given	Contract Period	Vesting Condition
Treasury stock transfer to employees	January 20,2022	400	26 days	Immediate

2. Details of the above share-based payment agreement are as follows (show in 1,000 share):

	2022		2021	
	Quantity subscribed	Weighted average exercise price ($1)	Quantity subscribed	Weighted average exercise price ($1)
Outstanding shares at beginning of the period on January 1	-	$ -	-	$ -
Total grant during the period	400	76.42	-	-
Exercised during the period	(400)	76.42	-	-
Outstanding shares at the end of the period on September 30	-	-	-	-

3. The weighted average stock price of the stock options executed in 2022 was $73.7 on the date of execution

(XIX) Share Capital

As of December 31, 2022, the Company had an authorized capital in the amount of $1,800,000, comprising 180,000 thousand shares (including 5,000 thousand shares of employee stock option certificates and 10,000 thousand shares of convertible corporate bonds), and a paid-in capital in the amount of $1,371,929 with each share priced at NT$10. Share payments for the Company's issued stocks have been collected in full.

1.Number of the Company's outstanding common shares at the beginning of periods and the end of the periods were adjusted as below (in thousand shares):

	2022	2021
January 1	131,934	135,313
Corporate bonds conversions (Note)	1,880	-
Treasury stock transfer to employees	400	-
Treasury stock buyback	-	(3,379)
December 31	134,214	131,934

Note: In the year of 2022, the company's convertible corporate bonds were converted into 1,880 thousand common shares. As of the audit report date, upon the resolution during the board of directors' meeting on February 23, 2022, it was resolved to use this date as the base date for conversion and issuance of new shares, and the relevant change registration procedures are now in progress.

2.Treasury stock:

(1) Reasons for recovery of shareholding and its quantity:

		December 31, 2022	
Name of investor company	Reasons for recovery	Number of shares (in thousand shares)	Carrying amount
The Company	Available for transfer of shares to employees (Note)	2,979	$ 227, 667

		December 31, 2021	
Name of investor company	Reasons for recovery	Number of shares (in thousand shares)	Carrying amount
The Company	Available for transfer of shares to employees (Note)	3,379	$ 258,235

Note: On September 22, 2021, the Company's board of directors resolved to buy back treasury stocks; it was estimated to buy back 6,700 thousand shares in total and the execution period started from September 23, 2021 to November 22, 2021. In consideration of fund planning and effective utilization, the Company bought back shares in batches depending on the changes of the Company's stock price. Hence, the treasury buyback plan this time wasn't fully executed and the actual shares repurchased totaled 3,379 thousand shares. On January 20, 2022, the board resolved to set the average buyback price, NT$76.42 to be the transfer price. There were 400 thousand shares transferred to employees.

(2) The Securities and Exchange Act stipulates that the proportion of the Company's repurchase of outstanding shares shall not exceed 10% of the Company's total issued shares, and the total amount of shares purchased shall not exceed the retained earnings plus the premium of issued shares and the amount of realized capital reserve.

(3) The treasury stocks held by the Company shall not be pledged in accordance with the regulations of the Securities and Exchange Act, and shall not be entitled for shareholder rights before being transferred.

(4) According to the regulations stated in the Securities and Exchange Act, the shares re-purchased for the transfer of shares to employees shall be transferred within five years on the date of the repurchase. Those are not transferred within the time limit shall be deemed to have not issued by the Company, and shall be written off and removed from the registration.

(XX) Capital Reserve

Under the Company Act, capital surplus arising from shares issued at the premium or from donation may be used for offsetting the deficit. Furthermore, if the Company has no accumulated loss, the capital surplus may be used for issuing new shares or distributing cash in proportion to shareholders' original holdings. In addition, according to the regulations stated in the Securities and Exchange Act, when the above-mentioned capital surplus is used for capitalization, the total amount every year shall not exceed 10% of the paid-in capital. The Company may use the capital surplus to offset loss only when the number of earnings and reserves are insufficient to offset the loss.

(XXI) Retained Earnings

1.The Articles of Incorporation requires that earnings after the final account, if any, be used in the first place to pay off the profit-seeking enterprise income tax and to offset the previous deficits according to law; and 10% of the remainder, if any, be set aside as its legal reserve, except in cases when the legal reserve has reached the capital amount. If there are any remaining earnings, a special reserve shall be provided or reversed in accordance with laws or regulations imposed by the competent authority; the remaining amount, if any, shall be added up to the undistributed earnings of the prior periods to serve as the distributable earnings, of which the amount of distribution and retention shall be indicated in the earnings distribution proposal which is made by the Board of Directors before submitting to the Shareholders' Meeting for approval. The cash dividends distributed shall not less than 10% of the total dividends distributed of the period.

The Company, following the regulations in the Company Act, authorizes the dividends, bonuses, capital reserve or legal reserve in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors, and thereto a report shall be submitted to the shareholders' meeting. The provisions of the preceding paragraph that must be resolved by the shareholders' meeting are not applicable.

2. The Company's dividend policy is stated as below: for continuous operation and profit enhancement, the Company adopts a residual dividend policy.

3. Legal reserves may only be used for offsetting deficits and issuing new shares or distributing cash in proportion to shareholders' original holdings. However, when new shares are issued or cash is distributed, the amount shall be limited to 25% of the reserves in excess of the paid-in capital.

4. The Company may allocate earnings only after providing a special reserve for debit balance in other equity on the date of the balance sheet, and the reversal of debit balance in other equity, if any, may be stated into allocable earnings.

5. The following table shows the 2022 and 2021 earnings distribution proposals, where were approved in the Company's general shareholders' meeting on May 31, 2022 and July 12, 2021 respectively.

	2021		2020	
	Amount	Dividend per share ($1)	Amount	Dividend per share ($1)
Legal Reserve	$ 134,556		$ 67,822	
Special Reserve	24,770		9,168	
Cash Dividends	727,835	$ 5.5	365,344	$ 2.7

The resolution of the aforementioned earning distribution proposal in the general shareholders' meeting maybe look up in the website of the Market Observation Post System

6. On February 23, 2022, the board meeting proposed a earnings distribution plan for the year of 2022 as below:

	2022	
	Amount	Dividend per share ($1)
Legal reserve	$ 224,637	
Cash dividend	1,234,676	$ 9.1

As of February 23, 2023, the above-mentioned 2022 earnings distribution proposal has not been resolved by the shareholders' meeting.

(XXII) Operating Revenues

1. Detailed contracts with customers

All the Group's revenue comes from contracts with customers under which revenue is generated by transferring goods at a certain point of time. Revenue can be sub-divided by geographical areas as follows:

Customer by geographical areas	2022	2021
Americas	$ 15,026,056	$ 11,775,292
Asia	5,529,032	4,674,320
Others	867,697	458,412
	$ 21,422,785	$ 16,908,024

2. Contract liabilities

(1) The contract liabilities recognized by the Group in relation to contracts with customers are as follows:

	December 31, 2022	December 31, 2021	January 1, 2021
Consumer products	$ 33,977	$ 18,887	$ 20,221

(2) Income recognized in the current period for opening contract liabilities

	2022	2021
Consumer products	$ 18,874	$ 20,212

(XXIII) Other Income and Expenses - Net

	2022	2021
Income from molds	$ 53,462	$ 34,203
Income from samples	31,577	21,429
Other income	52,325	122,762
	$ 137,364	$ 178,394

(XXIV) Interest Income

	2022	2021
Interest from bank deposits	$ 16,271	$ 3,787

(XXV) Other Income

	2022	2021
Government subsidy income	$ 4,769	$ 22,712
Others	2,319	2,084
	$ 7,088	$ 24,796

1. In June 2021, the Group received government subsidies of $13,937 for traditional industry innovation and R&D as well as the construction plan of the golf smart manufacturing and supply chain integration platform. As the Group is reasonably assured that it will comply with the conditions attached in the government subsidies, the government recognized subsidy income of $$13,937 in 2021 and the accumulated subsidy income of this item were$13,937.
2. In December 2020, the Group received a government subsidy of $11,273 from the "Taiwan Industry Innovation Platform Program," which has been transferred to profit or loss upon the occurrence of expenses associated with the implementation of the program, and recognized the government subsidy income amounted to $6,125 in 2021, and the accumulated amount in association with this item was $11,273.
3. In August 2022, the Group received a government subsidy totaled $24,000 from Ministry of Economic Affairs in association with its A+ Industrial Innovative R&D Program. The first installment of the government subsidy of $3,250 was transferred into a special account in December 2022 and was recorded as “other current liabilities”, which will be transferred in profit or loss upon the occurrence of expenses associated with the implementation of the program. In 2022, the Group recorded a government subsidy income of $2,535.

(XXVI) Other Gain and Losses

	2022	2021
Loss on disposal and retirement of property, plant and equipment	($ 243)	($ 7,950)
Gain (loss) on foreign exchange, net	438,559	(98,872)
Net gains (loss) from financial assets and liabilities at fair value	6,512	1,857
through profit or loss	( )	
Loss on impairments(Note)	-	(42,407)
Others	28,485	24,735
	$ 460,289	($ 122,637)

Note: Please refer to Note VI(VIII) for detailed explanation.

(XXVII) Financial Cost

	2022	2021
Interest expense	$ 42,553	$ 28,391
Interest on lease liabilities	8,368	-
Amortization of corporate bond discount	8,663	-
Other financing costs	157	187
	$ 59,741	$ 28,578

(XXVIII) Additional Information in relation to Expenses

	2022	2021
Employee benefits expense	$ 4,095,044	$ 3,325,906
Depreciation expenses	638,409	523,384
Amortization expenses	66,602	25,256

(XXIX) Employee Benefit Expenses

	2022	2021
Salary and wages	$ 3,550,508	$ 2,850,263
Labor and health insurance premiums	222,418	179,470
Pension expense	137,097	119,923
Remuneration to directors	15,580	12,700
Other personnel cost	169,441	163,550
	$ 4,095,044	$ 3,325,906

1. The Articles of Incorporation requires that the Company allocate no less than one percent (1%) of its annual earnings as employee compensation, and no greater than five percent (5%) of its annual earnings as remuneration for directors and supervisors. However, if the Company still has an accumulated deficit, the earnings should be used to make up the loss.
2. In the year of 2022 and 2021, the Company recognized compensation to employees in the accrued amounts equal to $128,650 and $80,090 respectively; remuneration to directors and supervisors in the accrued amounts equal to $10,400 and $11,600 in 2022 and 2021 respectively, and the above mentioned amounts were presented under payroll expense.

   The amounts for the year of 2022 were estimated at certain percentages based on the profits earned by the end of the period.

   The amounts of compensation to employees and remuneration to directors and supervisors for 2021 that had been resolved by the Board of Directors are the same as the amounts stated on the 2021 financial statements. The above-mentioned employee compensation was distributed in cash. Compensation to employees in 2021 have not yet fully distributed.

   Information about employee compensation and remuneration to directors and supervisors approved by the Board of Directors is available on the Market Observation Post System.

(XXX) <u>Income Tax</u>

1. Income tax expense

(1) Components of income tax expenses:

	2022	2021
Current income tax:		
Income tax arising from the current period	$ 668,348	$ 382,696
Underestimation (overestimation) of income taxes in prior year	2,336	(47,199)
Total current income tax	690,684	335,497
Deferred income tax:		
Originating and reversed temporary differences	53,681	34,236
Income tax expense	$ 744,365	$ 369,733

(2) Income tax amount associated with other comprehensive income

	2022	2021
Re-measurement of defined benefit obligation	$ 1,399	($ 476)

2. Relations between income tax expense and accounting profits

	2022	2021
Income tax calculated by applying the statutory tax rate to net income before tax	$ 812,381	$ 454,151
Tax exempted income pursuant to the taxation law	(1,052)	(1,230)
Effects from items prohibited from being recognized by laws and regulations	(62,868)	(30,542)
Overestimation of prior year's income taxes	2,336	(47,199)
Effect of investment tax credit	(6,432)	(5,447)
Income tax expense	$ 744,365	$ 369,733

3. Deferred income tax assets or liabilities arising from temporary differences and tax losses are stated as follows:

	2022				
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	Net exchang difference	December 31
Temporary differences:					
Deferred income tax assets:					
Inventory valuation & obsolescence loss	$ 12,105	($ 2,672)	$ -	$ 140	$ 9,573
Pensions	14,669	(327)	(1,399)	-	12,943
Difference between financial and book depreciation	15,435	1,702	-	345	17,482
Unrealized exchange losses	1,542	11,903	-	-	13,445
Others	21,603	14,447	-	149	36,199
	65,354	25,053	(1,399)	634	89,642
Deferred income tax liabilities:					
Differences in investment gains or losses recognized	(152,945)	(78,636)	-	-	(231,581)
Liability of land value increment tax	(11,598)	-	-	-	(11,598)
Others	(317)	(98)	-	-	(415)
	(164,860)	(78,734)	-	-	(243,594)
	($ 99,506)	($ 53,681)	($ 1,399)	$ 634	($ 153,952)

	2021				
	January 1	Recognize d in profit or loss	Recognized in other comprehens ve income	Net exchange difference	December 31
Temporary differences:					
Deferred income tax assets:					
Inventory valuation & obsolescence loss	$ 13,821	($ 1,681)	$ -	($ 35)	$ 12,105
Pensions	16,410	(2,217)	476	-	14,669
Difference between financial and book depreciation	16,626	(1,103)	-	(88)	15,435
Unrealized exchange losses	10,939	(9,397)	-	-	1,542
Others	14,386	7,237	-	(20)	21,603
	72,182	(7,161)	476	(143)	65,354
Deferred income tax liabilities:					
Differences in investment gains or losses recognized	(125,851)	(27,094)	-	-	(152,945)
Liability of land value increment tax	(11,598)	-	-	-	(11,598)
Others	(336)	19	-	-	(317)
	(137,785)	(27,075)	-	-	(164,860)
	($ 65,603)	($ 34,236)	$ 476	($ 143)	($ 99,506)

4. The profit-seeking enterprise income tax of the Company is approved by the taxation authority through 2020.

(XXXI) Earnings Per Share

	2022		
	After-tax amount	Weighted average number of outstanding shares (thousand shares)	Earnings per share ($1)
Basic earnings per share			
Net income attributable to common shares shareholders of the parent company	$ 2,240,780	132,419	$ 16.92
Diluted earnings per share			
Net income attributable to common shares shareholders of the parent company	$ 2,240,780	132,419	
Effect of potentially dilutive common stocks			
Convertible bonds	5,602	4,731	
Employee remuneration	-	1,500	
Profit attributable to ordinary shareholders of the parent company plus potential effect on common stocks	$ 2,246,382	138,650	$ 16.20

	2021		
	After-tax amount	Weighted average number of outstanding shares (thousand shares)	Earnings per share ($1)
Basic earnings per share			
Net income attributable to common shares shareholders of the parent company	$ 1,347,465	134,654	$ 10.01
Diluted earnings per share			
Net income attributable to common shares shareholders of the parent company	$ 1,347,465	134,654	
Effect of potentially dilutive common stocks			
Employee remuneration	-	1,214	
Profit attributable to ordinary shareholders of the parent company plus potential effect on common stocks	$ 1,347,465	135,868	$ 9.92

(XXXII) Supplemental Information regarding Cash Flows

1. Investing activities with partial cash payment:

	2022	2021
Acquisition of property, plant and equipment	$ 756,580	$ 925,680
Add: Equipment payable, beginning of period (recognized in other payable)	62,948	67,631
Less: Equipment payable, end of period (recognized in other payable)	(108,156)	(62,948)
Amount paid in cash - current period	$ 711,372	$ 930,363

2. Investing and financing activities that do not affect cash flows:

	2022	2021
Equipment prepayments transferred to property, plant and equipment	$ 433,277	$ 40,756
Reclassification of property, plant and equipment to other non-current assets	$ 2,014	$ 1,749
Reclassification of property, plant and equipment to expense	$ 1,377	$ 1,002
Reclassification of property, plant, and equipment to intangible assets	$ 150	$ -

(XXX) Changes in Liabilities from financing activities

	Short-term loans	Corporate bonds payable	Long-term loans (including 1-year due)	Lease liabilities	Total financing liabilities
January 1, 2022	$ 1,901,873	$ -	$ 236,874	$ 559,328	$ 2,698,075
Changes in financing cash flows	(471,216)	1,530,661	(128,480)	(61,436)	869,529
Effect of exchange rate changes	85,310	-	-	544	85,854
Other non-cash changes	-	(244,014)	(661)	131,222	(113,453)
December 31,2022	$ 1,515,967	$ 1,286,647	$ 107,733	$ 629,658	$ 3,540,005

	Short-term loans	Long-term loans (including 1-year due)	Lease liabilities	Total financing liabilities
January 1, 2021	$ 1,016,201	$ 305,455	$ 680,605	$ 2,002,261
Changes in financing cash flows	898,219	(68,312)	(128,438)	701,469
Effect of exchange rate changes	(12,547)	-	(1,418)	(13,965)
Other non-cash changes	-	(269)	8,579	8,310
December 31, 2021	$ 1,901,873	$ 236,874	$ 559,328	$ 2,698,075

VII. Related-Party Transactions

(I) Name and relationship of related party

Name of related party	Relationship with the Group
Munich Composites GmbH	Associates of the Group
Maya Metal Technology Co., Ltd. (hereinafter “Maya Metal”)	Associates of the Group

(II) Important transactions with related party

1. Purchases

	2022	2021
Merchandise purchase:		
Maya Metal	$ 22,688	$ -

The Group's purchase price with the related parties is negotiated by both parties with reference to market conditions, and the payment terms are not significantly different from those of non-related parties.

2. Transaction amount with related party

	December 31, 2022	December 31, 2021
Accounts Payable		
Maya Metal	$ 6,895	$ -

The amount payable to related parties mainly comes from the purchase of materials, and the payment terms are 45 days after acceptance in monthly settlement, and there is no interest payment on the payable amount.

3. Operating expense - R&D expenses

	December 31, 2022	December 31, 2021
Munich Composites GmbH	$ 27,936	$ 29,959

(III) Information about remunerations paid to major management

	December 31, 2022	December 31, 2021
Salary and other employee benefits	$ 97,912	$ 65,995

VIII. Pledged assets

Assets pledged as collateral by the Group are enumerated as follows:

	Carrying amount		
Assets	December 31, 2022	December 31, 2021	Guarantee Use
Demand deposit (presented as "financial asset at amortized cost)	$ 8,132	$ 5,048	Long-term loans and credit facility guarantee
Land	125,648	125,648	Short-term loans
Housing and structures	220,905	235,171	Long and Short-term loans and credit facility guarantee
Machinery equipment	79,872	168,813	Long-term loans and credit facility guarantee
Other equipment	1,758	3,796	Long-term loans and credit facility guarantee
Pledged time deposit (presented as "other no-current assets-others")	7,963	31,563	Lease deposit, others
	$ 444,278	$ 570,039	

IX. Significant Contingent Liabilities and Unrecognized Contractual Commitments

(I) Contingency

None.

(II) Commitments

1. Balance of outstanding letter of credit

	December 31, 2022	December 31, 2021
Raw materials imported	$ 75,755	$ 114,370

2. Capital expenditures committed but yet to incur

	December 31, 2022	December 31, 2021
Property, plant and equipment	$ 239,122	$ 1,077,760

3. Operating lease agreement

   Please refer to explanations on Note VI(X).

4. The Group signed a partnership agreement with Taishin Health Investment Ltd. on August 31, 2021 to establish a limited partnership of Taishin Health. The purpose is to invest in domestic and foreign biotechnology and pharmaceutical industries with development potential. The group promised to invest in $55,000 according to the agreement. As of December 31, 2022, the Group has invested $21,586.

X. Significant Losses from Disasters

None.

XI. Significant Subsequent Events

(I) On February 23, 2023, the board of directors proposed and approved the 2022 earnings distribution plan. Please refer to Note VI(XXI) for explanations.

(II) On February 23, 2023, the board of directors resolved to set the record date for the issuance of new shares upon the conversion of the convertible bonds of the Company’s 3rd domestic unsecured convertible bond. Please refer to Note VI (XIX) for explanations.

XII. Others

(I) Capital management

The objective of the Group’s capital management is to ensure that the Group can continue as a going concern, that an optimal capital structure is maintained to lower the cost of capital, and that rewards are provided to shareholders. To sustain or adjust the capital structure, the Group might adjust dividends paid to shareholders, refund capital to shareholders, or issue new shares or dispose of assets in order to lower its debt. The Group monitors its capital by looking at the debt-to-capital ratio, which is calculated by dividing the total debt by the total capital.

The Group's strategies employed for 2022 were the same as those for 2021, i.e., striving to strike a balance for the overall capital structure. The Group's debt-to-capital ratios as at December 31, 2022 and 2021 are stated below:

	December 31, 2022	December 31, 2021
Total debt	$ 9,080,299	$ 7,378,524
Total capital	$ 16,817,395	$ 13,031,007
Debt-to-Capital ratio	54	57

(II) Financial instruments

1. Type of financial instruments

	December 31, 2022	December 31, 2021
Financial assets		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	$ 29,485	$ 139
Financial assets at fair value through other comprehensive income		
Election of the designated equity instrument investment	55	55
Financial assets measured at amortized cost		
Cash and cash equivalents	2,291,800	833,023
Financial assets measured at amortized cost	29,418	287,183
Notes receivable	5,983	9,567
Accounts receivable	5,043,280	4,132,586
Other receivables	48,440	17,169
Refundable deposits	29,825	51,574
	$ 7,478,286	$ 5,331,296

	December 31, 2022	December 31, 2021
Financial liabilities		
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	$ 417	$ -
Financial liabilities measured at amortized cost		
Short-term loans	1,515,967	1,901,873
Notes payable	1,622	3,821
Accounts payable	2,230,307	2,088,622
Other payable	2,246,177	1,874,926
Long-term loans (including with 1-year due)	107,733	236,874
Corporate bond payable	1,286,647	-
Deposits received	689	632
	$ 7,389,559	$ 6,106,748
Lease liabilities (including non-current)	$ 629,658	$ 559,328

2. Risk management policy

(1) The Group’s daily operations are affected by various financial risks, e.g. market risks (including exchange rate risk, interest rate risk and price risk), credit risk and liquidity risk. The Group’s overall risk management policy focuses on unpredictable matters on the financial markets, seeking to lower the potential adverse effects on the Group’s performance.

(2) Risk management is carried out by the Group’s finance department in compliance with relevant policies. Through cooperation with the Group's operating units, the finance department is responsible for identifying, evaluating and hedging financial risks. With respect to the overall risk management, the Group has established principles in writing, as well as policies in writing concerning specified scope and matters, e.g. exchange risk, credit risk, utilization of derivatives and non-derivatives, and investment of residual working capital.

3. The nature and degree of significant financial risk

(1) Market Risk

Foreign exchange rate risk

A. Since the Group operates in different countries, it is subject to foreign exchange risk arising from various currencies, mainly USD, RMB, and EURO among others. The foreign exchange rate risk mainly comes from future business transactions, recognized assets and liabilities, and net investment in foreign operations.

B. The management has set up a policy to require the Company to manage their foreign exchange risk against their functional currency. The Company is required to hedge the risk based on the overall foreign exchange risks through the finance department. To manage the foreign exchange risk arising from future business transactions, as well as recognized assets and liabilities, the Company's finance department uses forward foreign exchange contracts. When future commercial transactions, as well as recognized assets or liabilities are calculated in a foreign currency other than the functional currency of the entity, exchange rate risk may arise.

C. The Group's business involves the use of various non-functional currencies (the Company and partial subsidiaries' functional currency is NTD, whereas some subsidiaries' functional currency is RMB), it is subject to effects arising from currency exchange rate fluctuations. Assets and liabilities that are denominated in foreign currencies and significantly affected by changes in exchange rates are stated as below:

	December 31, 2022		
	Foreign currency (in thousands)	Exchange rate	Carrying amount (NTD)
(Foreign currency: Functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 199,761	30.71	$ 6,134, 660
USD:RMB	45,290	6.9026	1,390,856
Financial liabilities			
Monetary items			
USD:NTD	63,065	30.71	$ 1,936,726
USD:RMB	26,519	6.9026	814,398

	December 31, 2021		
	Foreign currency (in thousands)	Exchange rate	Carrying amount (NTD)
(Foreign currency: Functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 170,550	27.68	$ 4,720,816
USD:RMB	54,289	6.3565	1,502,726
Financial liabilities			
Monetary items			
USD:NTD	83,215	27.68	2,303,391
USD:RMB	45,878	6.3565	1,269,903

D. The monetary items of the Group are significantly affected by currency fluctuations; for the years of 2022 and 2021, the Group recognized total exchange gain (loss) of $438,559 and ($98,872) respectively.

E. The analysis on the Group’s foreign currency market risk due to significant currency rate fluctuations is listed as below:

	2022		
	Sensitivity analysis		
	Range of change	Effects on profit or loss	Effects on other comprehensive income
(Foreign currency: Functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 61,347	$ -
USD:RMB	1%	13,909	-
Financial liabilities			
Monetary items			
USD:NTD	1%	19,367	-
USD:RMB	1%	8,144	-

	2021		
	Sensitivity analysis		
(Foreign currency: Functional currency)	Range of change	Effects on profit or loss	Effects on other comprehensive income
Financial assets			
Monetary items			
USD:NTD	1%	$ 47,208	$ -
USD:RMB	1%	15,027	-
Financial liabilities			
Monetary items			
USD:NTD	1%	23,034	-
USD:RMB	1%	12,699	-

Price Risk

The Group is not exposed to price risks from products.

Cash Flow Interest Rate Risk and Fair Value Interest Rate Risk

A. The Group's interest rate risk mainly comes from the issuance of short-term and long-term loans with floating interest rates that have resulted in the exposures to cash flow interest rate risks. For the years of 2022 and 2021, the Group's issuance of short-term and long-term loans with floating interest rates was mainly denominated in New Taiwan Dollars.

B. If the borrowing interest rate of NTD increases or decreases by 0.25%, holding other variables constant, the net income after tax for the years of 2022 and 2021 will decrease or increase by $3,062 and $1,923, respectively, primarily due to changes in interest expense incurred by borrowings with floating interest rates.

(2) Credit Risk

Credit risk refers to the risk of financial loss to the Group arising from default by customers or counter-parties of financial instruments on the contract obligations. The internal risk control assesses customers’ credit quality by taking into account their financial position, historical experience, and other factors.

Cash and cash equivalents and financial derivatives

Required by the transaction policy adopted, the Group trades only with counter-parties having good credit ratings, and so there hasn’t been any default on cash and cash equivalents or financial derivatives.

Accounts receivable

A. The Group has established a specific internal credit policy, which requires entities within the Group to manage and conduct credit analysis on every new customer before stipulating the terms and conditions for payments and delivery. The internal risk control assesses customers' credit quality by taking into account their financial position, historical experience, and other factors.

B. The Group adopts the presumption that the credit risk of a financial asset is deemed significantly increased since initial recognition when contractual payments are more than 90 days past due, and that a default is deemed to have occurred when the contractual payments are more than 180 days past due.

C. The Group's accounts receivables are due from ordinary enterprises. The Group assesses the credit quality of an individual customer by type by taking into account such customer's financial position, historical transaction records, and current economic status, and estimates the expected credit losses on the basis of the provision matrix using the simplified approach.

D. After the recourse process, the Group writes off the financial asset to the extent of the recovery amount that can not be reasonably expected; nonetheless, the Group will keep legal recourse to secure its creditor's rights.

E. Expected credit losses on the Company's accounts receivable as of December 31, 2022 and 2021 are as follows:

		Over due						
	Not overdue	Within 30 days	31 to 60 days	61 to 90 days	91 to 120 days	121 to 150 days	151 to 180 days	Over 180 days
December 31, 2022	0.00%~ 0.01%	0.04%~ 0.22%	0.04%~ 1.49%	0.08%~ 3.56%	0.38%~ 7.03%	3.72%~ 26.01%	22.31%~ 51.78%	100%
December 31, 2021	0.00%~ 0.02%	0.02%~ 0.23%	0.02%~ 1.94%	0.04%~ 4.77%	0.19%~ 10.32%	1.86%~ 34.37%	22.31%~ 67.99%	100%

The Group's balance of accounts overdue for 31 days and more as of December 31, 2022 and 2021 accounted for approximately 0.25% and 1.24 % of the total amount respectively.

F. Changes in loss allowance for notes receivable and accounts receivable using the simplified approach are stated as follow

	2022	
	Notes receivable	Accounts receivable
January 1	$ -	$ 2,176
Reversal of impairment loss	-	1,872
December 31	$ -	$ 4,048

	2021	
	Notes receivable	Accounts receivable
January 1	$ -	$ 1,807
Provision of impairment loss	-	369
December 31	$ -	$ 2,176

(3) Liquidity Risk

A. Cash flows forecasting is carried out by the Group's Office of Finance and Accounting in order to ensure that sufficient funds are readily available, both for the operating needs and for the unused loan commitments.

B. The Group’s remaining cash in excess of its operating needs is invested in demand deposits bearing interests, time deposits, bonds sold under repurchase agreements, and marketable securities, all of which are instruments either with appropriate maturity or with sufficient liquidity so as to satisfy the said forecasting and provide sufficient position for dispatching of funds. As of December 31, 2022 and 2021, the Group had a money market position in the amounts equal to $2,290,658 and $832,128 respectively.

C. The table below shows an analysis of the non-derivative financial liabilities held by the Group with defined repayment terms based on maturity dates and un-discounted payment at maturity:

	December 31, 2022		
	Less than 1 year	1-2 years	Over 2 years
Non-derivative financial liabilities:			
Short-term loans	$ 1,537,133	$ -	$ -
Notes payable	1,622	-	-
Accounts payable	2,230,307	-	-
Other payable	2,246,177	-	-
Lease liabilities (including non-current)	65,862	55,244	681,615
Long-term loans	30,604	35,887	47,431
Corporate bond payable	-	-	1,347,700
Derivative financial liabilities:			
Forward foreign exchange contracts	417	-	-

	December 31, 2021		
	Less than 1 year	1-2 years	Over 2 years
Non-derivative financial liabilities:			
Short-term loans	$ 1,907,718	$ -	$ -
Notes payable	3,821	-	-
Accounts payable	2,088,622	-	-
Other payable	1,874,926	-	-
Lease liabilities (including non-current)	35,619	24,759	577,775
Long-term loans	101,332	69,489	69,937
Derivative financial liabilities: None			

D. Up until December 31, 2021, principals of long-term loans that is “due within 1 year”, “due in 1~2 years” and “due at more than 2 years” were totaled $200,907 (excluding a total interest of $3,342). The Group has continually paid off principals and interests that are totaled to the amount of $215,249 ahead of time in October 2022. In addition, the Group does not expect a maturity analysis of which the cash flows timing would be significantly earlier, or the actual amount would be significantly different.

(III) About Fair Value

1. Below states the definition of different levels of valuation techniques used to measure the fair value of financial and non-financial instruments:

   Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

   Level 2: Assets or liabilities' direct or indirect observable input value, however, this does not include the quoted price as stated in Level 1. The fair value of the Group's investment in derivatives is all Level 2 inputs.

   Level 3: Un-observable inputs of assets or liability. The Group's investment in privately offered fund, hybrid instruments, convertible bond's redemption rights, and equity instruments in non-active markets are all Level 3 inputs.

2. Financial instrument not measured at fair value

   The carrying amount of the group's financial instruments, including cash and cash equivalents, financial assets measured at amortized cost, notes receivable, accounts receivable, other receivables, refundable deposit, short-term loan, notes payable, accounts payable, other payable, lease liabilities, long-term loans (including those due within 1 year), and guarantee deposit received, are reasonable approximation of fair value.

	December 31, 2022			
	Carrying value	Level I	Level II	Level III
Financial Liabilities				
Corporate bond payable	$ 1,286,647	$ -	$ 1,295,207	$ -

   On December 31, 2021: None.

   Binomial tree model is used to assess the fair value of above convertible bonds.

3. For financial instruments measured at fair value, the Group carries out basic classification based on the nature of assets and liabilities, character risk and the defined level of fair value, and summarizes the information as below:

   (1) Classified by nature of assets or liabilities:

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets at fair value through profit or loss				
Redemption right of convertible bonds	$ -	$ -	$ 2,641	$ 2,641
Privately offered funds	-	-	19,448	19,448
Convertible bond contracts	-	-	7,396	7,396
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	1,009	1,009
	$ -	$ -	$ 30,494	$ 30,494
Liabilities				
Recurring fair value				
Financial liabilities at fair value through profit or loss				
Forward foreign exchange contracts	$ -	$ 417	$ -	$ 417

December 31, 2021	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets at fair value through profit or loss				
Forward foreign exchange contract	$ -	$ 139	$ -	$ 139
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	1,009	1,009
	$ -	$ 139	$ 1,009	$ 1,148

(2) Methods and assumptions adopted by the Group for measurement of fair value are stated as follows:

A. The fair value of equity instruments without active market transactions (such as shares of non-listed companies) is estimated using the market method, which is based on the price and other relevant information generated by the market transactions of the same or comparable company equity instruments (such as the discount factor of lacking of liquidity, or input values like stock market's price-to-earnings ratio or price-to-book value ratio) to estimate the fair value. In addition, for equity instruments that lack sufficient or appropriate observable market information and comparable objects, the Group adopts the net asset value method to have a better view on the current profitability of the investment target.

B. The evaluation of derivative financial instruments is based on evaluation models widely accepted by market users, such as discount method and option pricing model. Forward foreign exchange contracts are usually evaluated based on the current forward exchange rate.

C. Please refer to Note XII(III)7 for explanation of the impact of non-market observable parameters on the evaluation of financial instruments.

4. There were no transfer between Level 1 and Level 2 of the fair value hierarchy for the periods in the years of 2022 and 2021.

5. The following table shows the Level 3 changes in the year of 2022.

	2022				
	Privately offered fund	Hybrid instrument	Derivative instrument	Equity Securities	Total
January 1	$ -	$ -	$ -	$ 55	$ 55
Invest - current	21,586	7,396	-	-	28,982
Issue - current	-	-	1,700	-	1,700
Conversion -current	-	-	(273)	-	(273)
Loss recognized in profit or loss					
Recorded as non-operating profit and loss	(2,138)	-	1,214	-	(924)
December 31	$ 19,448	$ 7,396	$ 2,641	$ 55	$ 29,540

	2021				
	Privately offered fund	Hybrid instrument	Derivative instrument	Equity Securities	Total
January 1 (and December 31)	$ -	$ -	$ -	$ 55	$ 55

6. Valuation process regarding the fair value of Level 3 is conducted by the Group's finance department, by which the independence of fair value of financial instruments is verified through the use of independent data source in order that such valuation results are close to market conditions, and that the data source is independent, reliable, consistent with other resources, and representative of the exercisable price. In addition, multiple actions are regularly taken to ensure the reasonableness of the fair value valuation, e.g., calibrating the valuation model, conducting retrospective testing, updating the inputs and data for the valuation model, and making any necessary fair value adjustments.
7. Below states the quantitative information about the significant unobservable inputs of the valuation model used in the measurements categorized within Level 3 of the fair value hierarchy, as well as the sensitivity analysis of changes in significant unobservable inputs:

	December 31, 2022 Fair Value	Valuation technique(s)	Significant unobservable inputs	Interval (weighted-average)	Relations between input value and fair value
Derivative instrument:					
Convertible bond embedded option	$ 2,641	Binomial tree model	Volatility	33.91%~45.30%	Higher volatility higher fair value
Non-derivative equity instruments:					
Shares of venture capital company	1,009	Net asset value method	Not applicable	Not applicable	Not applicable
Privately offered fund	19,448	Net asset value method	Not applicable	Not applicable	Not applicable
Hybrid instrument:					
Contract of convertible bond	7,396	Discount cash flow method	Discount rate	Note applicable	Higher discount rate lower fair value

	December 31, 2021 Fair Value	Valuation technique(s)	Significant unobservable inputs	Interval (weighted-average)	Relations between input value and fair value
Non-derivative equity instruments:					
Shares of venture capital company	$ 1,009	Net asset value method	Not applicable	Not applicable	Not applicable

8. The Group elects to adopt the valuation model and valuation parameters through cautious assessment. Nonetheless, using different valuation models or valuation parameters may lead to different valuation results. For financial assets categorized as Level 3 of the fair value hierarchy, changes in valuation parameters will not have a significant influence on either profit or loss or other comprehensive income.

(IV) Other Matters

The Group's major customers are in the United States and Japan, and the products are mainly outdoor recreational and sporting goods and composite materials used for 3C products which can keep appropriate social distance. The Group has complied with the disease control guidelines of the Ministry of Health and Welfare and instructions by the local government in various regions. It was assessed that the Group's operations and financial performance were not affected by the COVID-19 pandemic.

XIII. Additional Disclosures

(I) Information about significant transaction

1. Loans to Others: None.
2. Endorsements and Guarantees: None.
3. Marketable Securities Held at the End of the Period (Excluding Investment in Subsidiaries, Associates and Joint Ventures): Please refer to Table 1.
4. The Aggregate Trading Value on the Same Securities (Including Purchase and Sales) Reaching NT$300 Million or Exceeding 20% of the Paid-in Capital: None.
5. Acquisition of Property Amounting to at Least NT$300 Million or Exceeding 20% of Paid-in Capital: None.
6. Disposal of Property Amounting to at Least NT$300 Million or Exceeding 20% of Paid-in Capital: None.
7. Purchases from and Sales to Related Parties Amounting to at Least NT$100 Million or Exceeding 20% of Paid-in Capital: Please refer to Table 2.
8. Receivables from Related Parties Amounting to at Least NT$100 Million or Exceeding 20% of Paid-in Capital: Please refer to Table 3.
9. Engagement in Derivatives Transactions: Please refer to Notes VI(II) and XII(III).
10. Parent-Subsidiary and Subsidiary-Subsidiary Business Relations and Significant Transactions and Amounts Thereof: Please refer to Table 4.

(II) Information about reinvestment

Name, Location, and Information on Investee Companies (Excluding Investee Companies in China): Please refer to Table 5

(III) Information about Mainland China Investment

1. Basic Information: Please refer to Table 6.
2. Significant Transactions between the Company and Investees in Mainland China Directly or Indirectly through Entities in a Third Area: Please refer to Table 7.

(IV) Information of major shareholders

Please refer to Table 8.

XIV. Segment Information

(I) General Information

The Group is primarily engaged in the manufacturing of consumer products for prestigious brands around the world. The chief operating decision-makers conduct performance evaluation and resources allocation based on the operating profit (loss) of the Division of Consumer Products. According to the requirements as set forth in IFRS 8, the Group is a single reportable segment.

(II) Measurement of Segment Information

The Group evaluates the performance of an operating segment by examining the profit before tax of a continuing operation. Such measurement standard precludes the effects from non-recurring expenses of an operating segment. Management of interest income and expenses is not authorized to the operating segments but assigned to the Group's finance department that is responsible for the management of the status of cash.

(III) Information on Segment Profit or Loss, Assets, and Liabilities

The reportable segment information provided to the chief operating decision-makers is the financial statements prepared in accordance with the International Financial Reporting Standards (IFRSs).

(IV) Reconciliation of Segment Profit or Loss

The measurement method used for revenue reported to the chief operating decision makers is the same as that used for revenue as stated on the statement of comprehensive income. The measurement method used for total amount of assets and liabilities reported to the chief operating decision makers is the same as that used for the total amount of assets and liabilities stated on the financial statements.

(V) Information by Products and Services

Revenue from external customers is mainly derived from the manufacturing of consumer products.

(VI) Geographical Information

Geographical information for years ended December 31, 2022 and 2021 is as follows:

	2022		2021	
	Revenue	Non-current assets	Revenue	Non-current assets
Americas	$ 15,026,056	$ -	$ 11,775,292	$ -
Asia	5,529,032	4,870,921	4,674,320	4,103,655
Others	867,697	-	458,412	-
	$ 21,422,785	$ 4,870,921	$ 16,908,024	$ 4,103,655

Non-current assets comprise property, plant and equipment (PP&E), right-of-use asset, intangible assets, prepayments for business facilities, and other non-current assets, excluding refundable deposits.

(VII) Information on Major Customers

The Group’s major customers for the years ended December 31, 2022 and 2021 are as follows:

	2022		2021	
	Revenue	% in Net Sales	Revenue	% in Net Sales
Customer 10986	$ 7,829,404	37	$ 6,217,036	37
Customer 10008	5,185,939	24	4,054,521	24
	$ 13,015,344	61	$ 10,271,557	61

Advanced International Multitech Co., Ltd. and Subsidiaries

Marketable Securities Held at the End of the Period (Excluding Investment in Subsidiaries, Associates and Joint Ventures)

January 1 to December 31, 2022

Table 1

Unit: In Thousands of New Taiwan Dollars

(Unless Otherwise Specified)

Investor	Type and Name of Securities	Relationship with the issuer	General Ledger Account	End of the period				Note
				Number of shares	Carrying amount	Shareholding ratio	Fair value	
Advanced International Multitech Co., Ltd.	Taishin Health LLP	None	Financial assets at fair value through profit or loss - non-current	-	$ 19,448	8.46%	$ 19,448	
Advanced International Multitech Co., Ltd.	Hua Nan Venture Capital Co., Ltd.	None	Financial asset at fair value through other comprehensive income - non-current	57,438	55	10.60%	1,009	

Advanced International Multitech Co., Ltd. and Subsidiaries

Purchases from and Sales to Related Parties Amounting to at Least $100 Million or Exceeding 20% of Paid-in Capital

January 1 to December 31, 2022

Table 2

Unit: In Thousands of New Taiwan Dollars

(Unless Otherwise Specified)

			Transaction Details				Situation and reason of why trading conditions are different from general trading		Notes or accounts receivable (payable)		
Name of company	Name of the counterparty	Relationship	Purchase (sale)	Amount	Ratio to total purchase (sales) (%)	Loan period	Unit Price	Loan period	Balance	Ratio on total notes and accounts receivables (payable)	Note
Advanced International Multitech Co., Ltd.	Advanced Sporting Goods (Dongguan) Co., Ltd.	Second-tier subsidiary	Purchase	$ 10,036,034	72%	Note 1	Note 1	Note 1	($ 1,376,834)	77%	Note 2
Advanced International Multitech Co., Ltd.	Advanced International Multitech (VN) Corporation Ltd.	Subsidiary	Purchase	3,772,391	27%	Note 1	Note 1	Note 1	(296,241)	17%	Note 2
Advanced Sporting Goods (Dongguan) Co., Ltd.	Advanced International Multitech Co., Ltd.	Ultimate parent company	Sale	(10,036,034)	100%	Note 3	Note 3	Note 3	1,376,834	100%	
Advanced International Multitech (VN) Corporation Ltd.	Advanced International Multitech Co., Ltd.	Parent company	Sale	(3,772,391)	100%	Note 3	Note 3	Note 3	296,241	100%	

Note 1: The prices and terms of payment of the Company’s purchases from Advanced Sporting Goods (Dongguan) Co., Ltd. and Advanced International Multitech (VN) Corporation Ltd. were agreed by both parties and were not comparable to the normal transactions as there were no transactions of similar products.

Note 2: The purchase (sales) amount comprises the sales revenue (sales of raw materials and work-in-progress) and operating costs (purchase of goods) arising from the Company’s sales to its subsidiaries and sub-subsidiaries, that's about processing of removal materials, offset by $1,557,517 for the period between January 1 to December 31, 2022.

Note 3: The price and collection terms of the company’s sales to Advanced International Multitech Co., Ltd. were agreed by both parties, which were not comparable to normal transactions as there were no similar counterparties or products.

Advanced International Multitech Co., Ltd. and Subsidiaries

Receivables from Related Parties Amounting to at Least NT$100 Million or Exceeding 20% of Paid-in Capital
January 1 to December 31, 2022

Table 3

Unit: In Thousands of New Taiwan Dollars
(Unless Otherwise Specified)

Name of company	Name of the counterparty	Relationship	Balance of receivables from related parties	Turnover rates	Overdue receivables from related parties		Amounts of receivables from related parties received in subsequent period	Allowance for doubtful accounts	Note
					Amount	Action taken			
Advanced Sporting Goods (Dongguan) Co., Ltd.	Advanced International Multitech Co., Ltd.	Ultimate parent company	$ 1,376,834	6.11	$ -	-	$ 1,002,700	$ -	
Advanced International Multitech (VN) Corporation Ltd.	Advanced International Multitech Co., Ltd.	Parent company	296,241	12.58	-	-	124,665	-	

Advanced International Multitech Co., Ltd. and Subsidiaries

Parent-subsidiary and Subsidiary-subsidiary Business Relations and Significant Transactions and Amounts Thereof

January 1 to December 31, 2022

Table 4

Unit: In Thousands of New Taiwan Dollars
(Unless Otherwise Specified)

No. (Note1)	Name of the company	Name of the transaction counterparty	Relationship with counterparty (Note2)	Conditions of transactions			
				General ledger account	Amount	Transaction terms	Ratio to consolidated total revenue or total assets (%)
0	Advanced International Multitech Co., Ltd.	Advanced Sporting Goods (Dongguan) Co., Ltd.	1	Purchase	$ 10,036,034	According to the agreement between both parties	47%
0	Advanced International Multitech Co., Ltd.	Advanced Sporting Goods (Dongguan) Co., Ltd.	1	Account payable	1,376,834	According to the agreement between both parties	8%
0	Advanced International Multitech Co., Ltd.	Advanced International Multitech (VN) Corporation Ltd.	1	Purchase	3,772,391	According to the agreement between both parties	18%
0	Advanced International Multitech Co., Ltd.	Advanced International Multitech (VN) Corporation Ltd.	1	Account payable	296,241	According to the agreement between both parties	2%

Note 1: The information of transactions between the Company and the consolidated subsidiaries should be noted in “Number” column as below:

(1) The parent company is coded 0.

(2) The subsidiaries are coded from "1" in the order presented in the table above.

Note 2: Three kinds of relationship with counterparty are as follows:

(1) Parent company to its subsidiary.

(2) Subsidiary to its parent company.

(3) Subsidiary to another subsidiary.

Advanced International Multitech Co., Ltd. and Subsidiaries

Name, Location and Information on Investee Companies (Excluding Investee Companies in Mainland China)

January 1 to December 31, 2022

Table 5

Unit: In Thousands of New Taiwan Dollars

(Unless Otherwise Specified)

Investor	Name of investee company	Location	Primary business	Initial investment amount		Ownership, end of the period			Net profit or loss of the investee company	Investment gain or loss recognized in the period	Note
				End of the period	End of last year	Number of shares	Ownership (%)	Carrying amount			
Advanced International Multitech Co., Ltd.	ADVANCED GROUP INTERNATIONAL (BVI) CO., LTD.	British Virgin Islands	Invest in other regions	$ 149,434	$ 149,434	4,584,815	100	1,013,517	$ 301,669	$ 302,105	Note 1
Advanced International Multitech Co., Ltd.	ADVANCED INTERNATIONAL MULTITECH (VN) CORPORATION LTD.	Vietnam	Engaged in the production and sales of various golf club shafts and heads, golf sets.	447,331	447,331	14,000,000	100	683,108	91,415	91,074	Note 1
Advanced International Multitech Co., Ltd.	Launch Technologies Co., Ltd. (LTC)	Taiwan	Engaged in production of sports products, other plastic products and international trade	266,495	266,495	28,518,424	55.93	886,091	588,731	329,275	
Advanced International Multitech Co., Ltd.	Munich Composites GmbH	Germany	Engage in design, research, development, and production of carbon fiber bicycle wheels and carbon fiber reinforced polymer product	49,212	49,212	21,003	27.27	-	-	-	Note 2
Advanced International Multitech Co., Ltd.	Technology On Prototyping Ultimate Co., Ltd.	Taiwan	Engage in the system integration engineering design services for aerospace, vehicles, national defense, machinery, energy, electronics, medical, materials and process equipment	15,600	-	1,200,000	25.66	15,568	1,455	(32)	
ADVANCED INTERNATIONAL MULTITECH (VN) CORPORATION LTD.	Maya Metal Technology Company Limited	Vietnam	Engage in the OEM production of various golf club shafts and heads, golf set	22,290	-	750,000	30	15,228	(25,251)	(7,575)	

Note 1: The difference between the profit or loss of the investee for the period and the investment profit or loss recognized by the Company is the unrealized gain or loss arising from inter-company transactions.

Note 2: According to IAS36, it is assessed that Munich Composites GmbH has $0 recoverable amount, and there is no siginifcant change during the year.

Advanced International Multitech Co., Ltd. and Subsidiaries

Investment in Mainland China - General Information

January 1 to December 31, 2022

Table 6

Unit: In Thousands of New Taiwan Dollars

(Unless Otherwise Specified)

Investee company	Primary business	Actual Paid-in-capital	Method of investment	Beginning balance of accumulated outflow of investment from Taiwan	Remittance or recovery of investment amount: Remittance	Remittance or recovery of investment amount: Recovery	Ending balance of accumulated outflow of investment from Taiwan	Net profit or loss of investee company	Direct or indirect ownership of the Company (%)	Recognized investment gain or loss for the period	Carrying amount of investment, end period	Ending balance of accumulated inward remittance of investment income	Note
Advanced Group International (BVI) Co.,Ltd.： Advanced Sporting Goods (Dongguan) Co., Ltd.	Engaged in production and sale of carbon fiber prepare materials and sports product	$ 149,446	2	$ 149,434	$ -	$ -	$ 149,434	$ 301,667	100	$ 301,667	$ 1,016,694	$ 948,328	Note 1, Note 2
Advanced Sporting Goods (Dongguan) Co., Ltd.： Baoji Zatech Material Co., Ltd.	Engaged in production of materials	17,796	3	-	-	-	-	1,106	25	276	3,548	-	Note 1, Note 3, Note 4, Note 5

Note 1: Investment methods are classified into the following four categories:
1. Remittance to Mainland China through a third region.
2. Investment in Mainland China company through company invested and established in a third-party region.
3. Investment in Mainland China company through reinvestment in existing company in third-party region.
4. Through other methods.

Note 2: Investment gain or loss recognized in accordance with the financial statements reviewed by the parent company in Taiwan.
Note 3: Investment gain or loss recognized in accordance with the investee company's financial statements.
Note 4: The amount of paid-in capital is converted based on the RMB4,000 thousand using exchange rate of 4.449.
Note 5: Is invested directly by the Compnay's sub-subsidiary, Advanced Sporting Goods (Dongguan) Co., Ltd., in China. The Company does not have actual remittance amount.

Name of company	Accumulated investment remitted from Taiwan to Mainland China at the end of the period	Investment Amounts Authorized by Investment Commission, MOEA	Upper limit on investment authorized by the Investment Commission, M.O.E.A.
Advanced International Multitech Co., Ltd. (Note 6, Note 7, Note 8)	$ 149,434	$ 140,560	$ 4,642,257

Note 6: Accumulated outward remittance from Taiwan to Mainland China at the end of the period is translated at the spot exchange rate of USD4,577 thousand at the time of the remittance.
Note 7: The investment amount approved by the Investment Commission of the Ministry of Economic Affairs is USD4,577 thousand, which is translated using the USD exchange rate of 30.71 at the balance sheet date.
Note 8: According to the quota stipulated in letter No. 09704604680 of the Ministry of Economic Affairs on August 29, 2008.

Advanced International Multitech Co., Ltd. and Subsidiaries

Investments in Mainland China - Significant Transactions between the Company and Investee Companies in Mainland China Directly or Indirectly through Entities in a Third Area

January 1 to December 31, 2022

Table 7

Unit: In Thousands of New Taiwan Dollars

(Unless Otherwise Specified)

	Sales (Purchases)		Property transaction		Account receivable (payable)		Endorsement/guarantee or collateral provided		Financing				
Investee company	Amount	%	Amount	%	Balance	%	Ending balance	Purpose	Maximum balance	Ending balance	Interest rate range	Current interest	Others
Advanced Sporting Goods (Dongguan) Co., Ltd.	($ 10,036,034)	(72%)	$ -	-	($ 1,376,834)	(77%)	$ -	-	$ -	$ -	-	$ -	Note

Note: The purchase (sales) amount comprises the sales revenue (sales of raw materials and work-in-progress) and operating costs (purchase of goods) arising from related processing of the Company's sales to Advanced Sporting Goods (Dongguan) Co., Ltd., that's about processing of removal materials, offset by $1,315,282 for the period between January 1 to December 31, 2022.

Advanced International Multitech Co., Ltd. and Subsidiaries

Information on Major Shareholders

December 31, 2022

Table 8

Name of major shareholders	Shareholding	
	Number of shares	Shareholding ratio
Ming An Investment Co., Ltd.	12,134,838	8.84%

Note: (1) The major shareholders in this table are shareholders holding more than 5% of the common and preference shares that have completed delivery of non-physical registration (incl. treasury shares) on the last business day of each quarter calculated by the Taiwan Depository & Clearing Corporation. However, the share capital recorded in the Company's financial statements and the number of shares actually delivered by the Company without physical registration may differ due to calculation bases.

(2) For the above are shares entrusted by the shareholders, the information thereto shall base on the shares disclosed by the individual trust account of opened by the trustees. For information on shareholders, who declare to be insiders holding more than 10% of shares in accordance with the Securities and Exchange Act and whose shareholdings include their shareholdings plus their delivery of trust and shares with the right to make decisions on trust property, please refer to the Market Observation Post System.