SHIEH YIH MACHINERY INDUSTRY CO.,LTD.

2022 ANNUAL REPORT

Stock Code: 4533

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2022 ANNUAL REPORT

Printed on May 19, 2023

Website of MOPS: https://mops.twse.com.tw

I. Name, title, telephone number, and e-mail address of the spokesman or acting spokesman

Spokesman:
Name: Cheng-Wei Li
Title: Vice President
Tel: 03-3525466
Email: spokesman@seyi.com

Acting spokesperson:
Name: Yu-Po Hsu
Title: Vice President
Tel: 03-3525466
Email: spokesman@seyi.com

II. Address and telephone number of the company's headquarters, branch offices and factories:

Address: No. 446, Nanshang Rd., Guishan Dist., Taoyuan City
Tel: 03-3525466
Fax: 03-3525488

III. Name, address, e-mail address, and telephone number of the agency handling shares transfer:

Name: Stock affairs agency department, Grand Fortune Securities Co., Ltd.
Address: 6th Floor, No. 6, Section 1, Zhongxiao West Road, Zhongzheng District, Taipei City
Website:https://www.gfortune.com.tw
Tel: 02-23711658

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

Name of CPA: Wan-I Liao and Bo-Ren Weng
Accounting Firm: Deloitte & Touche
Address: 20F., No. 100, Songren Rd., Xinyi Dist., Taipei City
Website: https://www.deloitte.com
Tel: 02-27259988

V. Name of any exchanges where the company's securities are traded offshore, and the method by which to access information on said offshore securities: None.

VI. Company's website: https://www.seyi.com

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Chapter One. Letter to Shareholders

Ladies and Gentlemen,

The global economy has been significantly affected by the COVID-19 pandemic, as well as factors such as the Russia-Ukraine war, energy crisis, supply chain disruption, inflation, and the Federal Reserve's interest rate hike, which have once again impacted various industries. The International Monetary Fund's (IMF) annual World Economic Outlook report predicts that the economic growth rate in 2023 will be revised down to 2.7%, the weakest economic growth forecast since the dot-com bubble in 2001, the financial crisis in 2008, and the COVID-19 crisis in 2020. Looking ahead to 2023, the global economy is still deeply affected by inflation, the electronics industry is not destocking as quickly as expected, and the Chinese economy is in decline, with no end in sight for the US-China trade war, making industry development and forecasting even more challenging.

In 2022, the export value of metal forming machine tools in the machine tool industry was $480 million, a slight increase of 0.2% from 2021. In 2022, SEYI's global consolidated revenue was NT$3.549 billion, with a net profit after tax of NT$28.74 million and an earnings per share (EPS) of NT$0.18.

Despite the various challenges posed by the pandemic in 2022, Shieh Yih Machinery continued to focus on developing technology and actively promoted VA/VE value management within its management team, including supply chain, inventory management, and optimizing product portfolio to mitigate the various impacts of the pandemic. In addition, SEYI's green energy product, the servo press, was successfully installed on the production lines of the top three auto component suppliers in Portugal and China, and the servo press product was successfully introduced to world-renowned leading air conditioning brands and Japanese international air conditioning manufacturers in Southeast Asia. Furthermore, SEYI also received orders for a 1,600-ton large servo press in North America, proving that the company's servo products have gained full recognition and support from customers.

To confront extreme changes in the global environment, ESG (environmental, social, and corporate governance)-related actions by companies have gradually become an internationally recognized issue. In addition, governments around the world have set medium to long-term carbon reduction targets, hoping to slow down the phenomenon of global warming. Therefore, in addition to revenue and profit, companies also need to pay more attention to ESG sustainable development issues and take action. In 2022, Shieh Yih Machinery celebrates its 60th anniversary. Looking to the future, the company will continue to promote "double sustainability," not only continuing to develop its stamping business and combining advanced IoT and big data digital technology to enter the smart manufacturing field, leading SEYI towards a hundred-year-old craftsmanship enterprise. At the same time, we are also actively promoting ESG work, responding to the government's 2050 net-zero carbon emissions target, and taking on the responsibility of corporate sustainable development.

60^{th} anniversary for SEYI, grateful for a lifetime! Looking back on our journey, we sincerely thank our shareholders, colleagues, customers, suppliers, and partners for their long-term support. Looking towards the future, facing global competition, and striving towards a centennial enterprise, Shieh Yih Machinery will be more actively attuned to global industry trends, providing stamping technology applications and service capabilities that meet market demand, and continuously enhancing the company's core competence. We are also driving for a balance between the company's economic growth and environmental sustainability!

SHIEH YIH MACHINERY INDUSTRY CO., LTD

Chairman Ya-Hui Kuo

The 2022 results of operating plans are as follows:

I. Operating results for 2022:

(I) Business plan implementation results

Unit: NT$ thousand

Items	2021	2022	Amount increased (decreased)	Increased (decreased) %
Operating Income	3,795,751	3,548,578	(247,173)	(6.51)
Operating profit	5,484	(29,927)	(35,411)	(645.71)
Net income after tax	56,663	28,744	(27,919)	(49.27)

(II) Budget implementation status: The Company has not disclosed its financial estimates for 2022, so budget achievement is not required to be reported.

(III) Financial receipts and expenditures

Unit: NT$ thousand

Items	2021	2022
Beginning balance of cash and cash equivalents	2,440,540	2,330,138
Net cash inflow (outflow) from operating activities	51,658	(57,991)
Net cash inflow (outflow) from investment activities	(151,403)	213,020
Net cash inflow (outflow) from financing activities	32,197	(190,868)
Increase (decrease) in cash and cash equivalents for the period	(110,402)	98,142
Ending balance of cash and cash equivalents	2,330,138	2,428,280

(IV) Profitability analysis

<table>
<tr><th colspan="3">Items</th><th>2021</th><th>2022</th></tr>
<tr><td rowspan="2">Financial structure</td><td colspan="2">Debt to assets ratio %</td><td>61.10</td><td>61.00</td></tr>
<tr><td colspan="2">Ratio of long-term capital to property, plant and equipment</td><td>360.88</td><td>409.71</td></tr>
<tr><td rowspan="6">Profitability</td><td colspan="2">Return on total assets (%)</td><td>1.27</td><td>0.84</td></tr>
<tr><td colspan="2">Return on equity %</td><td>2.38</td><td>1.19</td></tr>
<tr><td rowspan="2">Contribution to paid-in capital Percentage (%)</td><td>Operating profit</td><td>0.35</td><td>(1.89)</td></tr>
<tr><td>Income before tax</td><td>2.93</td><td>5.24</td></tr>
<tr><td colspan="2">Net profit margin (%)</td><td>1.49</td><td>0.81</td></tr>
<tr><td colspan="2">Earnings per share (NT$)</td><td>0.36</td><td>0.18</td></tr>
</table>

(V)Research and Development Status:

In the stamping equipment industry, the application of servo stamping technology continues to launch, and servo presses are bound to play an important role as the industry gradually adopts more controllable production models enabled by servo presses that can produce different types of forming applications. In terms of product applications, the full machine development and design of the first SDE4-1600 eccentric gear servo press was completed in 2022. This is expected to improve the quality and production efficiency of stamping products, providing customers with more diversified options.

At the same time, in 2022, the optimization analysis technology for structure rigidity continues to be applied, achieving the goal of optimizing design costs and structure rigidity while maintaining existing rigidity. Dynamic structural characteristic simulation and evaluation can be carried out in the design stage, gradually improving static design techniques for stamping presses to the field of dynamic structural design, with the expectation of enhancing the quality of stamping press products in the future.

In terms of component development, by introducing the DFX design method, the focus is on simplifying the process of component processing and optimizing assembly processes. The optimization of the existing high-pressure oil chamber module design has been completed, which can be applied to various types of production stamping presses and is mainly used in the stamping of parts for the automotive and home appliance industries.

Continuously driving the ESG vision project, responding to the objective of achieving net-zero carbon emissions by 2050, and focusing on all aspects of ESG work to move towards sustainable enterprises.

II. Summary of the business plan for 2023:

(1) Operating Strategy:

1. Continuously drive "dual sustainability" and move towards the direction of intelligent manufacturing of century-old craftsmanship in the stamping industry. Incorporate ESG vision engineering into corporate operations and product design, responding to the global net-zero carbon emissions objective.
2. Accelerate to inventory the existing products, develop a product roadmap of SEYI, and adjust product strategies accordingly that meet market demand.
3. Allocate resources such as investment, manpower, and capabilities based on project priorities and importance.
4. Expand the scale of industry-academia collaboration to root talents, and actively promote talent retention plans.
5. Strive for a comprehensive digital transformation, introducing digital marketing tools for external pre-sale and after-sale services, continuously optimizing operational processes, and upgrading information systems internally to improve work efficiency and service quality.

(2) Important production and sales policies:

1. Accelerate the calculation of the carbon footprint of corporate operations and product design and production and introduce them in order of popularity of machine models.
2. Properly use the plant's space to store key components and welding parts, while avoiding reliance on a single supplier to reduce material shortage risks and ensure timely delivery.
3. Strengthen the information flow between back-end departments to reduce the risk of errors or losses.
4. Review and optimize machine design, materials, and production costs comprehensively to enhance competitiveness in the market.

(3) Expected sales volume and its basis:

Looking ahead to the global economy in 2023, amidst the ongoing Russia-Ukraine war, rising inflation in the United States, the Federal Reserve's plans for continued interest rate hikes, and the ongoing tension in US-China trade and technology conflicts, it is expected that the downward trend from 2022 will continue, and the automotive industry is also preparing for a slowdown in consumer spending.

However, in terms of the development of the metal stamping industry, the US market showed strong demand in 2022, benefiting from the post-pandemic period when social and economic activities returned to normal. Despite some changes in the supply chain, metal stamping companies are expected to continue increasing their investments. In Europe, although there was an economic growth impact due to energy and inflation, as the leading advocate for climate change, the transition towards net-zero carbon emissions has become the path that all manufacturing industries must take. Therefore, there is expected to be new demand for servo presses. After going through strict epidemic prevention and risk control measures, China experienced a temporary weakening of economic activities. However, the long-term trends depend on the government's development strategies, which still require further observation.

In the face of the depreciation of the Japanese yen in the Japanese market, competition with Japanese manufacturers remains highly challenging. Business units need to maintain close relationships with customers and demonstrate flexibility and the ability to integrate systems to attract customer interest. It is expected that projects involving the integration of peripheral automation with presses will be a key focus. In the Southeast Asian and Taiwanese markets, there is a primary focus on medium-sized presses such as C-type and semi-open type presses. These markets are increasingly facing price competition pressure from local manufacturers. It is an immediate and critical issue that SEYI must confront in order to sustain its presence in the region.

III. The company's future development strategy, and the effect of external competition, the legal environment, and the overall business environment:

(1) Future development strategy for the Company:

After experiencing the rapid development of the Taiwanese industry, the product research and development of SEYI Company has evolved from traditional mechanical stamping presses and portal stamping presses to energy-saving and environmentally-friendly CNC servo stamping presses. In recent years, it has also incorporated IoT technology and developed smart stamping solutions.

Looking to the future, we will continue to promote the "dual sustainability" development goal. The first sustainability is for Shieh Yih Machinery to become a centennial craftsmanship enterprise, and the company will continue to enter the smart manufacturing field by combining advanced IoT, big data, and digital technology with its core stamping press business, realizing a layout of "research and development in one place, manufacturing in two places, and global sales." The second sustainability is to continue promoting the ESG vision project, responding to the international net-zero carbon emission by 2050, focusing on ESG in all aspects of work, and taking action to implement the responsibility and spirit of sustainable development in the daily operations of the enterprise. By using innovative metal-forming technology, we will enrich the new face of human life, continue to care for the local community, and cultivate in Taiwan while looking at the world.

(2) Effects of the external competitive environment, regulatory environment, and overall business environment:

In 2022, the Federal Reserve of the United States continued to raise interest rates, global inflation continued, the mainland China epidemic was still under control, supply chain disruptions continued, and there were no signs of a cessation of the Russia-Ukraine war. The European energy crisis also worsened due to the ongoing war, and all these factors combined to result in lower than expected tool machine orders, with many companies opting for a more cautious investment approach, slowing down production and continuing destocking. However, in 2022, Taiwan's tool machine industry had a hot and cold performance. As various countries' economies restarted, civilian demand was active, and manufacturing production and investment activities warmed up. According to the Mechanical Engineering Industry Association's announcement, Taiwan's mechanical equipment export value reached $34.813 billion, a year-on-year increase of 5.1%, equivalent to approximately NT$1.32368 trillion, a year-on-year increase of 11.2%, not only a historical high but also surpassing the trillion-dollar mark. The tool machine export amount was $3.023 billion, accounting for 8.7%, a year-on-year increase of 8.6%, which was a good performance.

The COVID-19 pandemic broke out at the beginning of 2020 and is approaching its three-year anniversary. Despite the reopening of borders in most countries, the lockdowns, controls, and restrictions on personnel mobility implemented to control the spread of the virus have resulted in disruptions in the global supply chain and weakened demand. The global economy is currently in a phase of post-pandemic recovery. Manufacturers of automobiles, metal processing, electronics, and electrical appliances in countries such as Europe, America, and Japan have been adversely affected by factors such as container shortages in international shipping, rising shipping costs, increasing US interest rates, and imbalances in the supply and demand of raw materials, preventing them from operating normally. SEYI has also been directly impacted by these circumstances. Despite receiving critical orders from important customers, the overall performance of the company in terms of revenue has been severely affected by the COVID-19 situations in customer countries and the global container shortage.

Looking ahead to 2023, the International Monetary Fund (IMF) has stated that it will be a challenging year for most regions globally, as the three major engines driving world economic growth—United States, Europe, and China—are all facing economic slowdown simultaneously. Additionally, the annual World Economic Outlook report has revised the economic growth rate forecast for 2023 down to 2.7%.

The volatile and ever-changing international economic situation will continue to impact export-oriented enterprises like SEYI. However, the promotion of ESG principles has become a universal value in the manufacturing industry. The green and sustainable competitive edge in manufacturing is crucial. By implementing core operational strategies, focusing on the development of environmentally-friendly and energy-efficient stamping products, actively embracing smart machinery for transformation and upgrading, enhancing product value-addition, and accelerating digital transformation, SEYI can certainly solidify its position among numerous global competitors and move towards a new era of sustainability.

Chapter Two. Company Overview

I. Date of incorporation: March 2, 1982

II. Company history:

Major changes in operations or business content and other significant events that affected shareholders' equity in the most recent year and up to the publication date of the annual report and their effects on the Company: None.

1982
- Changed the company name to SHIEH YIH MACHINERY INDUSTRY CO., LTD.; expanded and moved to Nankan factory.

1984
- Qualified as a Class A QA factory.

1985
- Passed the CNS mark by Bureau of Standards

1989
- Set up a stamping press inspection team and implement an independent inspection system for quality control throughout the process.

1991
- Completed the 500-ton hydraulic press with AMINO Japan.
- Completed development of SHP-30 Super High Speed Stamping Press.
- Completed the technical cooperation contract with AMINO Japan and formally started the manufacturing of large hydraulic presses.

1992
- Development of SN1 wet clutch series

1993
- Certified with ISO-9002

1994
- Expanded 700 pings new factory
- Certified with ISO-9001
- Introduced TQM total quality management system

1995
- Completed development of SM1-500 link press and SE2-400 eccentric gear press.
- Established Dongguan service station to provide faster services in mainland China
- Certified with CE Marking

1996
- SN1 Series honored with Taiwan Excellence Mark
- Qualified manufacturer by Industrial Development Bureau for automation engineering service provider.
- Received approval from MOEA to implement a new product development project for solid frame crank link press
- Completed development of SE2-500 and SE2-600 eccentric gear presses.
- Developed metal forming process and mold technology with Metal Center

1997
- Completed 1200 tons, 800 tons and 600 tons of hydraulic presses for the automobile sheet metal stamping of Barkley Indonesia.
- Collaborated with NTU Shipbuilding Research Institute to establish performance measurement and experimental capabilities.
- Approved for public offering by the Securities and Futures Commission, Ministry of Finance

1998
- Completed the SM2 initiative for new product development
- Completed the auto panel press line for the Fuzhou plant of Southeast Motors with Fukui Machinery from Japan.
- Established Shanghai service station as a second service location in China
- SN2 Series honored with Taiwan Excellence Mark

1999
- 300T Super Rigid Heavy Duty Press, a new product development initiative was approved by the Ministry of Economic Affairs.

- Established “Seyi Stamping Association”.
- SM2 Series honored with Taiwan Excellence Mark

2000
- Established SEYI-AMERICA, INC.
- Strategic alliance with NORITSU KIKAI SEISAKUSHO CO., LTD. from Japan to jointly develop and sell high speed press.
- Completed the SPF2 initiative for new product development

2001
- The new office building of Nankan factory was completed and opened, integration of factory and office was implemented.
- Completed development of SH1 high-speed press.
- Certified with ISO-14001 international standard environmental management system
- SPF2 received the Outstanding Forging Machine Award

2002
- Listed on the stock exchange
- Obtained CE-marking certificate for SH series of high speed presses.
- Received Industrial Technology Development Award from MOEA

2003
- Cooperated with H&F Japan to complete a 2400-ton fully automatic large sheet metal stamping line for Southeast Motors.
- Subsidiary in China Mainland “XIE YI TECH MACHINERY (CHINA) CO., LTD” officially started the production

2004
- Built and acquired 500 pings heavy-duty plant and additional Mitsubishi CNC floor type mill.
- C-type and straight sided models have obtained CE-marking and low voltage certification.
- Launched ERP system (SAP)
- Completed the development of SNS and SLS series press.

2005
- Established XIE YI TECH MACHINERY (CHINA) CO., LTD Dongguan branch
- Approved by the Ministry of Economic Affairs for the “Collaborative CRM” Global Operational Demonstration Development Project

2006
- SEYI-AMERICA, INC. established a new office in Tennessee

2007
- Approved by the Industrial Development Bureau of MOEA to establish a corporate headquarters
- Approved by MOEA for the development project entitled “Precision Composite Servo Controlled Stamping and Forming Press”.

2008
- Received the 2nd Taoyuan County Magistrate Evergreen Excellent Award
- SNS2 Series honored with Taiwan Excellence Mark

2009
- Ya-Hui Kuo is appointed as a Chairman of Board Director of SHIEH YIH MACHINERY INDUSTRY CO., LTD.

2010
- Completed the development of STD-250 deep drawing special press

2011
- SAG Series received Taiwan Excellence Silver Award
- New self-designed Servo Press SD1 honored with the 20th Taiwan Excellence Mark
- Donated servo press to help the students in Department of Mechanical Engineering of National Chiao Tung University

2012
- Established SEYI PRESSES EUROPE GMBH
- XIE YI TECH MACHINERY (CHINA) CO., LTD. was elected the 2012 Golden supplier among the press machine tool industry in China
- Established SEYI (THAILAND) CO., LTD
- Received Top 10 Golden Torch Award - Enterprises and Top 10 Golden Torch

Award - Products
- The Company's 50th anniversary ceremony
- SD2 servo press series won 2013 Taiwan Excellence Award

2013
- SD2 servo press was recognized as Honorable Mention in "Other digitally controlled tools" category for 2013 "R&D Innovative Product Award". SEYI was the only company awarded for press product.
- Launched NDC servo die device, demonstrating the most advanced servo press technology and R&D capability.
- Selected as one of the "2nd Taiwan Mittelstand Enterprise" by the Industrial Development Bureau
- SM1 series the 22nd "Taiwan Excellence Award" and was shortlisted for the Taiwan Excellence Gold and Silver Award

2014
- SM1 Heavy Duty Link Motion Presses received Taiwan Excellence Silver Award
- Built large crank and linkage automation stamping system

2015
- Straight Side Eccentric Gear Mechanical Press won the Gold Award of the Taiwan Excellence Awards
- Honored by Taoyuan City with "Innovation Excellence Award" as enterprise of outstanding performance
- Received first class rating from the Education Department of New Taipei City Government for the cooperative education assessment.
- Completed development of 2,500-ton mechanical transfer press

2016
- SLG Series received Taiwan Excellence Silver Award
- First 2,500-ton in-plant product launch event in China
- Completed the shipment for medium and large size servo press order from Mercedes-Benz-Daimler, marking a milestone for the Company to move towards medium and large size servo press. It is also the first non-German servo press purchase since the Mercedes-Benz Daimler Group was founded.

2017
- SDE series won the "2017 Ringier Technology Innovation Awards in Metalworking Industry" in Greater China area.
- Straight Side Crank Servo Press (SDG2 Series) won 2018 Taiwan Excellence Award
- Successfully delivered the SDG2 servo press to Tesla, a leading electric vehicle manufacturer, for the production of battery energy storage systems.
- Introduce lean production management similar to Toyota's, enhance the factory's smart production capability. and work together with industry and academic partners to provide customers with metal forming automation solutions
- Actively develop new-generation servo press products that combine green and intelligence, and establish the only servo technology R&D center in the industry.

2018
- SDG series won the "2018 Ringier Technology Innovation Awards in Metalworking Industry" in Greater China area.
- Established European Technical Service Center in Frankfurt, Germany
- XIE YI TECH MACHINERY was awarded the highest honor of "Top 10 and Top 100" quality development enterprises in Kunshan - "Top 10 Quality Development Enterprises".
- Successfully delivered the SDE4-1200 servo press hot forming production line to a Tier 1 automotive component supplier in Japan, with installations in the

United States, Mexico, China, and other locations.

2019
- "Intelligent Manufacturing Solution" won the honorable mention of the 14th Taiwan Machine Tool Industry Awards 2019 for excellence in Research and Innovation - Intelligent Machine Tools category.
- Servo Press for Hot Stamping Application won the "2019 Ringier Technology Innovation Awards in Metalworking Industry" in Greater China area.

2020
- Completed the integration of the production line of "Smart Manufacturing Demonstration Area for Stamping and Die Industry" at MIRDC, and joined forces to build the smart manufacturing facility for stamping presses.

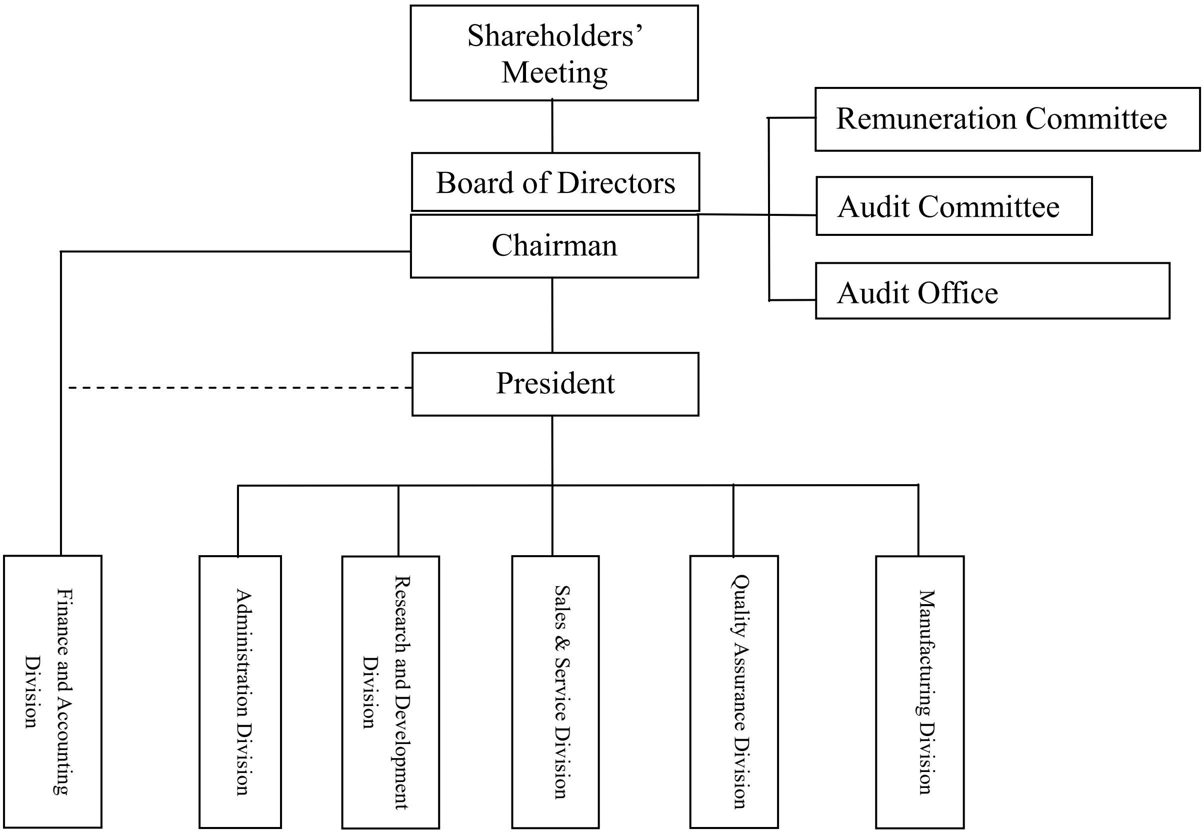
2021
- Completed the development of SDM1 heavy load servo press.
- "Smart Stamping Solution" won the "International Innovation Awards (IIA) 2021" in Asia.
- Held the First "Seyi Cup" Servo Stamping Process Design and CAE Simulation Analysis Competition

2022
- 60th years anniversary, the company has initiated the "Dual Sustainability" goal and ESG vision project.
- Organize the SEYI 60th Anniversary Thanksgiving Tea Party and Symposium, bringing together distinguished guests from Taiwan's government, academia, research, media, and investors for sharing and exchange.
- XIE YI TECH MACHINERY has completed the installation of solar energy systems, fulfilling its obligations as a responsible global citizen for sustainable environment.
- Successfully completed the manufacturing of a large-scale 1600-ton servo press, surpassing the maximum product design and production capacity in Taiwan's manufacturing plants. This achievement has enhanced our core competitiveness in research, development, and manufacturing.
- The Servo Press has obtained the German Rhein TUV CE certification and the company is the first manufacturer in Taiwan to have the servo presses certified by TÜV Rheinland in Germany.

Chapter Three. Corporate Governance Report

I. Organization Chart

(I). Organizational chart of the Company:



(II) Businesses of major departments

Major departments	Main responsibilities of each department
Audit Office	• Formulation of internal control system. • Planning, implementation and reporting of internal audits.
Finance and Accounting Division	• Working capital, cash management, financing strategies and good interaction with financial institutions. • Credit, financial, exchange rate and interest rate risk control and management. • Budget planning, investment management and financial report analysis. • Tax strategic planning and handling. • Responsible for accounting policies, systems, accounts, and asset control management • Maintain relationships with investors and handle stock affairs.
Administration Division	• HR development strategy promotion, employee talent strategy planning and management, salary and benefits, employee relations, performance management, organization and human resources development. • Systematization and promotion of administration, establishment and promotion of occupational safety and security system. • Establishment of information standard • The integration and management of computer system of the company. • Planning, implementation and control of the computerized system operation. • Corporate system control and security mechanism maintenance management.
Research and Development Division	• Product development and design, graphic management. • Design standards development, design review, design change management. • Improvement of production process. • Collect and analyze after-sales quality reports and product technical information in the market. • Technical cooperation and patent processing.
Sales & Service Division	• Market information collection and analysis. • Develop, implement, manage and analyze various sales plans. • Manage customer relationship; sign, manage and evaluate agents. • Perform sales quotations, contract review, contract signing, and delivery scheduling. • Credit checks for sales; receive and control sales payments • Installation, test drive, and after-sales service for product delivery. • Technical support for various specification discussions and application requirements. • Marketing tools, exhibitions, and publicity planning.
Quality Assurance Division	• Plan and promote the company's quality assurance system management and ISO9000 quality system activities. • Establish and promote the company's quality policy and quality objectives, and provide quality improvement guidelines. • Implement management audits, quality audits and quality system improvement activities. • Implement product development quality audits and in-plant process quality audits. • Establish supply product quality management system and implement supply product quality performance evaluation and quality consultation. • Conduct post-use quality surveys and handle customer complaints; implement service quality improvement projects.
Manufacturing Division	• Production material procurement and management. • Assist in the management and material handling of factories and suppliers. • Be responsible for OEM issues. • Production planning and control. • Product processing, manufacturing, and assembly operations. • Manage and maintain machines, fixtures, tools, and gauges. • Handling and correction of defective products. • Product packing control, delivery and control of finished product shipment. • Product quality and quality assurance operations.

II. Information on the company's board of directors, supervisors, president, vice presidents and directors:

(I) Director

1. Information on Board of Directors

March 29, 2023; Unit: shares

Job title (Note 1)	Nationality or place of registration	Name	Gender, age (Note 2)	Date of election / appointment to current term	Term of office	Commencement date of first term (Note 3)	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications (Note 4)	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			(Note 5)
							No. of shares	Share holding ratio	No. of shares	Share holding ratio	No. of shares	Share holding ratio	No. of shares	Share holding ratio			Job title	Name	Relationship	
Chairman	R.O.C.	Ya-Hui Kuo	Female, 51~60 years old	2022.5.27	3 years	2009.6.10	3,601,138	2.27%	4,300,138	2.71%	0	0.00%	0	0.00%	Master of Financial Management, Pace University, USA President, Seyi-America, Inc.	Chairman, Xie Yi Tech Machinery (China) Co., Ltd. Chairman, Seyi-America, Inc. Chairman, Seyi Presses Europe GmbH. Chairman, Link Target Investment Ltd. Supervisor and Corporate Representative, Fubon Ventures Co., Ltd.	President	Ting-Chun Kuo	Sister and Brother	None
Director	R.O.C.	Yu Cheng Investment Co., Ltd.	-	2022.5.27	3 years	2022.5.27	13,000,000	8.21%	13,000,000	8.21%	-	-	-	-	-	-	-	-	-	None
Represen-tative	R.O.C.	Chin-Jen Fu	Male, 51~60 years old	2022.5.27	3 years	2007.6.15	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Master's degree, Wright State University Enterprise Research Institute, USA Financial Consultant, Small and Medium Sized Enterprise Joint Support Center Vice President, Chant Sincere Co. Vice President, YAMNET Technology Co. Full-time Faculty of Hsing Wu University	None	None	None	None	None
Director	R.O.C.	Cheng Lin Investment Co., Ltd.	-	2022.5.27	3 years	2019.6.13	100,000	0.06%	100,000	0.06%	-	-	-	-	-	-	-	-	-	None
Represen-tative	R.O.C.	Chin-Ti Kan	Male, 51~60 years old	2022.5.27	3 years	2019.6.13	-	-	279,000	0.18%	0	0.00%	0	0.00%	Law Group, Faculty of Law, National Taiwan University University of California, Irvine MBA	Chairman, Chengye Asset Management Co., Ltd. Chairman, Chenglin Investment Co., Ltd.	None	None	None	None

Job title (Note 1)	Nationality or place of registration	Name	Gender, age (Note 2)	Date of election / appointment to current term	Term of office	Commencement date of first term (Note 3)	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications (Note 4)	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			(Note 5)
Director	R.O.C.	Ken-Yi Cheng	Male, 61~70 years old	2022.5.27	3 years	2011.6.10	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Department of Accounting, Feng Chia University Vice President, Hongyang Venture Capital Co., Ltd. Assistant Manager, Underwriting Department, Golden Cauldron Securities (Stock) Corporation	Director, Solytech Enterprise Corporation Director, Leader Electronics Inc. Independent Director, Holy Stone Enterprise Co., Ltd. Independent Director, Prolific Technology Inc. Director, Matagone Biotech Inc. Director, Grand Fortune Securities Co., Ltd. Director Representative, Foryou Capital Partnership Ltd. Director Representative, Grand Fortune Venture Management Corporation Director Representative, Grand Fortune Venture Co., Ltd.	None	None	None	None
Indepen-dent Director	R.O.C.	Hwe-Ching Wong	Male, 61~70 years old	2022.5.27	3 years	2013.6.10	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Master of Finance, National Chengchi University Supervisor, Taiwan Stock Exchange Director, Yuanta Financial Holding Co. Managing Director, Central Insurance Co., Ltd. irector, Chung Hsing Bills Finance Co.	Director and CEO, Youth Financial Management Foundation General Manager, AOC International Chairperson, Song Lin Co., Ltd.	None	None	None	None
Indepen-dent Director	R.O.C.	Yuan-Lih Tseng	Male, 71~80 years old	2022.5.27	3 years	2016.6.24	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Master of Psychology, California State University, USA Vice President, Warner Lambert Co. Executive Vice President, Lucent Technologies Executive Vice President, Amkor Technology Assistant Vice President, CTCI Corporation	Consultant, Pou Chen Group	None	None	None	None
Indepen-dent Director	R.O.C.	Shu-Chuan Chen	Female, 51~60 years old	2022.5.27	3 years	2022.5.27	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Master of International Finance, National Taipei University Senior Consultant of ZUII Co., Ltd. Taiwan region general manager, the Bank of New York Mellon, Taiwan Branch Vice president, The Bank of New York Mellon, Taiwan Branch Chief Representative and Head of Taiwan Region, Commerzbank AG Taipei Office	Independent Director, IBF Financial Holdings Co., Ltd. Independent Director, International Bills Finance Corporation Independent & Non-executive Director, FIH mobile Limited	None	None	None	None

Note 1: For a corporate shareholder, the name of the corporate shareholder and its representative shall be listed separately (when listing the representative of a corporate shareholder, the name of the corporate shareholder shall also be noted), and Form 1 below shall also be completed.
Note 2: Please state the actual age, or, alternatively, state the age interval into which the actual age falls, e.g., 41~50 years, 51~60 years.
Note 3: Specify the time the person first began to serve as a director or supervisor of the Company. If there has been any break within a term or between terms, add a note specifying the circumstances.
Note 4: Specify experience and qualifications related to the current position. If during a period specified above the person has served in a position at a CPA firm that serves as external auditor/attestor, specify the position held and the duties for which the person was responsible.
Note 5: Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g., increasing the number of independent directors and ensuring that a majority of directors do not concurrently serve as an employee or managerial officer)
.

2. Major Shareholders of Corporate Shareholders：Form 1

April 23, 2023

Name of corporate shareholder (Note 1)	Major shareholders of the corporate shareholder (Note 2)
Yu Cheng Investment Co., Ltd.	Sheng-Hsiung Kuo (50.00%)、Hsiu-E Chen (50.00%)
Cheng Lin Investment Co., Ltd.	Sheng Jie Investment Co., Ltd. (50.00%) Sheng Hong Investment Co., Ltd. (50.00%)

Note 1: If a director or supervisor is a representative of a corporate shareholder, fill in the name of that corporate shareholder.
Note 2: Fill in the names of the corporate shareholder's major shareholders (those with a shareholding ratio ranking among the top 10)and their shareholding ratios. If any of the major shareholders is a corporate/juristic person, also complete Form 2 below.
Note 3: If a corporate/juristic person shareholder is not organized as a company, the shareholder names and shareholding ratios required to be disclosed as mentioned above shall be the names of the capital contributors or donors (for further information, please refer to the announcements of the Judicial Yuan) and their capital contribution or donation rates, respectively. If a donor has died, please further note "deceased."

3. If any Major Shareholder Listed in Form 1 is a Corporate/Juristic Person, List its Major Shareholders in this Form：Form 2

April 23, 2023

Name of corporate shareholder (Note 1)	Major shareholders of the corporate shareholder (Note 2)
Sheng Jie Investment Co., Ltd.	Chin-Ti Kan (35.00%), Jung-Yu Kan Lai (15.00%) Cheng Lin Investment Co., Ltd. (50.00%)
Sheng Hong Investment Co., Ltd.	Chin-Ti Kan (35.00%), Jung-Yu Kan Lai (15.00%) Cheng Lin Investment Co., Ltd. (50.00%)

Note 1: If any major shareholder in Form 1 above is a corporate/juristic person, fill in the name of that corporate/juristic person.
Note 2: Fill in the names of the corporate/juristic person's major shareholders (those with a shareholding ratio ranking among the top 10) and their shareholding ratios.
Note 3: If a corporate/juristic person shareholder is not organized as a company, the shareholder names and shareholding ratios required to be disclosed as mentioned above shall be the names of the capital contributors or donors (for further information, please refer to the announcements of the Judicial Yuan) and their capital contribution or donation rates, respectively. If a donor has died, pleasefurther note "deceased."

4. Information on Directors

(1) Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and the Independence of Independent Directors:

Qualifications / Name	Professional qualifications and experience (Note 1)	Independence analysis (Note 2)	Number of independent directors of other public companies
Chairman: Ya-Hui Kuo	Possessing a minimum of five years of work experience in business, legal, finance, and accounting roles required for company operations. and not being involved in any circumstances specified in Article 30 of the Company Act.	(1) Not a director, supervisor, or employee of another company or organization that controls over half of the company's director seats or voting rights shares. (2) Not a professional, sole proprietor, partner, owner, partner, director (trustee), supervisor (inspector), manager, or their spouse who provides business, legal, finance, accounting, or related services to the company or its related entities, and has not received a cumulative compensation exceeding NTD 500,000 in the past two years. (3) Does not have a spouse or a relative within the second degree of kinship with other directors. (4) Has not been elected as a government representative, legal entity, or their representative, as stipulated in Article 27 of the Company Act.	0
Director: Yu Cheng Investment Co., Ltd. Representative: Chin-Jen Fu	Possessing a minimum of five years of work experience in business, legal, finance, and accounting roles required for company operations. Additionally, holding a position as a lecturer or higher in a relevant field at a college or university, and not being involved in any circumstances specified in Article 30 of the Company Act.	(1) Not an employee of the company or its related entities. (2) Not a director or supervisor of the company or its related entities. (3) Not a manager listed in (1) or a spouse, relative within the second degree of kinship, or direct lineal relative within the third degree of kinship of the individuals listed in (2) or (3). (4) Not a director, supervisor, or employee of another company or organization that controls over half of the company's director seats or voting rights shares. (5) Not a director (trustee), supervisor (inspector), or employee of another company or organization where the chairman, general manager, or equivalent positions are the same person or spouse. (6) Not a director (trustee), supervisor (inspector), manager, or shareholder holding more than 5% of shares of a specific company or organization that has financial or business transactions with the company. (7) Not a professional, sole proprietor, partner, owner, partner, director (trustee), supervisor (inspector), manager, or their spouse who provides business, legal, finance, accounting, or related services to the company or its related entities, and has not received a cumulative compensation exceeding NTD 500,000 in the past two years. (8) Does not have a spouse or a relative within the second degree of kinship with other directors.	0

Qualifications / Name	Professional qualifications and experience (Note 1)	Independence analysis (Note 2)	Number of independent directors of other public companies
Director: Cheng Lin Investment Co., Ltd. Representative: Chin-Ti Kan	Possessing a minimum of five years of work experience in business, legal, finance, and accounting roles required for company operations. and not being involved in any circumstances specified in Article 30 of the Company Act.	(1) Not an employee of the company or its related entities. (2) Not a director or supervisor of the company or its related entities. (3) Not a manager listed in (1) or a spouse, relative within the second degree of kinship, or direct lineal relative within the third degree of kinship of the individuals listed in (2) or (3). (4) Not a director, supervisor, or employee of another company or organization that controls over half of the company's director seats or voting rights shares. (5) Not a director (trustee), supervisor (inspector), or employee of another company or organization where the chairman, general manager, or equivalent positions are the same person or spouse. (6) Not a director (trustee), supervisor (inspector), manager, or shareholder holding more than 5% of shares of a specific company or organization that has financial or business transactions with the company. (7) Not a professional, sole proprietor, partner, owner, partner, director (trustee), supervisor (inspector), manager, or their spouse who provides business, legal, finance, accounting, or related services to the company or its related entities, and has not received a cumulative compensation exceeding NTD 500,000 in the past two years. (8) Does not have a spouse or a relative within the second degree of kinship with other directors.	0
Director: Ken-Yi Cheng	Possessing a minimum of five years of work experience in business, legal, finance, and accounting roles required for company operations. and not being involved in any circumstances specified in Article 30 of the Company Act.	(1) Not an employee of the company or its related entities. (2) Not a director or supervisor of the company or its related entities. (3) Neither the individual nor their spouse, minor children, or individuals holding more than 1% of the total issued shares or among the top ten individual shareholders, using another person's name. (4) Not a manager listed in (1) or a spouse, relative within the second degree of kinship, or direct lineal relative within the third degree of kinship of the individuals listed in (2) or (3). (5) Not a director, supervisor, or employee of a corporate shareholder who directly holds more than 5% of the total issued shares, among the top five individual shareholders, or appointed as a director or supervisor by the provisions of Article 27, Paragraph 1 or Paragraph 2 of the Company Act. (6) Not a director, supervisor, or employee of another company or organization that controls over half of the company's director seats or voting rights shares. (7) Not a director (trustee), supervisor (inspector), or employee of another company or organization where the chairman, general manager, or equivalent positions are the same person or spouse. (8) Not a director (trustee), supervisor (inspector), manager, or shareholder holding more than 5% of shares of a specific company or organization that has financial or business transactions with the company. (9) Does not have a spouse or a relative within the second degree of kinship with other directors. (10) Has not been elected as a government representative, legal entity, or their representative, as stipulated in Article 27 of the Company Act.	2

<table>
<tr><th>Qualifications / Name</th><th>Professional qualifications and experience (Note 1)</th><th>Independence analysis (Note 2)</th><th>Number of independent directors of other public companies</th></tr>
<tr><td>Independent Director:
Hwe-Ching Wong</td><td>Possessing a minimum of five years of work experience in business, legal, finance, and accounting roles required for company operations. Additionally, holding a position as a lecturer or higher in a relevant field at a college or university, having passed national examinations related to company operations, holding relevant certificates, and not being involved in any circumstances specified in Article 30 of the Company Act.</td><td rowspan="3">(1) Not an employee of the company or its related entities.
(2) Not a director or supervisor of the company or its related entities.
(3) Neither the individual nor their spouse, minor children, or individuals holding more than 1% of the total issued shares or among the top ten individual shareholders, using another person's name.
(4) Not a manager listed in (1) or a spouse, relative within the second degree of kinship, or direct lineal relative within the third degree of kinship of the individuals listed in (2) or (3).
(5) Not a director, supervisor, or employee of a corporate shareholder who directly holds more than 5% of the total issued shares, among the top five individual shareholders, or appointed as a director or supervisor by the provisions of Article 27, Paragraph 1 or Paragraph 2 of the Company Act.
(6) Not a director, supervisor, or employee of another company or organization that controls over half of the company's director seats or voting rights shares.
(7) Not a director (trustee), supervisor (inspector), or employee of another company or organization where the chairman, general manager, or equivalent positions are the same person or spouse.
(8) Not a director (trustee), supervisor (inspector), manager, or shareholder holding more than 5% of shares of a specific company or organization that has financial or business transactions with the company.
(9) Not a professional, sole proprietor, partner, owner, partner, director (trustee), supervisor (inspector), manager, or their spouse who provides business, legal, finance, accounting, or related services to the company or its related entities, and has not received a cumulative compensation exceeding NTD 500,000 in the past two years.
(10) Does not have a spouse or a relative within the second degree of kinship with other directors.
(11) Has not been elected as a government representative, legal entity, or their representative, as stipulated in Article 27 of the Company Act.</td><td>0</td></tr>
<tr><td>Independent Director:
Yuan-Lih Tseng</td><td>Possessing a minimum of five years of work experience in business, legal, finance, and accounting roles required for company operations. Additionally, holding a position as a lecturer or higher in a relevant field at a college or university, and not being involved in any circumstances specified in Article 30 of the Company Act.</td><td>0</td></tr>
<tr><td>Independent Director:
Shu-Chuan Chen</td><td>Possessing a minimum of five years of work experience in business, legal, finance, and accounting roles required for company operations. and not being involved in any circumstances specified in Article 30 of the Company Act.</td><td>1</td></tr>
</table>

Note 1: Professional qualifications and experience: Specify the professional qualifications and experience of each director and supervisor. If a member of the Audit Committee, specify their accounting or finance background and P. 4 of 93 work experience. Additionally, specify whether any circumstance under any subparagraph of Article 30 of the Company Act exists with respect to a director or supervisor.

Note 2: Describe the status of independence of each independent director, including but not limited to the following: did they or their spouse or any relative within the second degree serve as a director, supervisor, or employee of the Company or any of its affiliates? ; specify the number and ratio of shares of the Company held by the independent director and their spouse and relatives within the second degree (or through nominees); do they serve as a director, supervisor, or employee of any company having a specified relationship with the Company (see Article 3, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies)?; specify the amount(s) of any pay received by the independent director for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate thereof within the past 2 years.

(2) Diversity and Independence of the Board of Directors:

(i) Diversity of the Board of Directors：

In accordance with the Company's diversification policy and to strengthen corporate governance and promote the development of a sound composition and structure of the Board of Directors, the Company has adopted a candidate nomination system for the nomination of director candidates in accordance with the Company's Articles of Incorporation. Rigorous evaluations are carried out for each candidate's academic (experience) qualifications, professional background, integrity or relevant professional qualifications, which is then presented during the annual shareholders' meeting for election after approval by the Board of Directors.

In accordance with the Company's Articles of Incorporation, it is expressly stipulated that the election of directors is based on the nomination and qualification examination of candidates, and the election of directors is submitted to the shareholders' meeting after the Board of Directors' review and approval.

The members of the Board of Directors possess expertise in various fields, rich industry experience, as well as professional capabilities in accounting, legal, business and finance. Directors are expected to contribute to the development and sound operation of the Company, and to provide advice and reminders on relevant issues. The Company's Board of Directors is composed of five directors, including two independent directors, all of whom are in their 50s, 60s, or 70s. The Company also places emphasis on gender diversity, with female board members serving as the Chairman of the Board, added a female independent director this year, and will gradually increase the number and ratio of female directors according to demand in the future.

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

Diversity Item / Name of Director	Basic Composition			Industry Experience				Professional Competence			
	Nationality	Gender	Also employee of the Company	Industry Know-ledge	Business Develop-ment	Crisis Management Skills	Knowledge of International Markets	Accounting	Legal	Business	Finance
Ya-Hui Kuo	R.O.C.	Female	V	V	V	V	V	V	-	V	V
Keng-Yi Cheng	R.O.C.	Male	-	V	V	V	V	V	-	V	V
Yu Cheng Investment Co., Ltd. Representative: Chin-Jen Fu	R.O.C.	Male	-	V	V	V	V	V	-	V	V
Cheng Lin Investment Co., Ltd. Representative: Ching-Ti Kan	R.O.C.	Male	-	V	V	V	V	-	V	V	V
Hwe-Ching Wong	R.O.C.	Male	-	V	V	V	V	V	-	V	V
Yuan-Lih Tseng	R.O.C.	Male	-	V	V	V	V	-	V	V	V
Shu-Chuan Chen	R.O.C.	Female	-	V	V	V	V	V	-	V	V

(ii) Independence of the Board of Directors:

The Company's current Board of Directors consists of seven directors, including three independent directors (43%), all of whom meet the requirements of the Securities and Futures Bureau of the Financial Supervisory Commission for independent directors. There are no circumstances between each director and independent director as specified in Items 3 and 4 of Article 26-3 of the Securities and Exchange Act, including no spousal or consanguineous relationships to the second degree between the directors, supervisors, or between the directors and supervisors.

(II) Information on the company’s President and Vice Presidents:

April 23, 2023; Unit: shares

Job Title (Note 1)	Nationality	Name	Gender	Date of election / appointment to current term	No. of shares held		Shares held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications (Note 2)	Positions held concurrently in any other company	Managers with which the person has a relationship of spouse or relative within the second degree			Remarks (Note 3)
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Position	Name	Relationship	
President	R.O.C.	Ting-Chun, Kuo	Male	2005.11.01	4,300,126	2.71%	0	0.00%	0	0.00%	Department of Mechanical Engineering, Chinese Culture University	None	Chairman	Ya-Hui Kuo	Sister and brother	None
Executive Vice President	R.O.C.	Kuo-Wang, Liu	Male	2020.10.05	0	0.00%	0	0.00%	0	0.00%	Ph.D. candidate, Department of Mechanical and Automation Engineering, National Kaohsiung University of Science and Technology	None	None	None	None	None
Vice President	R.O.C.	Tsui-Hua, Wu	Female	2011.08.19	236,000	0.15%	0	0.00%	0	0.00%	MBA, Memphis State University, USA	None	None	None	None	None
Vice President	R.O.C.	Cheng-Wei, Li	Male	2015.12.01	0	0.00%	0	0.00%	0	0.00%	MBA, University of Leicester, UK	None	None	None	None	None
Vice President	R.O.C.	Hung-Chieh, Huang	Male	2018.10.01	0	0.00%	0	0.00%	0	0.00%	M.S., Department of Mechanical Engineering, National Taiwan University	None	None	None	None	None
Vice President	R.O.C.	Yu-Po, Hsu	Male	2009.07.01	226,686	0.14%	12,403	0.01%	0	0.00%	MBA, Chung Yuan Christian University	None	None	None	None	None

Note 1: The information in this table should be disclosed for the general manager, assistant general managers, deputy assistant general managers, and the chiefs of all the company’s divisions and branch units, including all persons in positions equivalent to general manager, assistant general manager, or deputy assistant general manager, regardless of job title.

Note 2: Specify experience and qualifications related to the current position. If during a period specified above, the person has served in a position at a CPA firm that serves as external auditor/attestor, specify the position held and the duties for which the person was responsible.

Note 3: If the general manager or person of an equivalent post (the highest level manager) and the chairperson of the board of directors of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g. increasing the number of independent directors and ensuring that a majority of directors do not concurrently serve as an employee or managerial officer): None.

(III) Remuneration to Ordinary Directors, Independent Directors, Supervisors, President and Vice Presidents:

(1) Remuneration to Ordinary Directors and Independent Directors (Disclosure of Aggregate Remuneration Plus Disclosure of Names by Remuneration Range)

Unit: NT$ thousand

Job Title	Name	Remuneration paid to Directors								Sum of A+B+C+D and ratio to net income		Remuneration received by directors for concurrent service as an employee								Sum of A+B+C+D+E+F+G and ratio to net income		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		Base compensation (A)		Retirement pay and pension (B)		Director profit-sharing compensation (C)		Expenses and perquisites (D)				Salary, rewards, and special disbursements (E)		Retirement pay and pension (F)		Employee profit-sharing compensation (G)						
		The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company		All Consolidated Entities		The Company	All companies in the financial report	
																Amount in cash	Amount in stock	Cash amount	Amount in stock			
Ordinary Director	Ya-Hui Kuo Yu Cheng Investment Co. Ltd. Representative: Chin-Jen Fu Cheng Lin Investment Co. Ltd. Representative: Chin-Ti Kan Keng-Yi Cheng	0	0	0	0	984	984	960	960	1,944 6.76%	1,944 6.76%	5,048	5,048	0	0	0	0	0	0	6,992 24.33%	6,992 24.33%	None
Independent Director	Hai-Ching Wong Yuan-Lih Tseng Shu-Chuan Chen	0	0	0	0	340	340	900	900	1,240 4.31%	1,240 4.31%	0	0	0	0	0	0	0	0	1,240 4.31%	1,240 4.31%	None

1. Please describe the policy, system, standards and structure in place for paying remuneration to independent directors and describe the relationship of factors such as the duties and risks undertaken and time invested by the directors to the amount of remuneration paid:
   The remuneration to the independent directors of the Company is determined by the Compensation Committee based on the level of participation and value of each director's contribution to the Company's operations, taking into account the Company's operational performance and industry standard. The remuneration is submitted to the Board of Directors for resolution.
2. In addition to what is disclosed in the above table, please specify the amount of remuneration received by directors in the most recent fiscal year for providing services (e.g., for serving as a non-employee consultant to the parent company /any consolidated entities / invested enterprises): None.

Remuneration Range Table

Ranges of remuneration paid to each of the Company's directors	Director's Name			
	Sum of A+B+C+D		Sum of A+B+C+D+E+F+G	
	The Company	All Consolidated Entities H	The Company	All Consolidated Entities I
Less than NT$1,000,000	Ya-Hui Kuo and Keng-Yi Cheng Yu Cheng Investment Co., Ltd. Representative:Chin-Jen Fu Cheng Lin Investment Co., Ltd. Representative: Chin-Ti Kan Hai-Ching Wong, Yuan-Lih Tseng and Shu-Chuan Chen	Ya-Hui Kuo and Keng-Yi Cheng Yu Cheng Investment Co., Ltd. Representative:Chin-Jen Fu Cheng Lin Investment Co., Ltd. Representative: Chin-Ti Kan Hai-Ching Wong, Yuan-Lih Tseng and Shu-Chuan Chen	Keng-Yi Cheng Yu Cheng Investment Co., Ltd. Representative:Chin-Jen Fu Cheng Lin Investment Co., Ltd. Representative: Chin-Ti Kan Hai-Ching Wong, Yuan-Lih Tseng and Shu-Chuan Chen	Keng-Yi Cheng Yu Cheng Investment Co., Ltd. Representative:Chin-Jen Fu Cheng Lin Investment Co., Ltd. Representative: Chin-Ti Kan Hai-Ching Wong, Yuan-Lih Tseng and Shu-Chuan Chen
NT$1,000,000 (incl.)～NT$2,000,000 (excl.)				
NT$2,000,000 (incl.)～NT$3,500,000 (excl.)				
NT$3,500,000 (incl.)～NT$5,000,000 (excl.)				
NT$5,000,000 (incl.)～NT$10,000,000 (excl.)			Ya-Hui Kuo	Ya-Hui Kuo
NT$10,000,000 (incl.)～NT$15,000,000 (excl.)				
NT$15,000,000 (incl.)～NT$30,000,000 (excl.)				
NT$30,000,000 (incl.)～NT$50,000,000 (excl.)				
NT$50,000,000 (incl.)～NT$100,000,000 (excl.)				
NT$100,000,000 or above				
Total	7 seats	7 seats	7 seats	7 seats

(2) Remuneration to Supervisors (Disclosure of Aggregate Remuneration Plus Disclosure of Names by Remuneration Range)

Unit: NT$ thousand

Job Title	Name	Remuneration to Supervisors						Sum of A+B+C and ratio to net income		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		Base compensation (A)		Profit-sharing compensation (B)		Expenses and perquisites (C)				
		The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	
Supervisor	Chin-Jen Fu Tzu-Wu Lo	0	0	91	91	240	240	331 1.15%	331 1.15%	None

Note: the Audit Committee was established on May 27, 2022 and therefore, supervisors were dismissed.

Remuneration Range Table

Ranges of remuneration paid to each of the Company's supervisors	Supervisor's Name	
	Sum of A+B+C	
	The Company	All Consolidated Entities (D)
Less than NT$1,000,000	Chin-Jen Fu and Tzu-Wu Lo	Chin-Jen Fu and Tzu-Wu Lo
NT$1,000,000 (incl.)～NT$2,000,000 (excl.)		
NT$2,000,000 (incl.)～NT$3,500,000 (excl.)		
NT$3,500,000 (incl.)～NT$5,000,000 (excl.)		
NT$5,000,000 (incl.)～NT$10,000,000 (excl.)		
NT$10,000,000 (inclusive)～NT$15,000,000 (exclusive)		
NT$15,000,000 (incl.)～NT$30,000,000 (excl.)		
NT$30,000,000 (incl.)～NT$50,000,000 (excl.)		
NT$50,000,000 (incl.)～NT$100,000,000 (excl.)		
NT$100,000,000 or above		
Total	2 seats	2 seats

(3) Remuneration to President and Vice Presidents (Disclosure of Aggregate Remuneration Plus Disclosure of Names by Remuneration Range)

Unit: NT$ thousand

Job Title	Name	Salary (A)		Retirement pay and pension (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D)				Sum of A+B+C+D and ratio to net income (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company		All Consolidated Entities		The Company	All companies in the financial report	
								Amount in cash	Amount in stock	Cash amount	Amount in stock			
President	Ting-Chun, Kuo	18,204	18,204	609	609	0	0	100	0	0	0	18,913 65.80%	18,913 65.80%	None
Executive Vice President	Kuo Wang, Liu													
Vice President	Tsui-Hua, Wu													
Vice Presiden	Cheng-We, Li													
Vice President	Hung-Chieh, Huang													
Vice President	Yu-Po, Hsu													

1: The pension fund is the amount that has been contributed to the pension fund.
2: The amount of employee compensation is the amount approved by the Board of Directors (2023.03.14) to be distributed to employees. The amount proposed to be distributed this year is calculated based on the percentage of the actual amount distributed in previous years.

Remuneration Range Table

Ranges of remuneration paid to each of the Company's general manager(s) and assistant general manager(s)	Names of General Manager(s) and Assistant General Manager(s)	
	The Company	All Consolidated Entities E
Less than NT$1,000,000		
NT$1,000,000 (incl.)～NT$2,000,000 (excl.)		
NT$2,000,000 (incl.)～NT$3,500,000 (excl.)	Ting Chun Kuo, Kuo Wang Liu, Tsui-Hua Wu, Cheng-Wei Li, Hung-Chieh Huang, and Yu-Po Hsu	Ting Chun Kuo, Kuo Wang Liu, Tsui-Hua Wu, Cheng-Wei Li, Hung-Chieh Huang, and Yu-Po Hsu
NT$3,500,000 (incl.)～NT$5,000,000 (excl.)		
NT$5,000,000 (incl.)～NT$10,000,000 (excl.)		
NT$10,000,000 (inclusive)～NT$15,000,000 (exclusive)		
NT$15,000,000 (incl.)～NT$30,000,000 (excl.)		
NT$30,000,000 (incl.)～NT$50,000,000 (excl.)		
NT$50,000,000 (incl.)～NT$100,000,000 (excl.)		
NT$100,000,000 or above		
Total	6 seats	6 seats

(4) Name of the managerial officer who receives employees' remuneration and the distribution status

Unit: NT$ thousand

Job Title		Name	Amount in stock	Amount in cash (Note 1)	Total	Total remuneration as percentage of net income (%)
Managerial Officers	President	Ting-Chun, Kuo	0	100	100	0.35%
	Executive Vice President	Kuo Wang, Liu				
	Vice President	Tsui-Hua, Wu				
	Vice President	Cheng-Wei, Li				
	Vice President	Hung-Chieh, Huang				
	Vice President	Yu-Po, Hsu				

Note 1: It is the amount approved by the Board of Directors (2023.03.14) to be distributed to employees. The amount proposed to be distributed this year is estimated based on the percentage of the actual amount distributed in previous years.

(IV) Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by this company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, supervisors, president, and vice presidents, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

Analysis on the ratio of the total amount of the remuneration paid to Directors, Supervisor, President, and Vice President of the Company and all companies covered in the consolidated financial statements in the most recent two years to after-tax net income:

Item / Job Title	Total remuneration as percentage of net income			
	2021		2022	
	The Company	All Consolidated Entities	The Company	All companies in the financial report
Director	51.55%	51.55%	95.59%	95.59%
Supervisor				
President and Vice presidents				

(1) The Company's policy, criteria and composition for the remuneration to directors and supervisors, and the procedures for determining remuneration shall be in accordance with Article 26 and Article 30 of the Company's Articles of Incorporation. The Company shall set aside no more than 5% of the pre-tax income for the year before deducting the amount of remuneration to be distributed to directors and supervisors as remuneration to directors and supervisors, and the Board of Directors shall make a resolution with the attendance of at least two-thirds of the directors and the approval of a majority of the directors present, and report the same to the shareholders' meeting. However, if the Company still has accumulated losses, the make-up amount should be reserved in advance. The Company adopts the declining-balance appropriation method when considering shareholders' rights and interests and to avoid excessive remuneration to directors and supervisors due to operational effectiveness.

(2) The Board of Directors is authorized to determine the remuneration to directors and supervisors in accordance with the extent of the directors' participation in the Company's operations and the value of their contribution, taking into account the industry standards.

(3) The remuneration to the President and Vice President of the Company is determined in accordance with the provisions of Article 29 of the Company Act, taking into account the extent of responsibility of the Company's operations and the value of their contribution, taking into account the industry standards. The procedures of appointment and payment of remuneration shall be in accordance with the Company's operating rules.

III. The state of the company's implementation of corporate governance:

(I) Operations of the board of directors:

(1) Information on the operation status of the Board of Directors:

The Board of Directors met seven times (A) in the most recent year (2022), the attendance of directors and supervisors was as follows:

Job Title	Name (Note 1)	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%)【B/A】(Note 2)	Remarks
Chairman	Ya-Hui Kuo	7	0	100%	The re-election on May 27, 2022. Be expected to attend the BOD's meetings 7 times.
Director	Yu Cheng Investment Co., Ltd. Representative: Chin-Jen Fu	3	1	75%	The new-election on May 27, 2022. Be expected to attend the BOD's meetings 4 times.
Corporate Director	KaoTai Machinery Co., Ltd. Representative: Chin-Ti Kan	3	0	100%	Dismissed on May 27, 2022. Be expected to attend the BOD's meetings 3 times.
Corporate Director	Cheng Lin Investment Co., Ltd. Representative: Chin-Ti Kan	3	1	75%	The new-election on May 27, 2022. Be expected to attend the BOD's meetings 4 times.
Director	Keng-Yi Cheng	6	1	85%	The re-election on May 27, 2022. Be expected to attend the BOD's meetings 7 times.
Independent Director	Hai-Ching Wong	7	0	100%	The re-election on May 27, 2022. Be expected to attend the BOD's meetings 7 times.
Independent Director	Yuan-Li Tseng	7	0	100%	The re-election on May 27, 2022. Be expected to attend the BOD's meetings 7 times.
Independent Director	Shu-Chuan Chen	4	0	100%	The new-election on May 27, 2022. Be expected to attend the BOD's meetings 4 times.
Supervisor	Chin-Jen Fu	3	0	100%	Dismissed on May 27, 2022. Be expected to attend the BOD's meetings 3 times.
Supervisor	Tzu-Wu Lo	3	0	100%	Dismissed on May 27, 2022. Be expected to attend the BOD's meetings 3 times.

Other information required to be disclosed:

I. If any of the following circumstances exists, specify the board meeting date, meeting session number, content of the motion(s), the opinions of all the independent directors, and the measures taken by the Company based on the opinions of the independent directors:

(I) Any matter under Article 14-3 of the Securities and Exchange Act:

The company has established an Audit Committee, and it is not subject to the provisions of Article 14-3 of the Securities and Exchange Act. For relevant information, please refer to the operational status of the Audit Committee in the annual report.

(II) In addition to the matters referred to above, any dissenting or qualified opinion of an independent directory that is on record or stated in writing with respect to any board resolution: None.

II. The status of implementation of recusals of directors with respect to any motions with which they may have a conflict of interest. Specify the names of the directors, the content of the motions, and reason for recusal, and the participation in voting:

Meeting Date	Director's Name	Agenda	The cause for recusal	Participation in Voting
2022.1.14	Chairman: Ya-Hui Kuo	Proposal for Managers' Year-end Bonus Distribution for Year 2021	Recused due to personal interest in the resolution.	Directors with personal interest recused from participating in the discussion and voting of the listed agenda items in accordance with the law, leaving the meeting during the deliberation and voting process.
2022.3.7	Chairman: Ya-Hui Kuo Directors: Ken-Yi Cheng, Chin-Ti Kan, Hwe-Ching Wong, Yuan-Lih Tseng Supervisors: Chin-Jen Fu, Tzu-Wu Lo	Review of individual directors' remuneration allocation for the fiscal year 2021	Recused due to personal interest as the resolution involved the allocation of remuneration to directors and supervisors, in accordance with the law.	
2022.9.22	Chairman: Ya-Hui Kuo	Approval of fund loan to subsidiary company Xie Yi China.	Recused due to personal interest in the resolution.	
2022.11.9	Chairman: Ya-Hui Kuo	Approval of endorsement guarantee for subsidiary company.	Recused due to personal interest in the resolution.	

III. For a TWSE or TPEx listed company, disclose information including the evaluation cycle and period(s) of the board of directors' self-evaluations (or peer evaluations) and the evaluation method and content. Additionally, complete Table 2(2) Implementation of Evaluations of the Board of Directors:

Please refer to the next page.

IV. Give an evaluation of the targets that were adopted for strengthening of the functions of the board during the current and immediately preceding fiscal years (e.g., establishing an audit committee, increasing information transparency, etc.) and the measures taken toward achievement thereof:

In 2022, the company added an independent director, established the Audit Committee, and implemented policies and procedures for ethical business practices, prevention of dishonest behavior, internal handling of significant information, and corporate governance best practices. Every board meeting is convened in accordance with the Regulations Governing Procedure for Board Directors Meetings, and announce material information in both Chinese and English after the meeting in accordance with the Regulations.

Note 1: For a director or supervisor that is a juristic person (corporate entity), disclose the name of the corporate shareholder and the name of its representative.

Note 2: ① If any director or supervisor left office before the end of the fiscal year, specify the date that they left office in the Remarks column. Their in-person attendance rate (%) should be calculated based on the number of board meetings held and the number they attended in person during the period they were in office.

② If any by-election for directors or supervisors was held before the end of the fiscal year, the names of the new and old directors and supervisors should be filled in the table, with a note stating whether the director or supervisor left office, was newly serving, or was serving consecutive terms, and the date of the by-election. The in-person attendance rate (%) should be calculated based on the number of board meetings held and the number attended in person during the period of each such person's actual time in office.

(2) Implementation of Evaluations of the Board of Directors:

Evaluation Cycle (Note 1)	Evaluation Period (Note 2)	Scope of Evaluation (Note 3)	Evaluation Method (Note 4)	Evaluation Content (Note 5)
Once a year	1 January to 31 December, 2022	Board of Directors	The board of directors as a whole Individual board members	The Company shall take into consideration its condition and needs when establishing the criteria for evaluating the performance of the board of directors, which should cover, at a minimum, the following five aspects: A. Participation in the operation of the company; B. Improvement of the quality of the board of directors' decision making; C. Composition and structure of the board of directors; D. Election and continuing education of the directors; and E. Internal control.
		Individual directors	Self-evaluations by individual board members	The criteria for evaluating the performance of the board members, should cover, at a minimum, the following six aspects: A. Alignment of the goals and mission of the company; B. Awareness of the duties of a director; C. Participation in the operation of the company; D. Management of internal relationship and communication; E. Election and continuing education of the directors; and F. Internal control.
		The functional committees	The functional committees as a whole Individual its members	The criteria for evaluating the performance of the functional committees, which should cover, at a minimum, the following five aspects: A. Participation in the operation of the company; B. Awareness of the duties of the functional committees; C. The quality of the board of directors' decision making; D. Composition and election of the functional committees; and E. Internal control.

Note 1: Fill in the cycle on which the board evaluations are performed: performed once per year.

Note 2: Fill in the period covered by the board evaluation: An evaluation was performed of the performance of the board of directors from 1 January 2022 to 31 December 2022.

Note 3: The scope of the evaluation should cover the performance of the board as a whole, the individual directors, and the functional committees.

Note 4: The performance evaluation methods may include internal evaluation by the board, self-evaluations by individual board members, peer evaluations by board members, evaluations external organizations or experts engaged for that purpose, or other suitable method.

Note 5: The evaluation content shall include at least the following based on the scope of the evaluation:

(1) Evaluation of the performance of the board should include at least the following: degree of the board's participation in the operation of the company; the quality of the board's decision making; composition and structure of the board; election and continuing education of the directors; internal control.

(2) Evaluation of the performance of individual directors should include at least the following: familiarity with the goals and missions of the company; awareness of the duties of a director; participation in the operation of the company; management of internal relationships and communication; the director's professionalism and continuing education; internal control.

(3) Evaluation of the performance of the functional committees: degree of participation in the operation of the company; awareness of the duties of the functional committee; quality of decisions made by the functional committee; makeup of the functional committee and election of its members; internal control.

(II) The state of operations of the audit committee: The Company has established the Audit Committee on 27 May,2022. The Audit Committee held three（A）meetings in 2022.

Job Title	Name (Note 1)	No. of meetings attended in person（B）	No. of meetings attended by proxy	In-person attendance rate【B/A】(%) (Note 2)	Remarks
Independent Director & Convener	Shu-Chuan Chen	3	0	100%	The new-election on May 27, 2022. The meeting was conducted 3 times.
Independent Director	Hai-Ching Wong	3	0	100%	The new-election on May 27, 2022. The meeting was conducted 3 times.
Independent Director	Yuan-Lih Tseng	3	0	100%	The new-election on May 27, 2022. The meeting was conducted 3 times.

Other information required to be disclosed:

1. If any of the following circumstances exists, specify the audit committee meeting date, meeting session number, content of the motion(s), the content of any dissenting or qualified opinion or significant recommendation of the independent directors, the outcomes of audit committee resolutions, and the measures taken by the Company based on the opinions of the audit committee:

(1) Any matter under Article 14-5 of the Securities and Exchange Act.

Meeting Date	Important Agenda	Audit Committee's Resolution	Audit Committee's dissenting opinions, reservations, or significant recommendations.
2022.08.11 (Term 1-1)	Approval of Consolidated Financial Report for the Q2,2022. Establishment of "Internal Material Information Processing Operation Procedures" for the Company	All proposals were unanimously approved by the attending members upon consultation by the chairperson, and then submitted for discussion at the BOD.	None
2022.09.22 (Term 1-2)	Amendment of the "Regulations of the Remuneration Committee" for the Company Approval of fund loan to subsidiary company Xie Yi China.		
2022.11.09 (Term 1-3)	Approval of Consolidated Financial Report for the Q3,2022. Audit Plan for the Fiscal Year 2023. Approval of endorsement guarantee for subsidiary company. Amendment of the " Internal Material Information Processing Operation Procedures" of the company. Amendment of to the "Internal Control System" for the Company.		

(2) In addition to the matters referred to above, any matter that was not approved by the audit committee but was approved by a two-thirds or greater majority resolution of the board of directors:None

2. Implementation of recusals of independent directors with respect to any motions with which they may have a conflict of interest: specify the independent director's name, the content of the motion, the cause for recusal, and whether and how the independent director voted:None
3. Communication between the independent directors and the chief internal audit officer and the CPAs that serve as external auditor (including any significant matters communicated about with respect to the state of the company's finances and business and the method(s) and outcomes of the communication.):
The communication channels between the independent directors, internal audit supervisor, and accountants in our company are smooth. Both parties are able to communicate on company matters as needed, using physical, electronic, or video means of communication.

Note 1: If any independent director left office before the end of the fiscal year, specify the date that they left office in the Remarks column. Their in-person attendance rate (%) should be calculated based on the number of audit committee meetings held and the number they attended in person during the period they were in office.

Note 2: If any by-election for independent directors was held before the end of the fiscal year, the names of the new and old independent directors should be filled in the table, with a note stating whether the independent director left office, was newly serving, or was serving consecutive terms, and the date of the by-election. The in-person attendance rate (%) should be calculated based on the number of board meetings held and the number attended in person during the period of each such person's actual time in office.

(III) The state of operations of the nomination committee: The Company does not have a nomination committee.

(IV) Implementation Status and Deviations from the Corporate Governance Best Practice Principles for TPEx Listed Companies and the Reasons:

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
1. Has the Company established and disclosed its Corporate Governance Best Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?	V		The company has established Corporate Governance Best Practice Principles and has been disclosed on the MOPS as well as on the company's website \ Investor Relations \ Governance area.	No material difference
2. Shareholding Structure and Shareholders' Rights (1) Does the Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly? (2) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders? (3) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates? (4) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	V		(1) The company has established a spokesperson, deputy spokesperson, and dedicated personnel from our shareholder services agency to handle shareholder suggestions and related issues. (2) The company provides monthly reports on the shareholding status of directors, executives, and major shareholders of our company, and regularly disclose and monitor any changes in insider shareholdings. (3) The company have implemented the "Supervision and Operation Guidelines for Subsidiaries" to ensure appropriate risk management. For the business and financial transactions with subsidiaries, we have established written operational norms and clearly defined transaction conditions, following the same procedures as with other general transactions. (4) Our company has implemented measures to prevent insider trading in accordance with the internal control system. We have established guidelines to prohibit insiders from trading securities based on undisclosed material information in the market.	No material difference

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
3. Composition and responsibilities of the board of directors (1) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?	V		(1) In accordance with the Company's diversification policy and to strengthen corporate governance and promote the development of a sound composition and structure of the Board of Directors, the Company has adopted a candidate nomination system for the nomination of director candidates in accordance with the Company's Articles of Incorporation. Rigorous evaluations are carried out for each candidate's academic (experience) qualifications, professional background, integrity or relevant professional qualifications, which is then presented during the annual shareholders' meeting for election after approval by the Board of Directors. In accordance with the Company's Articles of Incorporation, it is expressly stipulated that the election of directors is based on the nomination and qualification examination of candidates, and the election of directors is submitted to the shareholders' meeting after the Board of Directors' review and approval. The members of the Board of Directors possess expertise in various fields, rich industry experience, as well as professional capabilities in accounting, legal, business and finance. Directors are expected to contribute to the development and sound operation of the Company, and to provide advice and reminders on relevant issues. The Company's Board of Directors is composed of five directors, including two independent directors, all of whom are in their 50s, 60s, or 70s. The Company also places emphasis on gender diversity, with female board members serving as the Chairman of the Board, added a female independent director this year, and will gradually increase the number and ratio of female directors according to demand in the future. A. Specific Management Objectives:	No material difference

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			The board of directors of our company should possess sufficient industry experience and professional capabilities. The composition of members' industry experience should cover industry knowledge, business development, crisis management abilities, and international markets, with a target of at least 2 members in each area. The members' professional backgrounds should include accounting, law, business, and finance, with a target of at least 2 members in each professional field. Furthermore, our company also emphasizes gender equality in the composition of the board of directors, with a target of at least 2 female directors. The nomination and qualification review for director appointments are conducted through a candidate nomination system in accordance with the "Company Bylaws" and "Director and Supervisor Election Procedures." After the review and approval by the board of directors, the appointment is presented to the shareholders' meeting for election. The board members have different expertise in various fields and possess rich industry experience and professional abilities in business, law, finance, accounting, and risk management. They provide advice and reminders on relevant issues and contribute to the development and operation of the company. The current board of directors consists of several directors, including two independent directors, with ages ranging from 51 to over 70 years old. The company also focuses on gender diversity, with female directors serving as the chairman and an additional position. In the future, we will gradually increase the number and proportion of female directors.	

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td>The implementation of the Board of Directors' diversity policy is as follows:
<table>
<tr><th rowspan="2">Diversity Item / Name of Director</th><th colspan="3">Basic Composition</th><th colspan="4">Industry Experience</th><th colspan="4">Professional Competence</th></tr>
<tr><th>Nationality</th><th>Gender</th><th>Also employee of the Company</th><th>Industry Know-ledge</th><th>Business Develop-ment</th><th>Crisis Management Skills</th><th>Knowledge of International Markets</th><th>Accounting</th><th>Legal</th><th>Business</th><th>Finance</th></tr>
<tr><td>Ya-Hui Kuo</td><td>R.O.C.</td><td>Female</td><td>V</td><td>V</td><td>V</td><td>V</td><td>V</td><td>V</td><td>-</td><td>V</td><td>V</td></tr>
<tr><td>Keng-Yi Cheng</td><td>R.O.C.</td><td>Male</td><td>-</td><td>V</td><td>V</td><td>V</td><td>V</td><td>V</td><td>-</td><td>V</td><td>V</td></tr>
<tr><td>Yu Cheng Investment Co., Ltd. Representative: Chin-Jen Fu</td><td>R.O.C.</td><td>Male</td><td>-</td><td>V</td><td>V</td><td>V</td><td>V</td><td>V</td><td>-</td><td>V</td><td>V</td></tr>
<tr><td>Cheng Lin Investment Co., Ltd. Representative: Ching-Ti Kan</td><td>R.O.C.</td><td>Male</td><td>-</td><td>V</td><td>V</td><td>V</td><td>V</td><td>-</td><td>V</td><td>V</td><td>V</td></tr>
<tr><td>Hwe-Ching Wong</td><td>R.O.C.</td><td>Male</td><td>-</td><td>V</td><td>V</td><td>V</td><td>V</td><td>V</td><td>-</td><td>V</td><td>V</td></tr>
<tr><td>Yuan-Lih Tseng</td><td>R.O.C.</td><td>Male</td><td>-</td><td>V</td><td>V</td><td>V</td><td>V</td><td>-</td><td>V</td><td>V</td><td>V</td></tr>
<tr><td>Shu-Chuan Chen</td><td>R.O.C.</td><td>Female</td><td>-</td><td>V</td><td>V</td><td>V</td><td>V</td><td>V</td><td>-</td><td>V</td><td>V</td></tr>
</table>
The current board of directors has achieved the aforementioned specific management objectives.</td><td></td></tr>
<tr><td>(2) Has the Company voluntarily established other functional committees in addition to the remuneration committee and the audit committee?</td><td></td><td></td><td>(2) In addition to the legally required establishment of the Remuneration Committee, our company has set up the Audit Committee in accordance with regulations after the election of directors and independent directors at the shareholder meeting on May 27, 2022. The governance operations of other departments are handled by their respective roles and responsibilities, and no other functional committees have been established at the moment. The establishment of additional functional committees will be considered in the future based on the needs and requirements.</td><td></td></tr>
<tr><td>(3) Has the Company established rules and</td><td></td><td></td><td>(3) Our company has established the "Board Performance</td><td></td></tr>
</table>

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms?			Evaluation Guidelines" and conducts regular board performance evaluations annually. The results of the aforementioned performance evaluation were approved by the board of directors on March 7, 2022, and the details of the evaluation process can be found on page 29 of this report.	
(4) Does the Company regularly evaluate its external auditors' independence?			(4) Our company conducts an annual assessment of the independence and suitability of the signing auditors, taking into account the Audit Quality Indicators Report (AQIs). The results of this assessment were presented to and approved by the board of directors on March 14, 2023. Based on our evaluation, both CPAs, Wan-I Liao and Bo-Ren Weng from Deloitte & Touche, meet the independence and suitability criteria set by our company, and are suitable to serve as the signing auditors for our company. (Note 1)	

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td>4. Does the TWSE/TPEx listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?</td><td>V</td><td></td><td>The company is supervised by the Corporate Governance Officer, who is responsible for convening relevant department personnel, coordinating and planning the operations of the board of directors and shareholders' meetings. They also assist the directors and supervisors in their appointments, continuous education, compliance with laws and regulations, and provide necessary information for the execution of their duties. Additionally, they handle company (change) registration and other related matters to safeguard shareholder rights and strengthen the functions of the board of directors.

Note 1: The appointment of the new Corporate Governance Supervisor was reported and approved by the board of directors on March 7, 2022.

<table><tr><th>Name</th><th>Gender</th><th>Academic qualifications</th><th>Work experience</th></tr><tr><td>Tsui-Hua, Wu</td><td>Female</td><td>MBA, Memphis State University, USA</td><td>Vice President, Finance and Accounting Div.SEYI
Alcatel-Lucent Tech. VP.CFO
AT&T Taiwan Branch CFO</td></tr></table>
Note 2: The Corporate Governance Officer has participated in education and training for a total of 18 hours, as required by regulations.

<table><tr><th>Date</th><th>Course</th><th>Hours</th></tr><tr><td>2022/3/16</td><td>"Shareholders' Meeting" and "Company Law": Considerations and Practical Analysis</td><td>6</td></tr><tr><td>2022/3/29 ~3/30</td><td>Practical Workshop for Directors, Supervisors (including Independent Directors), and Corporate Governance Supervisor.</td><td>12</td></tr></table></td><td>No material difference</td></tr>
</table>

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
5. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	V		The company has a spokesperson and a deputy spokesperson, and their contact information is disclosed as required on the MOPS. Additionally, financial and shareholder-related information is announced on both the MOPS and the company's website. A stakeholder engagement area has been set up on the company's website, providing corresponding contact points for various stakeholder groups, to establish effective communication channels with investors and other stakeholders.	No material difference
6. Has the Company appointed a professional shareholder services agent to handle matters related to its shareholder meetings?	V		The company has appointed a professional stock agency, Grand Fortune Securities Co., Ltd., Shareholder Services Department, to handle various shareholder-related matters on behalf of the company. There are established "Shareholder Services Operation Guidelines" that regulate the related affairs.	No material difference
7. Information Disclosure (1) Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status? (2) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)? (3) Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?	V		(1) The company has a corporate website with the website: www.seyi.com, where financial, business, and corporate governance information is disclosed. (2) The company also maintains an English version of the corporate website, managed by a dedicated department. In addition to providing information on the company's financial and business operations, the website also timely discloses relevant news and updates. Major announcements and disclosures are made through the spokesperson via the MOPS website. In the case of investor conferences or press events, presentation materials are posted in the website's Investor Relations section. Other operations follow the regulations set by the competent authorities. (3) The company announces and files the annual financial report within three months after the end of the fiscal year. It also complies with the prescribed deadlines for announcing and filing the first, second, and third-quarter financial reports, as well as monthly	No material difference

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			operating results.	
8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?	V		(1) The company values the protection of employee rights and benefits. In addition to complying with legal requirements for employee insurance and implementing a retirement pension system, the company has established an Employee Welfare Committee and actively fosters communication channels between labor and management to create a harmonious work environment that facilitates the smooth progress of various tasks. (2) Continuing education for directors and supervisors: The company's directors and supervisors engage in professional development based on the guidelines provided in the "Sample Guidelines for Continuing Education of Directors and Supervisors of Listed and Over-the-Counter Companies" issued by the Taiwan Stock Exchange. (Note 2) (3) Implementation of risk management policies and risk assessment standards: Major proposals are reviewed and approved by the Board of Directors, and internal audits are conducted to ensure compliance. (4) Execution of customer protection policies: The company follows quality policies in accordance with ISO standards. (5) Purchase of liability insurance for directors and supervisors and social responsibility: The company's directors and supervisors uphold the principle of integrity in business operations and have no record of litigation or illegal activities. The company has also purchased directors' and supervisors' liability insurance to provide additional protection.	No material difference
9. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement: The Company has established the Audit Committee as required by law on May 27, 2022.				

Note 1: The following is an assessment of the independence of the CPA:

Evaluation item	Evaluation result	Compliance with independence
1. Whether the CPA has a direct or material indirect financial interest in the Company	No	Yes
2. Whether the CPA has engaged in financing or guarantee activities with the Company or the Company's directors	No	Yes
3. Whether the CPA has close business relationship and potential employment relationship with the Company	No	Yes
4. Whether the CPA and the members of its audit team currently hold or have held any positions with the Company in the last two years as a managing director or as a person with significant influence over the audit work	No	Yes
5. Whether the CPA provides non-audit services to the Company that may directly or indirectly affect the audit work	No	Yes
6. Whether the CPA has brokered any shares or other securities issued by the Company	No	Yes
7. Whether the CPA has acted as a defender for the Company or represented the Company in coordinating conflicts with other third parties.	No	Yes
8. Whether the CPA is related to any of the Company's directors, managerial officers or persons with significant influence on the audit	No	Yes

Note 2: Listed companies should disclose the following information regarding the operation of corporate governance - participation of directors and supervisors in external training courses:

Job Title	Name	Training date	Organizer	Course name	Training hours
Chairman	Ya-Hui Kuo	2022/07/28	Corporate Organization and Sustainable Development Association	Discussing Taiwanese Business Operations and Merger & Acquisition Strategies from a Global Political and Economic Perspective.	3
		2022/11/09	Corporate Organization and Sustainable Development Association	Discussion on Tax and Legal Risks to Consider in Equity Succession	3
Director	Yu Cheng Investment Co., Ltd. Representative: Chin-Jen Fu	2022/10/25	Taiwan Academy of Banking and Finance	Corporate Governance Lecture	3
		2022/12/15	Corporate Organization and Sustainable Development Association	Introduction to Taiwan's Corporate Governance Blueprint 3.0	3
Director	Cheng Lin Investment Co., Ltd. Representative: Chin-Ti Kan	2022/11/03	Securities & Futures Institute	Practical Case Analysis of Director and Supervisor Breach of Trust and Special Breach of Trust Crimes	3
		2022/11/03	Securities & Futures Institute	Exploration of Trade Secret Cases	3
		2022/11/09	Taiwan Corporate Governance Association	Introduction to Corporate Management Power Struggles and Directors' Fiduciary Duties (Part 1)	3
		2022/11/09	Taiwan Corporate Governance Association	Introduction to Corporate Management Power Struggles and Directors' Fiduciary Duties (Part 2)	3
Director	Ken-Yi Cheng	2022/07/26	Corporate Organization and Sustainable Development Association	Cross-border Investment and Mergers & Acquisitions	3
		2022/07/29	Corporate Organization and Sustainable Development Association	Identifying Company Pitfalls or Operational Crises from Financial Statements	3
Director	Hwe-Ching Wong	2022/10/25	Taiwan Academy of Banking and Finance	Corporate Governance Lecture	3
		2022/12/07	Corporate Organization and Sustainable Development Association	The Legal Effects of Actions Between Directors and Companies	3

Job Title	Name	Training date	Organizer	Course name	Training hours
Independent Director	Yuan-Lih Tseng	2022/10/25	Taiwan Academy of Banking and Finance	Corporate Governance Course	3
		2022/12/02	Securities & Futures Institute	Discussing the Functions of the Board of Directors in Preventing Corporate Fraud	3
		2022/12/02	Securities & Futures Institute	Analyzing Independent Directors and Audit Committee Cases Based on Judicial Practices	3
Independent Director	Shu-Chuan Chen	2022/07/14	Securities & Futures Institute	Net Zero Trend: Practical Observations on ESG Decision-making by the Board of Directors	3
		2022/08/10	Independent Director Association Taiwan	Practical Case Analysis of Related-party Transactions and Unconventional Transactions	3
		2022/09/08	Independent Director Association Taiwan	The Risks and Practical Operations of the Board of Directors Reviewing Asset Values	3
		2022/10/11	TWSE & TPEx	Release of the 2022 Guidelines for Independent Directors and Audit Committees, and Directors and Supervisors' Propagation Meeting	3
		2022/10/19	Taiwan Corporate Governance Association	Enhancing Director Competencies to Implement Sustainable Governance	6
		2022/11/09	Independent Director Association Taiwan	How Independent Directors Can Early Detect Financial Crises in Companies	3
		2022/11/13~14	TWSE	2022 Cathay Financial Holdings Sustainable Finance and Climate Change Summit	9
		2022/12/02	Taiwan Institute of Directors	Key Factors for Family Businesses to Sustainably Prosper Post-Pandemic	3
		2022/12/16	Securities & Futures Institute	Ethical Business Operations and Money Laundering Control Act	3

(V) The composition, duties, and operation of the Remuneration Committee:

1. The first term of the Remuneration Committee and its Charter were established on October 31, 2011. The fourth term of the Committee ended on June 12, 2022 and the fifth term of the Committee was appointed on August 11, 2022, with the term from August 11, 2022 to May 26, 2025.

Information on the members of the Remuneration Committee

<table>
<tr><th>Position (Note 1)</th><th>Terms
Name</th><th>Professional qualifications and experience (Note 2)</th><th>Status of Independence (Note 3)</th><th>Number of other public companies in which the individual is concurrently serving as the Remuneration Committee member</th></tr>
<tr><td>Convener and Independent Director</td><td>Yuan-Lih Tseng</td><td rowspan="3">Please see Page 12-4 for information on disclosure of directors' professional qualifications and independence of independent directors.</td><td rowspan="3">(1) Not an employee of the Company or its affiliates.
(2) Not a director or supervisor of the Company or its affiliated enterprises.
(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.
(4) Not a spouse, or relative within the second degree of kinship, or lineal relative within the third degree of kinship, of an executive officer falling under (1), or of any of the persons in (2) and (3).
(5) Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act.
(6) A director, supervisor or employee of other companies who is not controlled by the same person as the majority of the directorships or voting shares of the company.
(7) A director (officer), supervisor or employee of other company or institution who is not the same person or spouse as the chairman, president or person holding an equivalent position in the company.
(8) A director, supervisor, managerial office or shareholder holding 5% or more of the shares of a specified company or institution that does not have financial or business relationship with the Company.
(9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT$500,000, or a spouse thereof.
(10) Not been a person of any conditions defined in Article 30 of the Company Act.</td><td>0</td></tr>
<tr><td>Independent Director</td><td>Hai-Ching Wong</td><td>0</td></tr>
<tr><td>Independent Director</td><td>Shu-Chuan Chen</td><td>1</td></tr>
</table>

Note 1: Please specifically fill in the number of years of relevant work experience, and the professional qualifications and experience, and the status of independence, of each remuneration committee member. For "Position", please specify whether the member is an independent director or other (if the member is the convener, please note that fact).

Note 2: Professional qualifications and experience: Describe the professional qualifications and experience of each member of the remuneration committee.

Note 3: Independence analysis: Describe the status of independence of each remuneration committee member, including but not limited to the following: whether the member or their spouse or relative within the second degree of kinship serves or has served as a director, supervisor, or employee of the Company or any of its affiliates; the number and ratio of shares of the Company held by the member, their spouse, and their relatives with the second degree (or through their nominees); whether the member has served as a director, supervisor or employee of a "specified company" (see Article 6, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); the amount(s) of any pay received by the remuneration committee member for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate thereof within the past 2 years.

2. Responsibilities of the Remuneration Committee
   A. Evaluate the performance of directors, supervisors and managers of the Company.
   B. Prescribe and review the remuneration policy, system, standards, and structure.
   C. Set the amount of the remuneration for directors, supervisors and managers of the Company.

3. Information on the operation of the Remuneration Committee
   ① The Company's Remuneration Committee is composed of three (3) members.
   ② The term of office of the current members: August 11, 2022 to May 26, 2025. The Remuneration Committee met three times (A) in most recent year (2022). The qualifications and attendance of the members are as follows:

Job Title	Name	Attendance in Person (B)	No. of meetings attended by proxy	Attendance Rate in Person (%) (B/A)(Note)	Remarks
Convener (Independent Director)	Yuan-Lih Tseng	3	0	100.00%	Director is re-elected on May 27, 2022. Be expected to attend the meetings 3 times.
Member (Independent Director)	Hai-Ching Wong	3	0	100.00%	Director is re-elected on May 27, 2022. Be expected to attend the meetings 3 times.
Member (Independent Director)	Shu-Chuan Chen	1	0	100.00%	Director is new-elected on May 27, 2022. Be expected to attend the meetings 1 times.
Member	Chih-Cheng Chou	2	0	100.00%	Dismissed on May 26, 2022. Be expected to attend the meetings 1 times.

Remuneration Committee	Content of the motion and the response thereto	Result of the resolution	The Company's handling of the recommendation of the Remuneration Committee
2022.01.14	1. Discussion of the Company's 2021 year-end bonus for managerial officers.	Approved by all members of the Committee	Proposed to the Board of Directors and approved by all directors present
2022.03.07	1. Proposal for the distribution method and amount of employees' compensation and remuneration to directors and supervisors for 2021. 2. Proposal for the distribution of the individual directors' and supervisors' remuneration for 2021.	Approved by all members of the Committee	Proposed to the Board of Directors and approved by all directors present
2022.09.22	1. Amendments to the "Regulations Governing the Remuneration to Directors and Supervisors". 2. Amendment to "Charter of the Remuneration Committee".	Approved by all members of the Committee	Proposed to the Board of Directors and approved by all directors present

Other information required to be disclosed:

I. If the board of directors does not accept, or amends, any recommendation of the remuneration committee, specify the board meeting date, meeting session number, content of the recommendation(s), the outcome of the resolution(s) of the board of directors, and the measures taken by the Company with respect to the opinions given by of the remuneration committee (e.g., if the salary/compensation approved by the board is higher than the recommendation of the remuneration committee, specify the difference(s) and the reasons): None.

II. With respect to any matter for resolution by the remuneration committee, if there is any dissenting or qualified opinion of a committee member that is on record or stated in writing, specify the remuneration committee meeting date, meeting session number, content of the motion, the opinions of all members, and the measures taken by the Company with respect to the members' opinion: None.

Notes:

(1) If any remuneration committee member left the committee before the end of the fiscal year, specify the date that they left the committee in the Remarks column. Their in-person attendance rate (%) should be calculated based on the number of remuneration committee meetings held and the number they attended in person during the period they were on the committee.

(2) If any by-election for remuneration committee members was held before the end of the fiscal year, the names of the new and old committee members should be filled in the table, with a note stating whether the member left office, was newly serving, or was serving consecutive terms, and the date of the by-election. The in-person attendance rate (%) should be calculated based on the number of remuneration committee meetings held and the number attended in person during the period of each such person's actual time on the committee.

(VI) Sustainable Development Implementation Status and differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons:

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
1. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	V		The company's Chairman has been appointed as the Chief Sustainability Officer by the Board of Directors and authorized to drive sustainable development. Within the company, the Chairman's Office assumes the responsibility of pressing ahead sustainable development as a dedicated unit, continuously advocating the business philosophy and obligations of sustainable development.	In cases where there are legal requirements or practical considerations, we will comply with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and relevant laws and regulations.
2. Does the company conduct risk assessments of environmental, social and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy in accordance with the materiality principle? (Note 2)	V		The company will integrate the consideration of risks related to environmental, social, and corporate governance issues into our operational strategies, including company policies, internal operational management, and business execution.。	In cases where there are legal requirements or practical considerations, we will comply with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and relevant laws and regulations.
3. Environmental Issues (1) Has the Company set an environmental management system designed to industry characteristics?	V		(1)To assess the exposure of workers in their work environment, we monitor and evaluate the actual conditions of the labor workplace through planning, sampling, analysis, and instrument monitoring, ensuring both measurement and judgment purposes. Our company conducts operational environment monitoring every six months (May and November) to safeguard the health of our employees. We go beyond regulatory requirements by including additional testing parameters, ensuring that workers are protected from harmful substances in the workplace and providing a healthy and comfortable working environment.	In cases where there are legal requirements or practical considerations, we will comply with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and relevant laws and regulations.

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
(2) Is the Company committed to improving energy use efficiency and using renewable materials with low impact on the environment?	V		(2)The company is committed to source reduction by implementing waste sorting and recycling practices to achieve the goals of reducing raw material consumption and waste generation. By doing so, we aim to minimize our environmental impact.	In cases where there are legal requirements or practical considerations, we will comply with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and relevant laws and regulations.
(3) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	V		(3)In line with our corporate responsibility towards environmental protection, the company remains actively engaged in monitoring climate change trends and supporting government policies aimed at reducing greenhouse gas emissions. In addition to conserving electricity, water, and promoting resource reuse, we prioritize the use of recyclable and renewable materials throughout the manufacturing, usage, and disposal phases of our products. This approach helps reduce the reliance on natural resource extraction and enables us to achieve a fully circular and zero-waste model, thereby minimizing the environmental impact of our products.	In cases where there are legal requirements or practical considerations, we will comply with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and relevant laws and regulations.
(4) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	V		(4)The company has obtained certification in accordance with the ISO 14001:2015 international standard for environmental management systems. We have developed an environmental management manual as part of this certification process. To promote energy conservation and carbon reduction, we have implemented digitalization initiatives to reduce paper usage. Additionally, we control the temperature settings in our office environment and utilize energy-efficient light bulbs to achieve energy conservation and carbon reduction goals. Here are the carbon emissions statistics for the past two years:	In cases where there are legal requirements or practical considerations, we will comply with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and relevant laws and regulations.

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			2022 Indirect Carbon Emissions from Energy Use: Water: 219 kgCO2e, Electricity: 505,341 kgCO2e 2022 Water Consumption: 1,360 kWh 2022 Electricity Consumption: 992,811 kWh 2022 Total Waste Weight: 21,438 kg 2021 Indirect Carbon Emissions from Energy Use: Water: 270 kgCO2e, Electricity: 544,148 kgCO2e 2021 Water Consumption: 1,776 kWh 2021 Electricity Consumption: 1,069,053 kWh 2021 Total Waste Weight: 28,320 kg	
4. Social Issues (1) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	V		(1) Our company complies with relevant labor laws and regulations. Matters related to employee appointment, dismissal, and compensation are managed in accordance with applicable laws and our internal control system to safeguard employees' fundamental rights. We have developed policies that align with internationally recognized human rights standards, such as the International Labor Conventions and the United Nations Universal Declaration of Human Rights. These policies reflect our commitment to business ethics, environmental and social issues, human rights, and other public policy commitments. We ensure human rights protection and disclose relevant information in our annual reports and company website. 1. We comply with relevant laws and regulations to provide a safe and healthy working environment. 2. We are committed to maintaining a workplace free from violence, harassment, and intimidation, while respecting employees' privacy and dignity. 3. In accordance with the Labor Standards Act and other	In cases where there are legal requirements or practical considerations, we will comply with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and relevant laws and regulations.

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
(2) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation? (3) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?			relevant laws, we value the balance between employees' health, work, family, and leisure. We also implement work hour management, prohibit child labor, and prohibit all forms of forced labor and discrimination. 4. To establish a gender-equal workplace, we implement maternity leave without pay, while also providing family care leave, menstrual leave, childbirth leave, paternity leave, and breastfeeding facilities for our employees. 5. We prioritize the concept of employee health. Each year, we arrange medical examinations for employees at our headquarters and factory areas. We also organize periodic health seminars to provide employees with professional medical information and services, assisting them in addressing physical, mental, and spiritual concerns. (2) In addition to implementing human-centric management and various welfare measures, our company adheres to the concept of sharing profits with employees to attract and motivate talented individuals. Employee compensation is determined based on the company's operational performance. (3) A. Management of hazardous machinery safety: Regular inspections and confirmations are conducted by on-site colleagues and supervisors for general machinery and equipment. Additional management measures and periodic external inspections are implemented for machinery regulated by laws and regulations to ensure their proper use. For hazardous machinery such as forklifts and fixed cranes, equipment maintenance effectiveness is ensured by the responsible vendors. Fixed cranes, being important production support equipment, are	

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			maintained by professional vendors. B. Occupational safety and health education and training: (1) New employees: Safety and health education and training are conducted on their first day of employment to make them aware of workplace hazards and the safety regulations they should adhere to. (2) Existing employees: 2-1. In-service training on safety and health: Employees who have obtained relevant safety and health qualifications regularly undergo in-service training to meet regulatory requirements and enhance their awareness of occupational hazards. 2-2. Fire emergency drills: Conducted every six months to improve the mutual alertness and strengthen the emergency response capabilities of the entire workforce. (3) Contractors: Various education and training programs are conducted based on the nature of their work to enhance their awareness of hazard prevention and accident prevention measures. C. Appointment of professional occupational safety and health management personnel: The company's occupational safety and health management unit consists of a Class A occupational safety and health business supervisor, a Class A safety manager, and an occupational safety and health management officer. In addition, a labor health service nurse is appointed. All personnel have obtained professional certifications and actively participate in government-organized education and promotional activities to enhance their professional	

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			capabilities. In addition to the occupational safety unit, strict controls are implemented for on-site colleagues who perform operations. They must obtain licenses and pass internal assessments before being allowed to operate. The statistics for the number of licenses held by operators of hazardous machinery are as follows: 75 licenses for fixed cranes and 65 licenses for forklifts. There are also qualified personnel for first aid, acetylene welding operations, organic solvent operation supervisors, etc. These personnel undergo annual external training to enhance their awareness of hazards, understanding of the latest legal regulations, and reduce the likelihood of accidents, with the primary goal of maintaining zero occupational accidents. The company upholds the belief that employees are our most important asset and implements strict safety and health management measures. We provide appropriate personal protective equipment to employees and require them to wear the necessary protective gear before starting any operations. To ensure a safe and comfortable working environment for employees, we conduct operational environment monitoring and on-site assessments to prevent employees from being exposed to hazardous factors in the workplace.	
(4) Has the Company established effective career development training programs for employees?			(4) The company encourages employees to pursue further education and training, with the goal of developing outstanding talents. We have established a performance assessment matrix that aligns with professional/technical competencies and a clear promotion system. In addition to providing internal educational training, employees can also apply for external education and training programs	
(5) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?				

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
(6) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?			to enhance their skills and advance their career capabilities. (5) The company manufactures machine tools and presses, and our products adhere to strict international standards. Therefore, our product marketing and labeling comply with relevant laws and international guidelines. We also have product liability insurance to safeguard consumer rights. If there are any questions or concerns regarding our products, customers can contact us via phone or email. We will assign dedicated personnel to understand, coordinate, and handle the matter appropriately. (6) All our suppliers are required to adhere to the company's integrity policy, as well as policies related to environmental quality and occupational health and safety. This ensures that both the company and suppliers are committed to enhancing corporate social responsibility.	
5. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?		V	The company has not yet prepared a sustainability report.	The company will prepare a sustainability report in accordance with regulations in the future.
6. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviation from the principles in the Company's operations: The Company has not yet established the "Sustainable Development Best Practice Principles", but in fact, the Company is in compliance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.				
7. Other important information to facilitate better understanding of the company's promotion of sustainable development: We believe that it is our responsibility to create a friendly and healthy work environment. We insist on using recyclable and renewable materials at all phases of manufacturing, using and disposing of our products to replace those from natural resources. So that we can achieve the goal of total recycling and zero waste, and reduce the burden of our products on the environment. The Company regularly organizes free health checkups for all employees and has doctors on site to provide health consultation. The Company believes that only healthy employees can maintain high quality specifications. Healthy employees are the only ones who can create competitive products. Therefore, it is our business philosophy to create a healthy and balanced working environment.				

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	

Note 1: If "Yes" is ticked in the "Implementation status" column, please concretely describe the major policies, strategies, and measures adopted and the status of their implementation. If "No" is ticked in the "Implementation status" column, please explain the deviations and the reasons in the "Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons" column and explain the Company's plans for adoption of related policies, strategies, and measures in the future.

Note 2: The materiality principle refers to focusing on environmental, social and corporate governance issues likely to have a material impact on the Company's investors and other stakeholders.

(7) Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons:

Evaluation item	Implementation status (Note)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
1. Establishment of ethical corporate management policies and programs (1) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team? (2) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies? (3) Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?	V		(1) The company, established for over 60 years, has always upheld the principles of integrity and compliance. All operational regulations within the company strictly adhere to the latest government laws and regulations. The board of directors and management team operate with integrity as their guiding principle. In 2022, we have established the "Code of Conduct and Prevention of Unethical Practices" policy. (2) The company has internal regulations in place, such as the Insider Trading Prevention Operating Procedures and the Employee Handbook, which explicitly state that employees are prohibited from engaging in or being involved in any dishonest business activities. The internal audit unit conducts regular audits and implements measures to prevent such activities through internal reporting mechanisms. (3) We have established "Work Standards" and related internal procedures that clearly define disciplinary measures for violations and establish a complaint system. These policies are communicated and enforced through internal education and training programs.	No material difference
2. Ethical Management Practice (1) Does the company assess the ethics records of those it has business relationships with and	V		(1) The company has established "Work Standards" and related internal regulations that clearly define disciplinary	No material difference

Evaluation item	Implementation status (Note)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
include ethical conduct related clauses in the business contracts? (2) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year) report to the board of directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation? (3) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies? (4) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits? (5) Does the company provide internal and external ethical corporate management training programs on a regular basis?			measures for violations and establish a complaint system. These policies are communicated and enforced through internal education and training programs. (2) The Audit Department of our company reports directly to the board of directors and is responsible for overseeing and auditing the implementation of integrity in various operational departments. They regularly report to the board of directors on their execution and implementation. (3) All business activities of the company are conducted in accordance with the law, and significant information is disclosed in compliance with legal requirements to ensure information transparency. (4) We have established effective accounting and internal control systems, and the company's audit unit carries out audit operations based on the annual audit plan approved by the board of directors. Audit reports are submitted to the board of directors, and the implementation of audits is reported to the board of directors. Additionally, the company complies with the reporting requirements of relevant authorities. (5) The company regularly promotes the concept of integrity in business during various meetings.	
3. Implementation of Complaint Procedures (1) Has the company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistleblowers? (2) Has the company established standard operation	V		(1) The company has established a reporting channel to address violations of the integrity policy. Members who violate the policy are subject to the disciplinary measures outlined in our company's reward and punishment regulations.	No material difference

Evaluation item	Implementation status (Note)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner? (3) Has the company adopted proper measures to protect whistleblowers from retaliation for filing complaints?			(2) The company has defined procedures for opinions, communication, and feedback, and relevant supervisors have the responsibility to maintain the confidentiality of the parties involved. (3) Confidentiality of whistleblowers is strictly maintained throughout the reporting process in our company, and individuals will not face any disciplinary actions as a result of making a report.	
4. Strengthening Information Disclosure Does the company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?	V		The company places great emphasis on operating with integrity. The related guidelines and regulations have been established in accordance with legal requirements and are disclosed in compliance with the law.	No material difference
5. If the company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviations between the principles and their implementation: The Company's ethical corporate management best practice principles and related bylaws will be established in accordance with the law.				
6. Other important information to facilitate a better understanding of the status of operation of the company's ethical corporate management policies (e.g., the company's reviewing and amending of its ethical corporate management best practice principles): The Company's ethical corporate management best practice principles and related bylaws will be established in accordance with the law.				

Note: Regardless of whether "Yes" or "No" is ticked regarding the implementation status, an explanation should still be provided in the explanation column for each item.

(8) The corporate governance best-practice principles or related bylaws adopted by the Company:
The company has established Corporate Governance Best Practice Principles and approved by BOD. It has been disclosed on the company's website.

(9) Other significant information that will provide a better understanding of the state of the company's implementation of corporate governance:
1. The Company disclosed the information in both English and Chinese in the Corporate Governance section of the Company's website starting from this year.
2. The Company posted material information in both English and Chinese on the Market Observation Post System starting from this year.

(10) Implementation of the internal control system:

1. Statement of the Internal Control System:

SHIEH YIH MACHINERY INDUSTRY CO., LTD.

Statement of the Internal Control System

Date: March 14, 2023

Based on the findings of a self-assessment, the Company states the following with regard to its internal control system during the year 2022:

I. The Company's Board of Directors and management are responsible for establishing, implementing, and maintaining an adequate internal control system. Internal control system is designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets), reliability, timeliness, transparency and regulatory compliance of our reporting, and compliance with applicable rulings, laws and regulations.

II. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and the Company takes immediate remedial actions in response to any identified deficiencies.

III. The Company evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing Establishment of Internal Control Systems by Public Companies (herein below, the "Regulations"). The judgment items of the internal control system adopted in the "Regulations" are the process of management control, and the internal control system is divided into the following five components: 1. control environment, 2. risk assessment, 3. control operation, 4. information and communication, and 5. supervision operation. There are several items in each key components. Please refer to the Regulations for the preceding items.

IV. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.

V. Based on the findings of such evaluation, the Company believes that, on December 31, 2022, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency and regulatory compliance of reporting, and compliance with applicable rulings, laws and regulations.

VI. This Statement is an integral part of the Company's annual report and prospectus, and will be made public. Any falsehood,concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

VII. This statement was approved by the Company's Board of Directors on March 14, 2023. Of the 7 directors present, 0 had objections, and the rest all agreed with the content of this statement and declare here.

SHIEH YIH MACHINERY INDUSTRY CO., LTD.

Chairman: Ya-Hui Kuo

President: Ting-Chun Kuo

2. CPA audit report on reviewing of the internal control system: None.

(11) During the most recent year and up to the date of printing of the annual report, the punishment of the company and its insiders in accordance with the law, the company's punishment on its insiders for violating the provisions of the internal control system, and the major deficiencies and improvement: None.

(12) Important resolutions of shareholders' meetings and board meetings in the most recent year and as of the date of printing of the annual report:

Shareholders' Meeting Board of Directors	Date	Important resolutions
BOD	2022.05.11	(1)Practice principles based on the Ethical Corporate Management and prevention measures。
Shareholders' Meeting	2022.05.27	(1)Approval of the company's 2021 Business Report and Financial Statement for ratification. (2)Approval of the 2021 Earnings Distribution for ratification. Implementation Status: Approved Ex-dividend date: August 8, 2022 Payment date: August 24, 2022 (The dividend amount per share is set at NT$0.23654444.) (3)Approval of the amendment of the "Articles of Incorporation" Implementation Status: The Articles of Incorporation have been approved and registered with the Ministry of Economic Affairs on June 30, 2022. (4)Approval of the amendment of the "Rules of Procedure for Shareholders Meetings" Implementation Status: The rules of the shareholders' meeting have been announced on the MOPS on June 13, 2022, and subsequently processed according to the revised rules. (5)Approval of the amendment of the "Procedures for Election of Directors and Supervisors" Implementation Status: Execute according to the resolution results. (6)Approval of the amendment of the "Regulations Governing the Acquisition and Disposal of Assets" Implementation Status: The rules of the shareholders' meeting have been announced on the MOPS on June 13, 2022, and subsequently processed according to the revised rules. (7)Approval of the amendment of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees" Implementation Status: The rules of the shareholders' meeting have been announced on the MOPS on June 13, 2022, and subsequently processed according to the revised rules. (8)Completion of the election for the 17th Board of Directors. Implementation Status: The Articles of Incorporation have been approved and registered with the Ministry of Economic Affairs on June 30, 2022.

Shareholders' Meeting Board of Directors	Date	Important resolutions
BOD	022.08.11	(1)Consolidated Financial Report for the Q2,2022. (2)The bank credit line for the company. (3)Establishment of "Internal Material Information Processing Operation Procedures" for the company (4)Appointment of members for the 5th Remuneration Committee of the company
BOD	2022.09.22	(1)Amendment of the "Rules of Director and Supervisor Compensation and Remuneration Distribution " for the company (2)Amendment of the "Regulations of the Remuneration Committee" for the company (3)Cash capital reduction for the subsidiary Xie Yi China (4)Capital increase from earnings for the subsidiary Xie Yi China (5)Fund loan to subsidiary company Xie Yi China.
BOD	2022.11.09	(1)Consolidated Financial Report for the Q3,2022. (2)Audit Plan for the Fiscal Year 2023. (3)The bank credit line for the company and subsidiary company. (4)Endorsement guarantee for subsidiary company. (5)Establishment of "Corporate Governance Best Practice Principles " for the company (6)The amendment of the "Rules of Procedure for Board of Directors Meetings" for the company (7)Amendment of the "Internal Control System" for the Company. (8)Amendment of "Internal Material Information Processing Operation Procedures" for the Company
BOD	2023.01.06	(1)Proposal for Managers' Year-end Bonus and Employee Cash Compensation Distribution for Year 2021 (2)2023 Budget for the Company。 (3)2023 Business Plan for the Company。 (4)Amendment of the "Internal Control System" for the Company. (5)Amendment of the "Accounting System" for the Company. (6)The company has established the position of Chief Sustainability Officer , and the Chairman hold a concurrent post concurrently.

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

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

IV. Information on the professional fees of the attesting CPAs:

Unit: NT$ Thousands

Name of accounting firm	Names of CPAs		Period covered by the CPA audit	Audit fees	Non-audit fees	Total	Remarks
Deloitte & Touche	Wan-I Liao	Bo-Ren Weng	2022.01.01~2022.12.31	2,750	210	2,960	None

Note: If the company changed its CPAs or accounting firm during the fiscal year, list the audit periods before and after the change separately, and specify the reason for the change in the “Remarks” column.

(1) If the amount of non-audit fees paid to the CPA, the accounting firm and its affiliates is more than one-fourth of the audit fees, disclose sequentially the audit and non-audit fees paid. For non-audit fees,additionally specify the content of the services: None.

The non-audit fees are mainly $210 thousand for tax audit.

(2) When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: None.

(3) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed: None.

V. Information on replacement of certified public accountant: None.

VI. Whether the chairman, president, or manager in charge of financial or accounting affairs of the company has worked in the firm of the CPAs or its affiliated enterprises in the past year: None.

VII. Any transfer of equity interests and/or pledge of or change in equity interests (during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report) by a board of director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report.

(I) Changes in Shareholding of Directors, Supervisors, Managerial Officers, and Major Shareholders

Job Title	Name	2022		As of April 23, 2023	
		Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)	Increase/decrease in the number of shares held	Pledged shareholding increase (or decrease)
Chairman	Ya-Hui Kuo	400,000	0	0	0
Director	Yu Cheng Investment Co., Ltd.	0	0	0	0
Representative of the corporate director	Chin-Jen Fu	0	0	0	0
Director	Cheng Lin Investment Co., Ltd.	0	0	0	0
Representative of the corporate director	Chin-Ti Kan	0	0	0	0
Director	Keng-Yi Cheng	0	0	0	0
Independent Director	Yuan-Lih Tseng	0	0	0	0
Independent Director	Hai-Ching Wong	0	0	0	0
Independent Director	Shu-Chuan Chen	0	0	0	0
President	Ting-Chun Kuo	470,000	0	0	0
Executive Vice President	Liu, Kuo-Wang	0	0	0	0
Vice President	Tsui-Hua Wu	0	0	0	0
Vice President	Cheng-Wei Li	0	0	0	0
Vice President	Hung-Chieh Huang	0	0	0	0
Vice President	Yu-Po Hsu	0	0	0	0

Note 1: Any shareholder holding more than 10 percent of the Company's total share capital shall be noted as a major shareholder, and such shareholders shall be listed individually.

Note 2: If the counterparty of a transfer of shareholding or a pledge of shareholding is a related party, additionally complete the table below.

(II) Information on Transfers of Shareholding:

Name (Note 1)	Reason for transfer (Note 2)	Date of transaction	Counterparty	Relationship between the counterparty and the Company,directors,supervisors, managerial officers,and major shareholders	No. of shares	Transaction price
Ya-Hui Kuo	Acquisition (Received)	2022.03.11	Sheng-Hsiung Kuo	Father and Daughter	400,000	11.30
Ting-Chun Kuo	Acquisition (Received)	2022.03.11	Hsiu-E Chen	Mother and Son	470,000	11.30

Note 1: Fill in the names of the directors, supervisors, and managerial officers, and the shareholders with greater than 10percent shareholding.
Note 2: Specify whether the shares are acquired or disposed of.

(III) Information on Pledges of Shareholding: None.

VIII. Relationship information, if among the company's 10 largest shareholders any one is a related party under SFAS No. 6:

Relationships Among the Top 10 Shareholders are Related Parties

April 23, 2023

Name	Shareholding		Shareholdings of spouse and minors		Total shareholding by nominee arrangements		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree of kinship		Re-marks
	Number of shares	Share-holding ratio	Number of shares	Share-holding ratio	Number of shares	Share-holding ratio	Name of entity (or individual)	Relationship	
Yu Cheng Investment Co., Ltd.	13,000,000	8.21%	0	0.00%	0	0.00%	None	None	None
Yu Cheng Investment Co., Ltd. Representative: Hsiu-E Chen	323,209	0.20%	330,873	0.21%	0	0.00%	Ya-Hui Kuo Li-Hui Kuo Ying-Hui Kuo Mei-Hui Kuo	Mother and daughter Mother and daughter Mother and daughter Mother and daughter	None
Far Union Investment Limited	8,093,547	5.11%	0	0.00%	0	0.00%	None	None	None
Far Union Investment Limited Representative: Pi-E Hu	701,721	0.44%	0	0.00%	0	0.00%	None	None	None
Kaotai Machinery Co., Ltd.	7,939,000	5.01%	0	0.00%	0	0.00%	None	None	None
Kaotai Machinery Co., Ltd. Representative: Chih-Chuan Kan	817,000	0.520%	0	0.00%	0	0.00%	Chien-Fu Kan Jung-Yu Kan Lai	Father and son Mother and son	None
Taiwan Steel & Mining Corp.	7,190,000	4.54%	0	0.00%	0	0.00%	None	None	None
Taiwan Steel & Mining Corp. Representative: Chien-Fu Kan	4,566,000	2.88%	177,000	0.40%	0	0.00%	Jung-Yu Kan Lai Chih-Chuan Kan	Spouse Father and son	None
Ying-Hui Kuo	6,144,596	3.88%	0	0.00%	0	0.00%	Hsiu-E Chen Ya-Hui Kuo Li-Hui Kuo Mei-Hui Kuo	Mother and daughter Sister Sister Sister	None
Li-Hui Kuo	5,863,115	3.70%	0	0.00%	0	0.00%	Hsiu-E Chen Ya-Hui Kuo Ying-Hui Kuo Mei-Hui Kuo	Mother and daughter Sister Sister Sister	None
Four Season'S Logistics Services Int'L Corp.	4,701,000	2.97%	0	0.00%	0	0.00%	None	None	None
Four Season'S Logistics Services Int'L Corp.: Representative: Jung-Yu Kan Lai	177,000	0.40%	4,566,000	2.88%	0	0.00%	Chien-Fu Kan Chih-Chuan Kan	Spouse Mother and son	None
Chien-Fu Kan	4,566,000	2.88%	177,000	0.40%	0	0.00%	Jung-Yu Kan Lai Chih-Chuan Kan	Spouse Father and son	None
Mei-Hui Kuo	4,472,570	2.82%	0	0.00%	0	0.00%	Hsiu-E Chen Ya-Hui Kuo Li-Hui Kuo Ying-Hui Kuo	Mother and daughter Sister Sister Sister	None
Ya-Hui Kuo	4,300,138	2.71%	0	0.00%	0	0.00%	Hsiu-E Chen Li-Hui Kuo Ying-Hui Kuo Mei-Hui Kuo	Mother and daughter Sister Sister Sister	None

IX. The total number of shares and total equity stake held in any single enterprise by the company, its directors and supervisors, managerial officers, or any companies controlled either directly or indirectly by the company.

Total Ownership of Shares in Investee Enterprises

Unit: Shares; %

Investee enterprise (Note)	Investment by the Company		Investment by the Directors, Supervisors, Managerial Officers and Directly or Indirectly Controlled Entities of the Company		Total investment	
	Number of shares	Shareholding ratio %	Number of shares	Shareholding ratio %	Number of shares	Shareholding ratio %
SEYI-AMERICA, INC.	3,000,000	100.00	0	0	3,000,000	100.00
SEYI INTERNATIONAL (SAMOA) INC.	2,252,750	100.00	0	0	2,252,750	100.00
SEYI PRESSES EUROPE GmbH	250,000	100.00	0	0	250,000	100.00
LINK TARGET INVESTMENT LIMITED	25,000,000	100.00	0	0	25,000,000	100.00
SEYI TECHNOLOGY (SAMOA)INC.	2,000,000	100.00	0	0	2,000,000	100.00
SEYI (THAILAND)CO.,LTD.	75,000	100.00	0	0	75,000	100.00
XIE YI TECH MACHINERY (CHINA) CO., LTD	Note 1	100.00	Note 1	0	Note 1	100.00

Note 1: There is no share issuance because it is a limited company; the Company adopts the investment accounted for using the equity method.

Note 2: The information on the number of shares held by the investee company is for the year ended March 31, 2023.

Chapter Four. Fundraising Status

I. Capital and shares

(I) Types of shares issued by the company and source of capital stock during the preceding fiscal years and in the current fiscal year up to the date of the publication of the report:

1. Source of capital stock:

Unit: shares; NT$

Month/year	Issued price	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Sources of capital	Capital paid in by assets other than cash	Other
August 2014	10	202,800,000	2,028,000,000	158,481,110	1,584,811,100	Cash capital increase 150,000,000	None	Note 1
August 2014	10	202,800,000	2,028,000,000	160,481,110	1,604,811,100	Restricted stock 20,000,000	None	Note 2
January 2015	10	202,800,000	2,028,000,000	160,434,110	1,604,341,100	Cancelation of treasury stocks 470,000	None	Note 3
April 2017	10	202,800,000	2,028,000,000	160,254,110	1,602,541,100	Cancelation of restricted stock1,800,000	None	Note 4
May 2017	10	202,800,000	2,028,000,000	158,434,110	1,584,341,100	Cancelation of restricted stock18,200,000	None	Note 5
July 2019	10	300,000,000	3,000,000,000	158,434,110	1,584,341,100	-	-	Note 6

Note:
1: Approved by the Ministry of Economic Affairs on 2014.08.18 (103) with letter Jin Shou Shang Zi No. 10301169590.
2: Approved by the Ministry of Economic Affairs on 2014.08.29 (103) with letter Jin Shou Shang Zi No. 10301178220.
3: Approved by the Ministry of Economic Affairs on 2015.01.22 (104) with letter Jin Shou Shang Zi No. 10401009310.
4: Approved by the Ministry of Economic Affairs on 2017.04.12 (106) with letter Jin Shou Shang Zi No. 10601041470.
5: Approved by the Ministry of Economic Affairs on 2017.05.31 (106) with letter Jin Shou Shang Zi No. 10601067950.
6: Approved by the Ministry of Economic Affairs on 2019.07.26 (108) with letter Jin Shou Shang Zi No. 10801083490.

2. Type of shares issued:

Unit: Shares

Shares / Type	Authorized capital			Remarks
	Outstanding shares (OTC)	Unissued shares	Total	
Nominal ordinary shares	158,434,110	141,565,890	300,000,000	OTC listed shares

3. Information Relating to the Shelf Registration System: None.

(II) Shareholder structure:

April 23, 2023

Shareholde / Quantity	Government Agencies	Financial Institutions	Other legal Entities	Foreign Institutions and Foreign Individuals	Individuals	Total
Number of shareholders	0	0	245	29	27,338	27,612
Number of shares held	0	0	43,032,981	1,928,221	113,472,908	158,434,110
Shareholding ratio	0.00%	0.00%	27.16%	1.22%	71.62%	100.00%

Note 1: The Company does not have any Mainland Chinese investors.

(III) Distribution of Shareholding:

1. Distribution of shareholding in common stock:

April 23, 2023

Range of No. of shares held	No. of Shareholders	No. of shares held	Shareholding Ratio (%)
1 to 999	21,447	588,035	0.37%
1,000 to 5,000	4,151	9,171,755	5.79%
5,001 to 10,000	842	6,864,528	4.33%
10,001 to 15,000	299	3,789,329	2.39%
15,001 to 20,000	245	4,565,442	2.88%
20,001 to 30,000	197	4,992,633	3.15%
30,001 to 40,000	81	2,915,665	1.84%
40,001 to 50,000	75	3,488,963	2.20%
50,001 to 100,000	128	9,311,763	5.88%
100,001 to 200,000	74	10,502,990	6.63%
200,001 to 400,000	34	9,462,340	5.97%
400,001 to 600,000	11	5,086,800	3.21%
600,001 to 800,000	9	6,156,510	3.89%
800,001 to1,000,000	3	2,613,708	1.65%
1,000,001 (incl.) and above	16	78,923,649	49.81%
Total	27,612	158,434,110	100.00%

Note 1: Common stock; Par value per share NT$10

Note 2: The total number of issued shares of the Company was 158,434,110 shares.

2. Distribution of shareholding in preferred shares:None

(IV) Information on shareholders with a stake of 5 percent or greater, or the shareholders who rank in the top 10 in shareholding percentage

April 23, 2023

Shares / Names of major shareholders	No. of shares held	Shareholding Ratio (%)
Yu Cheng Investment Co., Ltd.	13,000,000	8.21%
Kaotai Machinery Co., Ltd.	8,093,547	5.11%
Far Union Investment Ltd	7,939,000	5.01%
Taiwan Steel & Mining Corp.	7,190,000	4.54%
Ying-Hui Kuo	6,144,596	3.88%
Li-Hui Kuo	5,863,115	3.70%
Four Season’s Logistics Services Int’L Corp.	4,701,000	2.97%
Chien-Fu Kan	4,566,000	2.88%
Mei-Hui Kuo	4,472,570	2.82%
Ya-Hui Kuo	4,300,138	2.71%

Note 1: The total number of issued shares of the Company was 158,434,110 shares.

(V) Provide share prices for the past 2 fiscal years, together with the company's net worth per share, earnings per share, dividends per share, and related information.

Information on market price per share, the company's net worth per share, earnings per share, dividends per share

Unit: NT$; shares

Item / Year			2021	2022	As of March 31, 2023 (Note 4)
Market price per share	Highest		14.50	12.65	12.70
	Lowest		10.40	10.00	10.40
	Average		11.80	11.10	11.30
Net worth per share	Before distribution		15.07	15.31	15.32
	After distribution		14.71	14.99	-
Earnings per share	Weighted average shares (in thousands)		158,434	158,434	158,434
	Earnings per share		0.36	0.18	0.30
Dividends per share	Cash dividends		0.35	0.32	-
	Stock dividends	Dividends from retained earnings	0	0	-
		Dividends from capital reserve	0	0	-
	Accumulated undistributed dividends		0	0	-
Return on investment analysis	Price/earnings ratio (Note 1)		32.78	61.67	-
	Price/dividend ratio (Note 2)		33.71	34.69	-
	Cash dividend yield (Note 3)		2.97%	2.88%	-

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

Note 1: Price/earnings ratio = average closing price per share for the year / earnings per share.

Note 2: Price / dividend ratio = average closing price per share for the year / cash dividends per share.

Note 3: Cash dividend yield = cash dividend per share / average closing price per share for the year.

(VI) Company's dividend policy and implementation thereof. If a material change in dividend policy is expected, provide an explanation:

1. Dividend policy adopted in the company's Articles of Incorporation:

When the Company's annual final accounts show a surplus, the Company shall first pay taxes and make up for accumulated deficits, and then set aside 10% of the legal reserve, except when the legal reserve has reached the Company's total paid-in capital. Also, if special reserve is set aside or reversed as required by law or by the competent authority, the undistributed earnings from previous years may be added to the distributable earnings. The board of directors shall prepare a proposal to distribute the earnings, and if the proposal is made by issuing new shares, the proposal shall be submitted to the shareholders' meeting for resolution.

The Company may authorize the distributable dividends and bonuses or the statutory surplus reserves and capital reserves stipulated in Article 241 of the Company Act, in whole or in part, to 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 in addition thereto a report of such distribution shall be submitted to the shareholders' meeting in accordance with Article 240 of the Company Act.

The Company shall adopt the residual dividend and stable dividend policy based on the earnings status, future funding needs, and development plans in order to collaborate with the internal and external environments, facilitate the Company's long-term financial planning, and enable stable and sound operation developments. The distribution of stock dividends, cash dividends, or the combination of stock dividends and cash dividends shall be considered after retaining the surplus financing requirements. However, if stock dividends are distributed with cash dividends, the cash dividends shall not exceed 80% of the total distribution.

2. The proposal of dividend distributions for the most recent year:

The proposed distribution of earnings and cash dividends from capital reserve for 2022 has been approved by the board of directors on March 14, 2023. The proposed distribution consists of cash dividends of NT$0.23654444 per share and cash dividends from capital reserve of NT$0.11345556 per share, representing an aggregate of NT$0.35 per share, or a total of NT$55,451,939.

3. If there is a significant change in the dividend policy, it should be stated: None.

(VII) The effect of the proposed stock dividends by the shareholders' meeting on the Company's business results and earnings per share: None.

(VIII) Compensation of employees, directors, and supervisors:

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

After subtracting the employee, and director, remunerations from the current year's pre-tax benefits, the Company shall appropriate 2% to 5% for employee remuneration and no more than 5% for director remuneration. The board of directors shall implement the resolution adopted by a majority vote at a board of directors meeting attended by over two-thirds of the directors and report to the shareholders' meeting. However, if the Company still has accumulated losses, the make-up amount should be reserved in advance. The employees to receive stock and cash bonus may include employees serving in affiliates who meet specific requirements. .

2. The basis for estimating the amount of compensation to employees, directors and supervisors, the basis for calculating the number of shares of employees' compensation distributed by stock, and the accounting treatment if the actual amount of distribution differs from the estimated amount.

There was no difference in the amount estimated for the period and there was no employee compensation distributed in stock.

3. Distribution of remuneration approved by the board of directors:

(1) The amount of compensation to employee, director and supervisor distributed in cash or shares: If the estimated annual expense is different from the recognized expense, the amount, reason and treatment of the difference should be disclosed:

The compensation to employee, director and supervisor is not provided due to the net loss before tax for the year occurred.

(2) The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee compensation: Not applicable.

4. If there is any difference between the actual distribution (including the number of shares distributed, the amount and the price of shares) and the recognition of compensation to employees, directors and supervisors in the previous year, the amount, the reason and the handling of the difference should be stated as follows: No difference.

(IX) Status of a company repurchasing its own shares: None.

II. Issuance of corporate bonds (including foreign corporate bonds): None.

III. Issuance of preferred shares: None.

IV. Issuance of global depository receipts: None.

V. Issuance of employee share subscription warrants: None.

VI. Issuance of new restricted employee shares: None.

VII. Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies: None.

VIII. Implementation of the company’s capital allocation plans: None.

Chapter Five. Overview of Business Operations

I. A description of the business:

(I) Scope of business:

1. Major lines of business:

(1)CB01010 Mechanical Equipment Manufacturing

(2)CB01990 Other Machinery Manufacturing

(3)I301010 Software Design Services

(4)I599990 Other Designing

(5)ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. The relative weight of main current products:

Main product	Important applications and functions	2022 Consolidated Net revenue (in thousands)	2022 Weight in sales (%)
Stamping press	It can be used in single or continuous die precision stamping of metal materials such as forming, shearing, bending and stamping. Its applications include automotive stamping parts, sheet metal parts, skeleton. It is also used for stamping components such as computer cases for information equipment, computer hard drives, CD-ROMs, optical readheads, DVD products, communication products, consumer electronic products such as home appliances, stationery products, air conditioner cases, and motors.	3,402,882	95.89%
Others	Income from maintenance, sale of spare parts, and design services	145,696	4.11%
Total		3,548,578	100.00%

3. Company’s current products

Shieh Yih Machinery offers a complete product line of presses ranging from 60 tons to 2500 tons, catering to various metal stamping processes and different sizes of stamped components. Its main customers are in the metal parts manufacturing industries, including automotive, consumer electronics, household appliances, building materials, hardware, agricultural machinery, aerospace, and medical devices. It is currently one of the top five servo press manufacturers globally and among the top 20 leading companies in the machine tool equipment industry.

The year 2050 has become a primary policy for governments worldwide to achieve carbon neutrality. This has driven industries to actively address the issue of transitioning to net-zero and formulate relevant strategies. Shieh Yih Machinery actively embraces this trend and incorporates the design concept of "green products," focusing on high efficiency, digitization, and energy-saving servo products that align with the carbon neutrality goal. Therefore, the "completeness of servo products" has become a key development project. It extends downwards to smaller tonnage C-frame servo presses in the general-purpose category, while also introducing dedicated servo presses for thick plate stamping. Future plans include the development of high-tonnage servo modules to enhance the overall forming quality of stamping products.

Furthermore, Shieh Yih Machinery continues to build upon its efforts in smart stamping solutions from the past few years, continuously optimizing existing solutions to make them more user-friendly, meet customer requirements in terms of functionality and pricing, and assist more customers in implementing the foundation of smart manufacturing.

4. New product planned for development

Type	Function
High-tonnage servo die	Servo digital control, position and load can be customized to improve forming performance
Servo link electronic control system	Integrated with servo press and automatic peripheral equipment to maximize the servo product characteristics and to improve the equipment’s production efficiency.
Heavy Stamping Servo Press	The servo system is used to optimize the forming process for thick metal plates. It is applied to the stamping process for thick metal plate products.
High-torque clutch	The clutch is the core device for the press. We can control the schedule with our own production in order to meet the customer’s demand for short lead time and reduce the reliance on imported parts for long lead time.
Smart Mechanical Systems	In response to the Industry 4.0 and Smart Production trends, we have developed a dedicated forming production line management system for the press.

(II) An overview of the industry:

1. Current status and development of the industry:

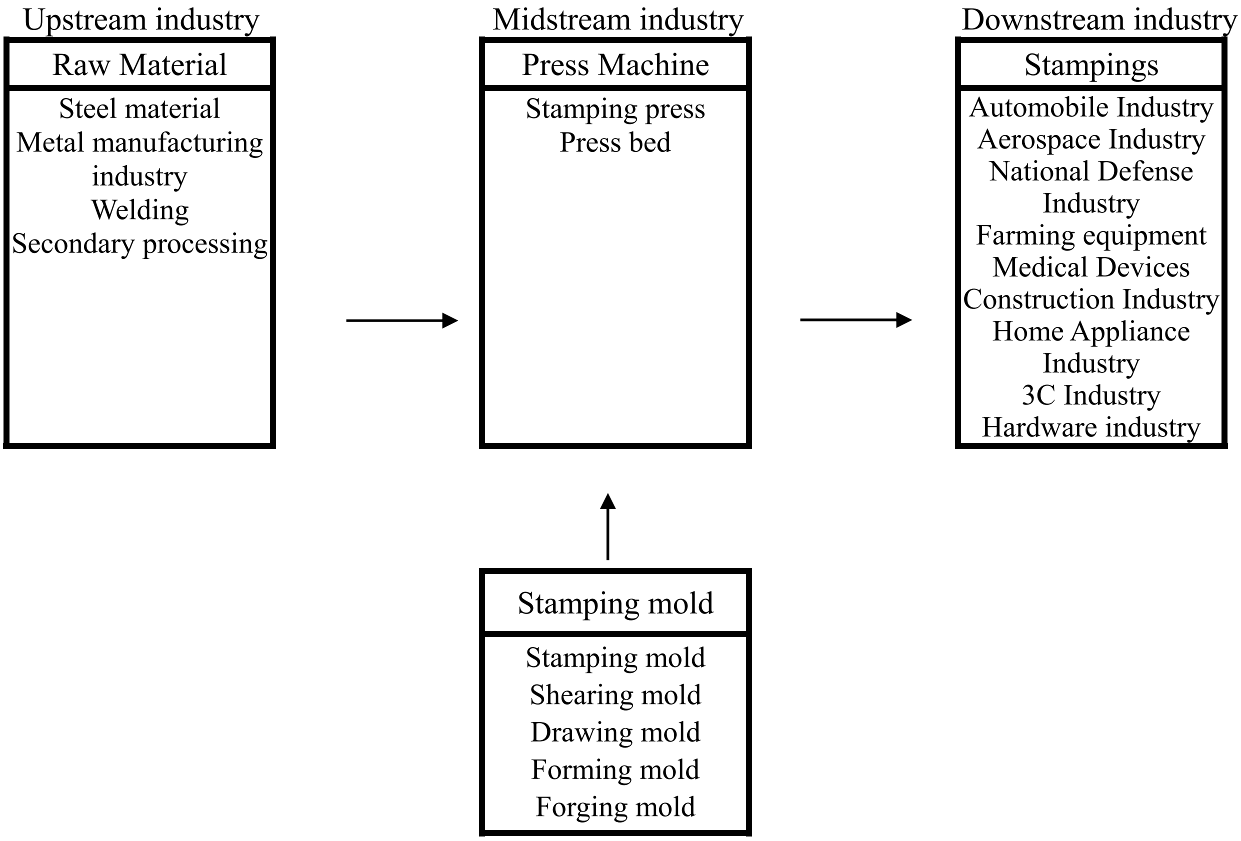
The ongoing pandemic, the ongoing Russia-Ukraine war, inflation, supply chain shortages, and energy crisis are among the factors that continue to impact the global economy in 2022. However, the Taiwan Association of Machinery Industry and the Taiwan Machine Tool & Accessory Builders' Association have different views on the output value and export value for this year. The Machinery Association states that although the total export value of machinery reached $34.813 billion in 2021, marking a 5.1% annual increase and a historical high, the external conditions still pose uncertainties to the global economy. It is expected that the machinery output value and export value will remain stable compared to last year. On the other hand, the Machine Tool Association forecasts that the global machine tool industry's output value will decline by 3% to 6% in 2023.

However, Taiwan's overall output value is expected to increase by approximately 5% to $4 billion, with a potential rebound in market sentiment due to the recovery of manufacturing demand in the second quarter. Building upon the market conditions of 2021, the machinery and machine tool industries in the first half of 2022 benefited from the reopening of economies and increased investment activities worldwide in the post-pandemic era, which stimulated demand for machine tool equipment driven by active manufacturing production. However, a reversal is expected in the second half of 2022 as the aforementioned unfavorable factors hinder global economic development, leading companies worldwide to delay investment plans or reduce capital expenditure.

Taiwan's top three export destinations for machinery, namely China, the United States, and Japan, remain the same. However, due to geopolitical influences, the proportion of exports to China continues to decline, while exports to the United States show an increasing trend. Looking ahead to the economic prospects of these three countries in 2023, the World Bank estimates that China's growth rate will be around 4.3% as it experiences a recovery from the severe disruptions caused by the pandemic and the soft external demand. With the easing of monetary and fiscal policies, credit growth is expected to be promoted in the Chinese economy. The United States, on the other hand, has implemented its largest and fastest interest rate hike since the 1990s, and its ongoing tightening policies are expected to lead to an economic downturn, starting with impacts on corporate profits and subsequently affecting the performance of its GDP. Japan may be the only developed economy that avoids a recession, leading the way for Asia's counter-trend growth. It benefits from a weak yen that facilitates exports and government initiatives to significantly increase wages, reopen tourism, and stimulate robust domestic demand. The Japanese government has raised its GDP forecast for the fiscal year to 1.5%.

In this challenging environment, Taiwan's machinery industry must be prepared. According to a research report by the Industrial Development Bureau of the Ministry of Economic Affairs, there are three major trends worth noting in Taiwan's machinery industry. Firstly, preparations for the arrival of the low-carbon era are underway. Secondly, the implementation of lean production management and digitization. Finally, collaboration with the supply chain to jointly develop "green machinery" for customers. This aligns with Shieh Yih Machinery's announcement during its 60th-anniversary celebration last year to launch the "ESG Vision Project." Under the aspect of "Symbiosis for Environmental Sustainability(E)," environmental protection and the transition to a net-zero future are inevitable development directions for businesses. The servo press series, designed with energy-saving and carbon reduction in mind, has made Shieh Yih Machinery the first servo press manufacturer in Taiwan to receive Rheinland certification. Under the aspect of "A Win-WIN approach for Corporate Sustainable Development (G)," there is a focus on reshaping organizational culture, promoting digital transformation, and incorporating value engineering concepts. Externally, stronger collaborations with government agencies, academia, research institutions, and deepening alliances or partnerships with suppliers aim to achieve overall industry chain improvements. Recently, there has been a push for carbon footprint assessments on product materials and factory processes, laying the foundation for the transition to a net-zero future before customer demands arise.

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



3. Development trends and competition for the company’s products:

(1) Development trend for stamping press industry

The stamping industry has faced four main external changes and challenges in recent years: electric vehicles, lightweight vehicle bodies, energy conservation and environmental protection, and smart manufacturing. The development of the first two aspects primarily stems from the automotive market, which represents the largest application of stamping and poses significant challenges to stamping manufacturers. The latter two aspects are related to global sustainability and trends such as 5G and artificial intelligence. Let's explain each aspect in detail:

Firstly, electric vehicles have three impacts on automotive manufacturing: lightweight vehicle bodies, significant reduction in stamped parts, and process substitution. From the perspective of a significant reduction in stamped parts, the number has decreased from over 2,000 parts to about 200 powertrain parts, posing the most severe challenge for metal stamping manufacturers. This reduction represents potential revenue shrinkage and limits the survival space for small and medium-sized stamping companies, which, in turn, affects the sales of stamping presses. Additionally, the industry has faced long-term labor shortages, leading to the closure of many factories. However, this doesn't mean that electric vehicle parts do not require stamping processes. The main applications for stamping manufacturers in the electric vehicle supply chain are the heart of electric vehicles: the powertrain system, including batteries and electric motors (drive motors). Currently, the battery casing comes in two common forms: cylindrical and square. Mechanical presses can meet the requirements, but due to the higher complexity and demand for forming, the stability of the stamping machine's structure and production speed becomes a key factor for stamping press manufacturers to succeed amidst competition. Recently, some companies have shown interest in using servo presses for this application, reducing the number of workstations and achieving high efficiency and high quality simultaneously. China, being the fastest-developing country in the electric vehicle industry, combined with the government's supportive policies and subsidies for companies and vehicle purchases, has increased demand for battery casing applications in the Chinese market. Therefore, Shieh Yih Machinery has invested research resources in this application market and carefully views it as a rapidly growing market in the future. The silicon steel sheets required for electric motors are also stamped parts, typically produced by dedicated high-speed stamping presses.

In recent years, the automotive market has been moving towards lightweight vehicle bodies to meet energy-saving and carbon reduction goals. Both pure electric vehicles and traditional fuel vehicles have adopted lightweight materials such as high-strength steel sheets, metal alloys, and carbon fiber, which are more complex and difficult compared to traditional steel. Ensuring precision and production efficiency for stamped parts become important issues. Servo presses have advantages over traditional presses when facing difficult-to-form materials due to their precise control of stamp motion and forming speed using servo motors. Taking hot forming applications as an example, servo presses can maintain pressure for a long time at the bottom dead center, allowing high-tensile steel sheets heated to high temperatures to achieve sufficient formability.

The concept of "energy conservation and environmental protection" has been popular for decades and is not a new term. However, with the rapid worsening of the global greenhouse effect and the Paris Climate Agreement passed in 2015, countries aimed to collectively curb global warming trends. However, seven years have passed, and despite efforts to reduce emissions, greenhouse gas emissions continue to rise due to sustained economic growth and increased energy consumption from population growth. In response, over 130 countries have announced climate commitments to achieve "net-zero emissions" by 2050, attempting to minimize the human-caused greenhouse gas emissions with a more proactive approach towards extreme climate and environmental conservation issues. Governments have formulated related energy-saving subsidy policies and guidance programs for high-energy-consuming industries and manufacturing sectors. Taiwan has approached the manufacturing sector from three aspects: process improvement, energy conversion, and circular economy. Process improvement includes replacing outdated equipment, and the government encourages companies to reduce carbon emissions by introducing new types of energy-saving and carbon-reducing equipment while ensuring production efficiency. Germany has provided subsidies to manufacturers in the past few years. Taking one of SEYI's German customers who adopted servo presses as an example, although the initial investment cost was higher, the servo presses' excellent performance in production efficiency and energy savings (recoverable and reusable power) resulted in a return on investment that was five times higher than when using hydraulic presses.

The last aspect is the development of "Smart Manufacturing," which requires "smart machinery" as a prerequisite. In the framework of industrial Internet of Things (IIoT), network-connected machines and integrated automation systems play a crucial role in the concept of smart manufacturing. Based on smart machinery, SEYI has developed smart stamping solutions to help customers achieve intelligent management based on detecting production and equipment statuses. Another foundation for metal stamping manufacturers to move towards smart manufacturing is the integration of automation and digitization in production lines. SEYI can provide customers with integrated peripheral equipment for stamping, including feeding systems, conveying devices, and robots, while collecting critical data from these peripheral devices to enhance the overall management of the production line. In recent years, big data, digital twins, AI (Artificial Intelligence) have sparked extensive discussions in the industry and are key development focuses that require close attention in the future.

(2) Analysis of competition in the stamping press industry

The stamping press manufacturing industry consists of hundreds of companies worldwide, each with its strengths and expertise in different application areas. SEYI's positioning in the stamping press market is as a provider of general-purpose mechanical stamping press, and in recent years, the development of servo presses has also been a focus. The main competitors in the global market come from Japan, the United States, and Germany. In the Chinese market, the main competitors are local manufacturers, and there has been fierce competition from Indian manufacturers in emerging markets. Competitors from Japan, the United States, and Germany emphasize the integration of stamping production lines, providing services for automated production lines and the integration of peripheral equipment. With smart manufacturing becoming a prominent industry trend, suppliers are no longer just equipment manufacturers but need to upgrade to become system integrators of hardware and software. In the past few years, SEYI has made efforts to increase the sources of system integration projects, expand its capabilities in electronic control development, cultivate relationships with key customers, and provide excellent after-sales service support to increase repeat orders. For example, a major Japanese automotive component manufacturer recognized SEYI's first integrated production line project for them, and the following year, SEYI secured the same project for the same customer in other countries, creating stable revenue.

From a market application perspective, the main application of metal stamping is in the automotive industry. With the development of electrification, the focus products for stamping manufacturers are automotive body panels, battery casings, and electric motors. Therefore, each manufacturer has introduced dedicated stamping press equipment to meet the requirements of these applications. According to the research firm MarketsandMarkets, the market value of motor core silicon steel sheets was approximately $21 billion in 2022, and it is projected to reach $27.6 billion by 2027, with a compound annual growth rate of 4.7%. This market is highly related to the development of electric vehicles, and Japanese and American stamping press manufacturers mainly focus on high-speed dedicated machines for medium and small tonnage requirements. The application of battery casings has also reached a mature stage of development. Due to the large demand and cost considerations, most stamping press manufacturers can provide mechanical stamping presss that meet customer requirements for mass production. The lightweighting of automotive body panels in electric vehicles is also a trend, as described earlier. Servo presses, with their controllable stamp motion and the ability to provide multiple motion curves based on the conditions of the tooling and materials, outperform traditional presses in stamping lightweight materials such as high-strength steel sheets and aluminum alloys.

Currently, major stamping press manufacturers are making great efforts to promote servo presses, which are gradually becoming the mainstream development in the industry. In recent years, with the rise of artificial intelligence, some companies have begun incorporating related technologies into servo control systems to assist customers in faster production, reduce the learning curve, minimize human errors, and improve overall efficiency. Servo presses have always been a product of high importance to SEYI, and the company has invested significant resources and manpower to continuously enhance and maintain its leading position in the market. This year, SEY plans to launch several new servo products to meet the diverse market demands.

(III) An overview of the company's technologies and its research and development work:

1. Research and development expenditures during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

Unit: NT$ thousand

Year / Item	2022	As of March 31, 2023
R&D expense	175,991	27,525

2. Successfully developed technology or product

Year	R&D results
2018	1. Completed the development of SD2-500 straight side direct drive servo press. 2. Completed the development of SDE2-1000 straight side direct drive servo press. 3. Obtained invention patents for "stamping device for presses", "cushioning device and its servo-locking mechanism and press with the cushioning device" and other inventions 4. Obtained invention patents for "a multi-forgoing tempered overlay welding method for steel", "a transfer device for automatic stamping press", "a new type of optoelectronic safety device holder", and "a stamping device for press". 5. Upgrade the electronic control system, improve the functionality and stability of the machine 6. Develop smart machine, lay the foundation for Industry 4.0
2019	1. Completed the development of SDEL4 multi-link stress analysis and linkage curve simulation program. 2. Completed SDG2 and SDE2 modularization and parameterization integration design to shorten the lead time requirement of special products. 3. Completed HW100 high-torque clutch performance test to meet short lead-time order requirements 4. Completed the rigidity and vibration mode analysis design standards for main components like frame, and punch. 5. Obtained a new patent for "Press that can press the die after passing the lower dead center position". 6. Modularized electronic control system to enhance the stability of the machine function 7. Develop smart machine and sensor system to lay the foundation for Industry 4.0
2020	1. Completed the development of SDF1-100 compact high rigidity servo press. 2. Completed the design of SDM1-500 high precision heavy load servo press. 3. Completed the design of pneumatic die for 80-ton transfer press. 4. Completed development of high pressure oil chamber module for straight side press. 5. Obtained new type patent: Crane system with emergency power-off device 6. Obtained a new patent for "Press that can press the die after passing the lower dead center position".

Year	R&D results
2021	1. Completed the test run and inspection of SDM1-500 high precision heavy load servo press. 2. Complete PC06/PC10/PC15/PC30 die design optimization
2022	1. Completed the development of the SDE4-1600 large eccentric gear servo press. 2. Completed the development of the SE4-1000(B) blanking press. 3. Completed the design of the SE2-1200(T) multi-station transfer press. 4. Completed the design of the HW200 high-torque clutch. 5. Development of Full-Tonnage Full-Stroke Protection Function for Servos press

(IV) The company's long- and short-term business development plans:

1. Short-term business development plans:

(1)Approach customers from a carbon reduction perspective and emphasize the energy-saving advantages of servo presses.

(2)Ensure sufficient inventory of common components for popular selling models or key components with long lead times.

(3)Keep a close track of market demands and changes, and use them as a basis for real-time adjustments to machine specifications.

(4)Optimize smart stamping solutions to introduce lower-cost versions and expand the customer base among small and medium-sized enterprises.

(5)Seize opportunities with key customers for repeat orders and cultivate long-term cooperative relationships.

2. Long-term business development plans:

(1)Collaborate with local partners in various regions to serve end customers and promptly understand their needs.

(2)Continuously strive to become a one-stop stamping solution provider and pursue more opportunities for automated integration projects.

(3)Work closely with domestic and international research institutions to stay informed about the latest trends in materials and key stamping technologies.

(4)Continuously search for new or market-leading metal stamping applications to ensure that new product development aligns with market trends.

II. An analysis of the market as well as the production and marketing situation:

(I) Market analysis:

1. Geographic areas where the main products sold

Unit: NT$ thousand; %

Year / Type of Sales	2020		2021		2022	
	Net sales	Ratio (%)	Net sales	Ratio (%)	Net sales	Ratio (%)
China	1,453,825	55.02%	2,069,599	54.52%	1,566,630	44.15%
Taiwan	342,601	12.97%	877,416	23.12%	303,038	8.54%
America	495,440	18.75%	614,191	16.18%	985,259	27.76%
Europe	128,436	4.86%	188,359	4.96%	124,971	3.52%
Other areas	221,850	8.40%	46,186	1.22%	568,680	16.03%
Operating revenue, net	2,642,152	100.00%	3,795,751	100.00%	3,548,578	100.00%

2. Market share:

The market applications and development trends in the stamping press industry are not as rapidly changing as the information technology industry. The industry's scale is relatively stable, and each company continues to develop based on its own pace or strengths. The market rankings have not significantly changed either. SEYI focuses on deepening the promotion of servo presses, persistently developing and upgrading their own servo motors, and actively completing the servo product line. As a result, they have maintained a position among the top five global competitors out of over 100 manufacturers. SEYI's full-year revenue in 2022 decreased by 6% compared to 2021, mainly due to unfavorable international conditions. The persistently high shipping costs gradually eased in the middle of the year, reducing the pressure on gross profit caused by freight costs. However, on the other hand, the global inflation surge has affected end-consumer purchasing power, leading to a significant cooling of market demand compared to the first half of the year. This has made manufacturers more conservative or adopt a wait-and-see attitude towards capital expenditures, affecting SEYI's customers' decision to delay orders. However, the ongoing tight labor market and strong demand for automation equipment still create a high demand for advanced technology and smart manufacturing. The United States and China remain the two main export markets for SEYI, and the momentum in the end markets continued from the second half of the previous year. Japanese manufacturers benefited from the depreciation of the yen, increasing their price competitiveness in Asia, which in turn affected SEYI's cost pressure in the Japanese and Southeast Asian markets. In Europe, despite facing external challenges, the topic of net-zero transformation has helped drive the promotion of energy-efficient servo models against the odds. Looking ahead to 2023, SEYI will continue to deepen its three major development pillars: "Complete integration of servo presses", "Automation peripheral integration solutions," and "Smart stamping manufacturing systems." Internally, they will initiate digital transformation in operations and production, while externally, they will leverage digital tools to increase customer satisfaction and gradually adjust their corporate structure to cope with the ever-changing external business environment. In terms of product development, they will create a product roadmap to quickly identify models that can meet different market demands, allocate resources precisely to products with market value, and accumulate orders from international customers in various regions to diversify operational risks and overcome external challenges.

3. Demand and supply conditions for the market in the future, and the market's growth potential

(1) Supply and demand trends of the industry in the future

The global economic outlook for 2023 is expected to be challenging. In mid-January, the World Bank released economic forecasts, significantly lowering the projected economic growth for most countries and regions while warning of new adverse impacts primarily stemming from ongoing inflation and rising interest rates. These factors could potentially push the global economy into a recession, with global GDP projected to grow by only 1.7%. This would be the third-lowest growth rate in the past 30 years, following only 2009 and 2020. Growth in developed economies will significantly slow down, with the World Bank revising the economic growth forecasts for the United States and the Eurozone to 0.5%. The GDP of emerging markets and developing economies will be 6% lower than pre-pandemic expectations. The World Bank states that "sluggish economic growth, tightening financial conditions, and heavy debt burdens could weaken investment and lead to corporate defaults," posing risks of a global economic downturn and heightened debt crisis.

The stamping press industry's major applications primarily come from the automotive industry. After experiencing three years of sluggishness, the overall automotive market is expected to maintain slow growth in 2023, with new car sales projected to grow by only 1%, 14% lower than the 2019 level. Sales of commercial vehicles, which are less affected by the pandemic, will further decline. However, on the other hand, the development of electric vehicles (EVs) will continue to surge globally. Despite being influenced by external factors such as the pandemic, geopolitical conflicts, and high inflation, global EV sales continue to rise. In 2022, EV sales reached 9.9 million vehicles, and it is projected to surpass 15 million vehicles in 2023. With this growth, the penetration rate is estimated to exceed 50% between 2033 and 2034. As governments worldwide have reached a consensus on achieving net-zero carbon emissions by 2050, and the current progress is far behind the target, electric vehicles not only serve as the backbone of green transportation systems but also maintain a high growth trend in the long run.

Focusing on the sales situation in the three major markets of China, Europe, and the United States in 2023, China's EV sales are expected to grow by 15% from 5.3 million vehicles in 2022 to 6.12 million vehicles. The European market is projected to grow by 17% from 3.8 million vehicles to 4.45 million vehicles, and the U.S. market will increase from 850,000 vehicles to 1.15 million vehicles. Among the three major markets, the

United States has the highest growth rate of up to 35%. Europe and China have experienced a slowdown or even the cessation of EV subsidies in recent years, while the United States introduced legislation in August 2022 to encourage EV purchases, suggesting that the U.S. market is expected to maintain a leading growth rate in the coming years.

Furthermore, as the automotive industry moves towards electrification and intelligence, it drives supply chains to undergo industry transformation and technological upgrades. This also helps companies that have an advantage in the information and communication technology industry to enter the international EV supply chain. For SEYI, which already has numerous contract manufacturing customers in the electronics industry, they can leverage their experience in automotive industry applications to assist existing customers in tapping into the market for electric vehicles.

(2) Future development trend and growth

Automotive electronic technology, with electric vehicles (EVs) at its core, has become part of consumer electronics. This year's CES exhibition featured nearly 300 exhibitors in the automotive section, making it the largest scale ever. Apart from the highly anticipated new products from major automakers BMW and Stellantis, the latest self-driving technology and all-electric concept cars were also hot topics. Companies such as Volkswagen (VW), Audi, BMW, Mercedes-Benz, Volvo, Honda/Sony, and others chose to unveil their new generation of EVs or concept cars during the exhibition, many of which are customers of SEYI. EVs are equipped with more advanced self-driving technology, with companies like Honda/Sony having up to 9 times more camera sensors compared to traditional fuel-powered vehicles. Mercedes-Benz is also following in Tesla's footsteps in building a charging network, with a goal to deploy over 10,000 charging stations worldwide by 2030. They have also developed ALC automatic lane change technology to enhance self-driving capabilities. Another important topic at CES is sustainable development, implementing energy-saving and power generation enhancements through innovative technology, as well as resource recycling. This aligns with SEYI's ESG vision announced last year, demonstrating that the future development of international manufacturers is accelerating towards this trend. It is crucial for SEYI to incorporate the concept of "sustainability" at various levels, both internally and externally, in terms of production, material selection, product design, and corporate operations.

For the metal stamping industry, the future development of EVs is closely related. Automotive OEMs will not compromise on their high requirements for safety despite the electrification and autonomous driving trends. Both self-driving technology and robust vehicle structures are indispensable. Car manufacturers will continue to research and develop various lightweight materials and new composite materials. These materials are often more difficult to shape than traditional steel sheets. Fortunately, servo presses offer controllable stamp heads that can flexibly adjust the stamping curve based on material characteristics. This allows for the production of high-quality and high-precision stamped sheet metal parts while maintaining high production efficiency. In a recent collaboration between SEYI and research institutions, a stamping test was conducted on a special aluminum alloy for the automotive B-pillar using warm forming. The results showed that the special stamping curve calculated through precision calculations significantly improved the formability of the product compared to the traditional stamping mode of a conventional press. On the other hand, smart factories remain the solution for metal stamping companies facing challenges such as labor and material shortages. Finding ways to efficiently utilize limited resources, implement automation and digitization in machinery and equipment, will be an important issue for companies to consider in order to survive in the market.

4. Competitive niches, positive and negative factors for future development, and the company’s response to such factors

(1) Positive factors for future development

A. ESG vision guides sustainable business operations and accelerates internal transformation in companies.

ESG represents environmental protection, social responsibility, and corporate governance. It is a new form of assessing companies using data and indicators, and it is the realization of corporate social responsibility. By developing business goals and strategies in line with these three dimensions, companies can align with the interests of all stakeholders. Internal transformation includes digital transformation, product transformation, and talent transformation. Externally, the establishment of virtual showrooms has been completed, allowing customers to view SEYI's latest smart stamping solutions without the need for travel. Internally, operational and production systems are being gradually upgraded, and through organizational restructuring, the maximum value of employees is enhanced.

B. Achieving net-zero carbon emissions is a goal that the manufacturing industry must accomplish.

Continuing from the previous point, environmental protection is an urgent and crucial task for global citizens. As one of the major sources of high carbon emissions, the manufacturing industry needs to address how to save the most resources and reduce carbon emissions in a short period. SEYI introduced this important development trend in its annual report last year, and its servo presses will greatly assist metal stamping companies in saving energy. With an excellent energy management system, power leveling design, and regenerative power generation mechanisms, significant energy savings can be achieved, creating additional revenue and even allowing companies to trade carbon credits with other vendors.

C. A comprehensive global sales and service system ensures uninterrupted service.

SEYI has major regional bases in SEYI USA, SEYI China, SEYI Europe, and SEYI Thailand, along with a network of distributors and technical service teams in multiple countries. This comprehensive service network helps customers maintain stable production and reduce the risk of prolonged downtime. Whether it's on-site repairs or remote support via the internet, SEYI provides high levels of customer satisfaction. Recently, through the implementation of digital tools, technical support is ensured without geographical limitations, enabling SEYI to assist customers in quickly restoring production line functionality and gaining long-term customer trust.

D. 60 years of press design and manufacturing experience, products obtain multiple international certifications.

SEYI is a leading manufacturer in the global stamping equipment manufacturing industry and a leading brand in Taiwan's press market. It has cultivated long-standing customer relationships in various fields such as automotive, consumer electronics, home appliances, and hardware industries, often collaborating closely with well-known brands in these sectors. All SEYI press products comply with local regulations and certifications in importing countries, such as CE and UL. Machine precision is designed to meet the Japanese JIS Level 1 standard, demanding the highest product quality standards. Since 1996, SEYI has been awarded the Taiwan Excellence Award for consecutive years, and in 2015, it received the highest honor, the Golden Quality Award. The various products of the servo press have also received relevant awards.

E. Continued close collaboration with industry, government, academia, and research institutions to cultivate talent and enhance technical capabilities.

In response to the latest technological trends in the industry and the specific market focus of research institutions in various countries, SEYI engages in exchanges and collaborations to enhance knowledge in various metal processing technologies. It also collaborates with academia through internships and the continuous organization of the "SEYI Cup" servo press competition, allowing more students to understand the field of metal stamping and attract talent to join SEYI and engage in practical applications.

F. Sound financials and a comprehensive audit system.

Regular review of payment schedules for all orders and strict implementation of risk control for accounts receivable after shipment, reducing financial pressure on the company.

(2) Negative factors for future development and countermeasures

Negative factor: Uncertain global economic outlook: In the post-pandemic era, the negative impact of loose fiscal policies during the pandemic has started to emerge in various regions, with inflation being the most significant effect. As a result, central banks in many countries have raised interest rates, causing businesses to delay investments or adopt a conservative outlook on future market conditions.

Countermeasures:

A. Expand global business footprint: Currently, the main source of revenue still comes from the United States and China. To increase the proportion of revenue from regions such as Europe, Taiwan, Northeast Asia, and Southeast Asia, more proactive approaches in business operations can be implemented. These include directly engaging end customers, regularly reviewing the performance of distributors, deepening relationships with key customers to secure repeat orders, and so on.

B. Stay closely attuned to market dynamics for swift product line adjustments: Compared to the past, the automotive market has been evolving more rapidly with the development of electric vehicles. This means that customers have different speeds in product development compared to traditional practices, resulting in differences in materials, molds, and automation requirements. As a stamping equipment provider, SEYI should invest more resources in understanding market and technological trends to be able to introduce corresponding products at the right time and capture more business opportunities.

Negative factor: Difficulty in finding manufacturing talent in Taiwan: The manufacturing industry has become heavily tilted towards the semiconductor sector, and the compensation and bonus system in this industry is generally more attractive. As a result, many talents are drawn to the semiconductor industry, making it challenging for traditional industries to attract talent. Apart from optimizing salary structures, SEYI has already implemented the spirit of ESG in managing employee relationships while building a talent database, cultivating a mutually beneficial relationship with employees, and enhancing the company's overall welfare.

Countermeasures:

A. Strengthen R&D talent development: Accelerate the digitalization of operational processes and design concepts within the company. This will help reduce the learning curve for new employees and facilitate educational training for interdepartmental rotations. To broaden and deepen the knowledge and skills of the younger generation in research and development, implement departmental rotations to enhance the diverse capabilities of R&D talents.

B. Sustain deep collaboration in industry-academia projects: The "SEYI Cup" Servo Press Competition has been held for two consecutive years, embodying the commitment to ESG in the aspect of "Social Sustainability (S)." SEYI continues to promote industry-academia collaboration to cultivate more talent in the field of metal forming. In 2021, the inaugural "SEYI Cup" included both servo press and CAE analysis competitions, attracting 33 teams from 9 colleges and universities. The second edition, held this year, has received enthusiastic participation from students and faculty members of various technology universities. SEYI will continue to support academic research and cultivate the energy of technological development.

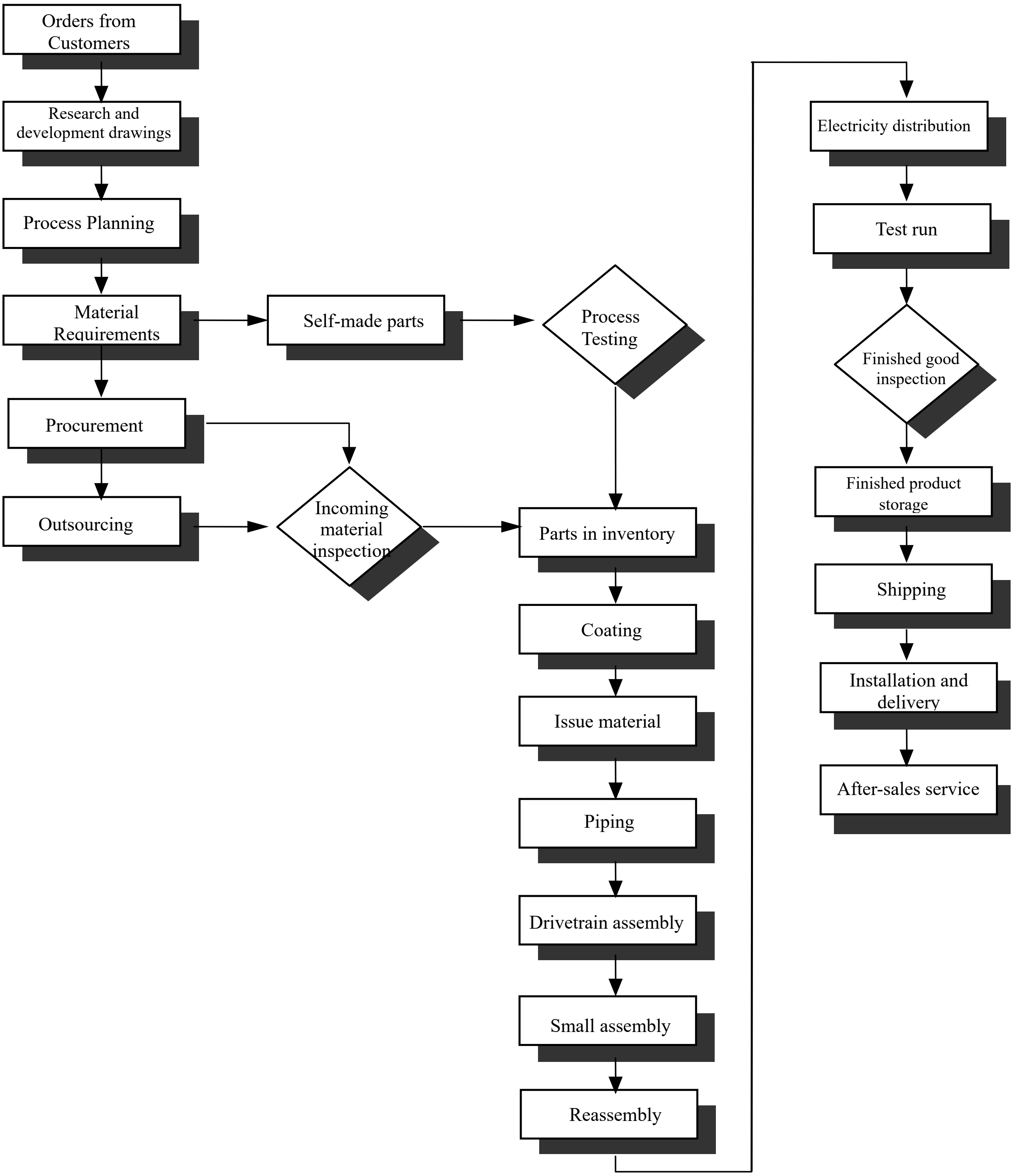
(II) Important applications and production process of major products

1. Usage for the company's main products:

The main purpose of presses is to be used as forming machine tool for metal materials such as unloading, shearing, stamping, bending and drawing. Most of them are used in the automobile industry. Some non-metallic materials such as carbon fiber, paper or metal alloys such as aluminum and magnesium alloys can also be processed by stamping press.

Product Name	Application	
Stamping press	Automobile	Sheet metal, engine panel, rear trunk cover, fender, automotive hardware, and automotive electronics
	Automobile Parts and Accessories	Automotive sheet metal parts, AB pillar frame, anti-collision steel beam, all kinds of pedals (including brake and clutch pedals), and small parts for motorcycle and bicycle, chains, etc.
	Medical Devices	Surgical equipment, stents, medical instrument cases, hospital bed mechanism parts, etc.
	Consumer Electronics	Computer casing, disk drive casing, CD-ROM drive casing, power supply casing, heat sink, iron frame for monitor tube, various connectors
	Home Appliances	Air conditioner casing, base, LCD screen back cover, various switches, battery clips, various plugs, socket brass, toaster casing, metal sheet for lighting, microwave oven casing and internal parts, etc.
	Communication Products	Metal stamping components for various communication products including switches and cell phones
	Motors and transformers	Motors for washing machines, compressors for air conditioners (including refrigerators), starter motors for automobiles, motors for electric windows and windshield wipers, motor housings and rotors for motors under 1/2 HP, transformers for general household appliances, and heat sink motors for computers
	Stationery, furniture	Stapler, book clip, pen clip, metal frame for office chair, desk drawer, slide rail, door lock
	Heavy Electrical Engineering	Large transformer silicon steel plate
	Construction Machinery	Sheet metal parts, engine parts, hardware parts, exterior parts, gear plates
	Agricultural Machinery	Sheet metal parts, engine parts, exterior parts, hardware parts, gear plates, blades
	Aerospace Industry	Sheet metal parts for aerospace, aircraft fasteners, instrument panel housings, and other structural components, etc.
	Others	Floor tile (plastic) cutting, environmental friendly paper material

2. Manufacturing processes for the company's main products:



(III) Supply situation for the company's major raw materials:

The main raw materials used in our products are frames, punches, plates, gears, crankshafts, servo motors, etc. All of them are supplied by our partners or partly purchased from overseas. The company has good cooperation with the importers and the price is stable. Overall, the Company has sufficient access to a number of domestic and international suppliers for its major raw materials. However, in order to disperse the purchasing risk, the Company still adds other suppliers in a timely manner, so that the price and quality can be maintained in a reasonable and stable condition.

(IV) A list of any suppliers and clients accounting for 10 percent or more of the company's total procurement (sales) amount in either of the 2 most recent fiscal years:

1. List of Major Suppliers:

Information on Major Suppliers for the Most Recent 2 Years

Unit: NT$ thousand; %

2021				2022				Q1 2023			
Name of entity	Amount	As a percentage of net purchase(%)	Relationship with the issuer	Name of entity	Amount	As a percentage of net purchase(%)	Relationship with the issuer	Name of entity	Amount	As a percentage of net purchase(%)	Relationship with the issuer
Supplier A	379,520	16.43%	None	Supplier A	320,096	14.87%	None	Supplier A	63,771	14.29%	None
Other	1,929,944	83.57%	None	Other	1,833,191	85.13%	None	Other	382,483	85.71%	None
Net purchase amount	2,309,464	100.00%	None	Net purchase amount	2,153,287	100.00%	None	Net purchase amount	446,254	100.00%	None

Changes in major suppliers: Supplier A is a professional steel plate welding and cutting manufacturer, mainly engaged in the welding and processing of machine frames and gear structures. The Company mainly purchases the cut steel plates and frames from Supplier A.

2. List of Major Customers:

Information on Major Customers for the Most Recent 2 Fiscal Years

Unit: NT$ thousand; %

2021				2022				Q1 2023			
Name of entity	Amount	As a percentage of net sales(%)	Relationship with the issuer	Name of entity	Amount	As a percentage of net sales(%)	Relationship with the issuer	Name of entity	Amount	As a percentage of net sales(%)	Relationship with the issuer
Net sales	3,795,751	100.00%	None	Net sales	3,548,578	100.00%	None	Net sales	883,155	100.00%	None

Changes in major customers: There were no other single customer whose revenue reached 10% or more of the Group's total revenue in fiscal 2022 and 2021; therefore, there was no significant change.

(V) Production Volume and Value in the Most Recent 2 Fiscal Years

Unit: unit; NT$ thousand

Year / Production Volume and Value / Main	2021			2022		
	Production capacity(unit) (Note2)	Production volume(unit) (Note3)	Production value	Production capacity(unit) (Note2)	Production volume(unit) (Note3)	Production value
Stamping press	1,691	1,518	2,715,922	1,483	1,173	2,331,802
Other (Note1)	-	-	76,801	-	-	77,644
Total	1,691	1,518	2,792,723	1,483	1,173	2,409,446

Note 1: Other refers to income from design services, maintenance and spare parts sales, so there is no statistics on production volume and capacity.

Note 2: The difference between units in production capacity and units in output is affected by the different product tonnage structures.

Note 3: The production machines are gradually becoming medium and large in size.

(VI) Sales Volume and Value in the Most Recent 2 Fiscal Years:

Unit: unit; NT$ thousand

Year / Sales volume and value / Main products	2021				2022			
	Local		Export		Local		Export	
	Volume	Amount	Volume	Amount	Volume	Amount	Volume	Amount
Stamping press	218	849,253	1,308	2,794,357	163	273,231	994	3,129,651
Other (Note1)	-	28,163	-	123,978	-	29,807	-	115,889
Total		877,416		2,918,335		303,038		3,245,540

Note 1: Other refers to income from design services, maintenance and spare parts sales, so there is no statistics on production volume.

III. Information on the employees:

Year		2021	2022	As of March 31, 2023
Number of employees	Number of managers	60	61	60
	Indirect employees	312	305	303
	Direct employees	325	336	329
	Total	697	702	692
Average age		37.1	37.1	39.6
Average years of service		9.0	9.0	6.6
Education distribution percentage (%)	Ph.D.	1.69%	1.69%	1.62%
	Master’s degree	17.91%	17.85%	17.72%
	College	47.37%	47.42%	47.29%
	Below senior high school	33.03%	33.04%	33.37%

IV. Disbursements for environmental protection

The Company has been certified with ISO-14000 environmental management system. It is not engaged in the waste treatment and removal business, and is not involved in the final removal of sewage. The Company did not have any violation against environmental protection units. In order to enhance the environmental protection work and meet the future environmental protection requirements, our environmental protection related measures are as follows:

1. Implement waste separation and recycle resources.
2. Appoint qualified waste removers and report online all waste management activities.
3. Promote the environmental protection concept occasionally.

Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken: Up to date in 2022, the Company has not been fined for polluting the environment.

V. Labor relations:

(I) Current labor-management agreements and implementation status

1. Employee benefit plans:

(1) Self-organized welfare items:

A. In addition to the monthly salary we pay to our employees, we may also pay year-end bonuses each year based on operational performance. Quarterly performance bonuses will be paid based on performance as well.
B. All employees participate in labor insurance and national health insurance.
C. Provide employees with free meals, work clothes, safety shoes, dormitory, regular health check and employee parking.
D. Provide benefits for employees' new home, childbirth, injury and illness, and wedding or funeral.
E. In order to create a child-friendly environment, we have set up nursing rooms and provide special nurseries.
F. We offer visually impaired massage service to our staff with consideration for their hard work and social responsibility.
G. We organize employee training and seminars, provide subsidies for foreign language study, and provide subsidies for employees' on-the-job training and scholarships for their children.

(2) Benefits items handled by the Welfare Committee:

The Company appropriates welfare funds in accordance with the law and establishes an employee welfare committee to implement the following benefits:

A. Employee trip.
B. Cash gift for festival.
C. Birthday cash gift.

D. Grants to employees for hospitalization, injuries and illnesses.

E. Subsidies for group recreational activities.

2. Employee continuing education and training:

(1) Annual education and training programs are provided to employees for pre-job, on-the-job and professional training.

(2) Total number of employees trained in FY 2022 was 1,525; the total number of hours of training was 2,865.

3. Pension system:

(1) The Company established the Labor Pension Fund Supervisory Committee in accordance with the Labor Standards Act. To comply with the amendments to the Labor Standards Act, if the remaining balance of the special account before the end of each year is not sufficient to pay for the workers who are expected to meet the requirements for retirement in the following year, the difference shall be appropriated by the end of March of the following year. The Company has appropriated the full amount by the end of March to meet the requirements of the Act. In addition, the Company contributes a certain percentage of monthly salary to the pension fund, which is deposited into the special pension fund in the Bank of Taiwan.

(2) The “Labor Pension Act” became effective on July 1, 2005 and is subject to a defined contribution plan. Employees may choose to be covered by the Labor Standards Act or by the pension system under the Labor Pension Act and retain the years of service prior to the adoption of the Labor Standards Act. For employees subject to the new system, the Company contributes 6% of the employee’s monthly salary to the employee’s pension fund.

4. Other important agreements:

(1) The Company believes in the concept of “ Employees and Management as One, Coexistence and Prosperity”, and strengthens the communication channels with employees under the laws, rules and emotions, and builds consensus in order to achieve the goal of “Happy Enterprise”.

(2) The Company organizes welfare committees and holds regular labor-management meetings in accordance with the law to maintain labor-management relations and to jointly conduct employee welfare activities.

(3) All employees of the Company communicate freely with each other and participate in the “monthly meeting” held at the beginning of each month to communicate with the Company regarding its policies and operational goals, and to make sure that all employees understand and work together towards the goals. As a result of good communication between labor and management, we have achieved harmony and high morale, and both sides have benefited from each other.

(II) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: The Company places great importance on good labor relations and has had no labor disputes or losses in the most recent fiscal year and up to the annual report publication date.

VI. Cyber security management:

(I) Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management.

1. Cyber security risk management framework

   The Company has not yet established a dedicated unit for information security. The Director of Information Technology Department is currently responsible for information security-related work and planning.

2. Cyber security policies

   (1) Regularly implement the inventory of information assets and information accounts
   (2) Periodically provide education and training to internal staff on information security issues and new employees orientation.
   (3) Protect the confidentiality and completeness of the sensitive information and cyber security system to prevent unauthorized access and tampering.
   (4) Implement the management of suppliers and outsourced providers to ensure the cyber security service.
   (5) Promote the integration of information security protection and strengthen information security joint defense and information sharing

3. Concrete management plan for cyber security and resources put into cyber security management

   (1) Regularly backup and conduct remote backup for important company data, and regularly implement recovery drills to ensure the data accessibility.
   (2) The Company's internal staff must regularly change passwords and set up multi-factor authentication to ensure account safety.
   (3) Network and Computer System Security Management.
   (4) Regularly scan for viruses on company IT equipment (personal computers, servers and storage devices).
   (5) The company's internal system authority, development and maintenance of security management

(II) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided.

As of the date of publication of the annual report, the Company has not experienced any cyber security incidents that resulted in losses to the Company.

VII. Important contracts:None

Chapter Six. Financial Status

I. Condensed balance sheets and statements of comprehensive income for the past 5 fiscal years; the name of the certified public accountant and the auditor's opinion given thereby:

(I) Condensed Balance Sheets and Statements of Comprehensive Income:

Condensed Consolidated Balance Sheets - IFRS

Unit: NT$ thousand

Item \ Year		Financial information for the last five years(Note1)					Financial information for 2023 up to March 31 (Note2)
		2018	2019	2020	2021	2022	
Current assets		3,846,455	3,593,657	4,523,761	4,758,157	4,989,145	4,988,397
Property, plant, and equipment		1,367,164	1,304,536	940,267	857,072	790,551	774,519
Intangible assets		8,717	8,721	6,778	18,828	16,765	18,467
Other assets		359,512	380,692	444,226	498,176	423,949	471,525
Total assets		5,581,848	5,287,606	5,915,032	6,132,233	6,220,410	6,252,908
Current liabilities	Before distribution	2,037,642	1,870,829	2,147,347	2,639,849	2,532,694	2,407,848
	After distribution	2,108,937	1,910,438	2,179,034	2,695,301	Not distribute yet	–
Non-current liabilities		1,024,606	998,649	1,393,262	1,106,859	1,261,605	1,417,374
Total liabilities	Before distribution	3,062,248	2,869,478	3,540,609	3,746,708	3,794,299	3,825,222
	After distribution	3,133,543	2,909,087	3,572,296	3,802,160	Not distribute yet	–
Equity attributable to shareholders of the parent		2,519,600	2,418,128	2,374,423	2,385,525	2,426,111	2,427,686
Stock capital		1,584,341	1,584,341	1,584,341	1,584,341	1,584,341	1,584,341
Capital reserve	Before distribution	313,033	284,515	244,906	213,219	195,244	184,982
	After distribution	284,515	244,906	213,219	195,244	Not distribute yet	–
Retained earnings	Before distribution	757,436	730,072	748,069	801,146	783,596	791,084
	After distribution	714,659	730,072	748,069	763,669	Not distribute yet	–
Other equity interest		(135,210)	(180,800)	(202,893)	(213,181)	(137,070)	(132,721)
Treasury stocks		0	0	0	0	0	0
Non-controlling interest		0	0	0	0	0	0
Total equity	Before distribution	2,519,600	2,418,128	2,374,423	2,385,525	2,426,111	2,427,686
	After distribution	2,448,305	2,378,519	2,342,736	2,330,073	Not distribute yet	–

Note 1: The aforesaid financial statements were audited by the CPAs.
Note 2: The financial statements for the first quarter of 2023 have been reviewed by the CPA.

Condensed Consolidated Statement of Comprehensive Income - IFRS

Unit: NT$ thousands, except for Earnings Per Shares

Item \ Year	Financial information for the last five years(Note1)					Financial information for 2023 up to March 31 (Note2)
	2018	2019	2020	2021	2022	
Operating Income	3,902,498	3,356,940	2,642,152	3,795,751	3,548,578	883,155
Gross profit	1,039,084	889,333	567,226	812,900	843,249	252,005
Net Income (loss) from operating	82,890	37,758	(137,183)	5,484	(29,927)	47,120
Non-operating income and expenses	27,153	(10,164)	129,573	40,898	112,915	8,558
Net profit (loss) before tax	110,043	27,594	(7,610)	46,382	82,988	55,678
Net income (loss) from continuing operations	94,668	18,618	15,672	56,663	28,744	47,925
Loss from discontinued operations	0	0	0	0	0	0
Net Income (loss)	94,668	18,618	15,672	56,663	28,744	47,925
Other comprehensive income (loss) for the period (net of Income Tax)	(18,658)	(48,795)	(19,768)	(13,874)	67,294	4,349
Total comprehensive income for the period	76,010	(30,177)	(4,096)	42,789	96,038	52,274
Net income (loss) attributable to owners of parent	94,668	18,618	15,672	56,663	28,744	47,925
Net income (loss) attributable to noncontrolling interests	0	0	0	0	0	0
Total comprehensive income attributable to owners of parent	76,010	(30,177)	(4,096)	42,789	96,038	52,274
Total comprehensive income attributable to non-controlling interest	0	0	0	0	0	0
Earnings per share	0.60	0.12	0.10	0.36	0.18	0.30

Note 1: The aforesaid financial statements were audited by the CPAs.
Note 2: The financial statements for the first quarter of 2023 have been reviewed by the CPA.

Condensed Parent Company Only Balance Sheets - IFRS

Unit: NT$ thousand

Item \ Year		Financial information for the last five years(Note1)				
		2018	2019	2020	2021	2022
Current assets		1,800,845	1,939,082	2,155,631	2,328,338	2,898,153
Property, plant, and equipment		912,846	937,618	642,096	623,586	601,257
Intangible assets		8,715	8,720	6,778	18,824	16,763
Other assets		1,904,564	1,714,462	1,838,110	1,688,588	1,315,239
Total assets		4,626,970	4,599,882	4,642,615	4,659,336	4,831,412
Current liabilities	Before distribution	1,032,000	1,143,506	855,300	1,162,018	1,139,917
	After distribution	1,103,295	1,183,115	886,987	1,106,566	Not distribute yet
Non-current liabilities		1,075,370	1,038,248	1,412,892	1,111,793	1,265,384
Total liabilities	Before distribution	2,107,370	2,181,754	2,268,192	2,273,811	2,405,301
	After distribution	2,178,665	2,221,363	2,299,879	2,218,359	Not distribute yet
Equity attributable to shareholders of the parent		2,519,600	2,418,128	2,374,423	2,385,525	2,426,111
Stock capital		1,584,341	1,584,341	1,584,341	1,584,341	1,584,341
Capital reserve	Before distribution	313,033	284,515	244,906	213,219	195,244
	After distribution	284,515	244,906	213,219	195,244	Not distribute yet
Retained earnings	Before distribution	757,436	730,072	748,069	801,146	783,596
	After distribution	714,659	730,072	748,069	763,669	Not distribute yet
Other equity interest		(135,210)	(180,800)	(202,893)	(213,181)	(137,070)
Treasury stocks		0	0	0	0	0
Non-controlling interest		0	0	0	0	0
Total equity	Before distribution	2,519,600	2,418,128	2,374,423	2,385,525	2,426,111
	After distribution	2,448,305	2,378,519	2,342,736	2,330,073	Not distribute yet

Note 1: The aforesaid financial statements were audited by the CPAs.

Condensed Parent Company Only Statement of Comprehensive Income - IFRS

Unit: NT$ thousands, except for Earnings Per Shares

Item \ Year	Financial information for the last five years(Note1)				
	2018	2019	2020	2021	2022
Operating Income	1,797,602	1,652,320	903,878	1,483,650	1,294,580
Realized gross profit	373,429	427,855	157,409	227,225	265,382
Net Income (loss) from operating	(75,815)	(19,404)	(160,014)	(122,157)	(123,230)
Non-operating income and expenses	161,865	33,856	139,771	146,251	190,447
Net profit (loss) before tax	86,050	14,452	(20,243)	24,094	67,217
Net income from continuing operations	94,668	18,618	15,672	56,663	28,744
Loss from discontinued operations	0	0	0	0	0
Net Income (loss)	94,668	18,618	15,672	56,663	28,744
Other comprehensive income (loss) for the period (net of Income Tax)	(18,658)	(48,795)	(19,768)	(13,874)	67,294
Total comprehensive income for the period	76,010	(30,177)	(4,096)	42,789	96,038
Earnings per share	0.60	0.12	0.10	0.36	0.18

Note 1: The aforesaid financial statements were audited by the CPAs.

(II) Names of the CPAs and their opinions given thereby for the last five years:

Year	Name of CPA	Audit Opinions	Remarks
2018	Deloitte & Touche CPA Wan-I Liao and Chien-Hsin Hsieh	Unqualified opinion audit report.	Long-term investments accounted for using the equity method and investment gains or losses are stated in accordance with other auditors' reports.
2019	Deloitte & Touche CPA Wan-I Liao and Chien-Hsin Hsieh	Unqualified opinion audit report.	Long-term investments accounted for using the equity method and investment gains or losses are stated in accordance with other auditors' reports.
2020	Deloitte & Touche CPA Wan-I Liao and Chien-Hsin Hsieh	Unqualified opinion audit report.	Long-term investments accounted for using the equity method and investment gains or losses are stated in accordance with other auditors' reports.
2021	Deloitte & Touche CPA Wan-I Liao and Bo-Ren Weng	Unqualified opinion audit report.	Long-term investments accounted for using the equity method and investment gains or losses are stated in accordance with other auditors' reports.
2022	Deloitte & Touche CPA Wan-I Liao and Bo-Ren Weng	Unqualified opinion audit report.	Long-term investments accounted for using the equity method and investment gains or losses are stated in accordance with other auditors' reports.

Note 1: The Company's 2021 financial statements were audited and reviewed by CPA Wan-I Liao and CPA Bo-Ren Weng from Deloitte & Touche, as a result of the firm's internal organizational changes.

II. Financial analyses for the past 5 fiscal years

(I) Consolidated financial statements -IFRS

Analysis item		Financial analysis for the last five years (Note1) 2018	2019	2020	2021	2022	As of March 31, 2023
Financial structure	Debt to assets ratio	54.86	54.27	59.86	61.10	61.00	61.18
	Ratio of long-term capital to property, plant and equipment	239.27	241.04	358.11	360.88	409.71	435.08
Solvency	Current ratio	188.77	192.09	210.67	180.24	196.99	207.17
	Quick ratio	133.56	132.12	162.37	143.01	148.47	156.80
	Times interest earned	5.13	2.34	0.72	2.84	3.90	7.75
Operating performance	Accounts receivable turnover (times)	3.51	5.12	6.02	7.25	5.58	5.59
	Average collection days	104	71	61	50	65	65
	Inventory turnover (times)	2.92	2.25	1.96	3.00	2.53	2.14
	Accounts payable turnover (times)	2.81	2.53	2.40	2.85	2.20	2.19
	Average days in sales	125	162	187	122	144	171
	Property, plant and equipment turnover (times)	2.38	2.32	2.14	3.76	3.80	3.96
	Total asset turnover (times)	0.69	0.62	0.47	0.63	0.57	0.57
Profitability	Return on total assets (%)	2.05	0.65	0.67	1.27	0.84	0.87
	Return on equity (%)	3.77	0.75	0.65	2.38	1.19	1.97
	Income before tax to paid-in capital (%)	6.95	1.74	-0.48	2.93	5.24	3.51
	Net profit margin (%)	2.43	0.55	0.59	1.49	0.81	5.43
	Earnings per share (NT$)	0.60	0.12	0.10	0.36	0.18	0.30
Cash flow	Cash flow ratio (%)	29.49	10.18	17.81	1.96	-2.29	-3.33
	Cash flow adequacy ratio (%)	76.86	108.73	130.30	153.70	127.49	80.18
	Cash reinvestment ratio (%)	12.06	2.80	7.44	0.46	-2.42	-1.66
Leverage	Operating leverage	36.30	81.69	-15.80	570.32	-94.87	15.48
	Financial leverage	1.47	2.20	0.83	-0.28	0.51	1.21

Please explain the causes of changes in the financial ratios in the most recent 2 fiscal years. (Analysis is not required if the increase or decrease is less than 20%.)

1. Interest coverage ratio: Increased in 2022 compared to 2021, mainly due to an increase in income before tax.
2. Accounts receivable turnover ratio: Decreased in 2022 compared to 2021, and the average collection period increased in 2022 compared to 2021: Mainly due to a decrease in revenue.
3. Accounts payable turnover ratio: Increased in 2022 compared to 2021, mainly due to lower shipment volume and reduced cost of goods sold.
4. Return on assets, return on equity, net profit margin, earnings per share: Decreased in 2022 compared to 2021, mainly due to a decrease in after-tax net income.
5. Income before tax to paid-in capital ratio: Increased in 2022 compared to 2021, mainly due to an increase in income before tax.
6. Cash flow ratio and cash reinvestment ratio: Decreased in 2022 compared to 2021, mainly due to a decrease in net cash inflow from operating activities.
7. Operating leverage: Decreased in 2022 compared to 2021, mainly due to a decrease in revenue and operating net profit.
8. Financial leverage: Increased in 2022 compared to 2021, mainly due to a decrease in operating net profit.

Note 1: The 2018 - 2022 financial statements were audited by the CPAs.

Note 2: The financial statements for the first quarter of 2023 have been reviewed by the CPA.

(II) Parent company only financial statements -IFRS

Analysis item	Year	Financial analysis for the last five years (Note1)				
		2018	2019	2020	2021	2022
Financial structure	Debt to assets ratio	45.55	47.43	48.86	48.80	49.78
	Ratio of long-term capital to property, plant and equipment	350.06	328.99	502.35	476.30	519.35
Solvency	Current ratio	174.50	169.57	252.03	200.37	254.24
	Quick ratio	128.50	124.64	195.30	175.50	211.67
	Interest coverage ratio	5.36	1.86	0.08	2.32	4.04
Operating performance	Accounts receivable turnover (times)	3.63	3.64	2.85	5.63	3.93
	Average collection days	101	100	128	65	93
	Inventory turnover (times)	3.08	2.48	1.57	3.32	2.64
	Accounts payable turnover (times)	2.80	2.44	2.19	3.75	2.27
	Average days in sales	118	147	233	110	138
	Property, plant and equipment turnover (times)	1.79	1.59	1.00	1.99	1.79
	Total asset turnover (times)	0.39	0.36	0.20	0.32	0.27
Profitability	Return on total assets (%)	2.38	0.69	0.72	1.53	0.98
	Return on equity (%)	3.77	0.75	0.65	2.38	1.19
	Income before tax to paid-in capital ratio(%)	5.43	0.91	-1.28	1.52	4.24
	Net profit margin (%)	5.27	1.13	1.73	3.82	2.22
	Earnings per share (NT$)	0.60	0.12	0.10	0.36	0.18
Cash flow	Cash flow ratio (%)	17.59	-20.28	6.17	-7.09	-14.08
	Cash flow adequacy ratio (%)	-25.70	-31.05	-69.54	-80.26	-52.84
	Cash reinvestment ratio (%)	2.91	-8.33	0.33	-3.16	-5.53
Leverage	Operating leverage	-17.65	-64.21	-3.60	-9.76	-7.62
	Financial leverage	0.79	0.54	0.88	0.87	0.85

Please explain the causes of changes in the financial ratios in the most recent 2 fiscal years. (Analysis is not required if the increase or decrease is less than 20%.)

1. Current ratio and quick ratio: Increased in 2022 compared to 2021, mainly due to an increase in current assets.
2. Interest coverage ratio: Increased in 2022 compared to 2021, mainly due to an increase in income before tax.
3. Accounts receivable turnover ratio decreased, and average collection period increased in 2022 compared to 2021: Mainly due to a decrease in revenue.
4. Inventory turnover ratio and accounts payable turnover ratio decreased in 2022 compared to 2021, and average days of sales increased: Mainly due to lower shipment volume and reduced cost of goods sold.
5. Return on assets, return on equity, net profit margin, earnings per share: Decreased in 2022 compared to 2021, mainly due to a decrease in after-tax net income.
6. Income before tax to paid-in capital ratio: Increased in 2022 compared to 2021, mainly due to an increase in income before tax.
7. Cash flow ratio, cash reinvestment ratio: Decreased in 2022 compared to 2021, mainly due to an increase in net cash outflow from operating activities in 2022.
8. Cash flow adequacy ratio: Increased in 2022 compared to 2021, mainly due to an increase in net cash outflow from operating activities in 2022.
9. Operating leverage: Increased in 2022 compared to 2021, mainly due to a decrease in revenue.

Note 1: The 2018 - 2022 financial statements were audited by the CPAs.

The formula for financial analysis:

1. Financial structure
   (1) Debt to assets ratio = total liabilities / total assets.
   (2) Ratio of long-term capital to property, plant and equipment = (total equity + non-current liabilities) / net property, plant and equipment.
2. Solvency
   (1) Current ratio = current assets / current liabilities.
   (2) Quick ratio = (current assets - inventory - prepaid expenses) / current liabilities.
   (3) Times interest earned = earnings before tax and interest expenses / current interest expenses.
3. Operating performance
   (1) Accounts receivable (including accounts receivable and notes receivable arising from business activities) turnover = net sales / average accounts receivable balance (including accounts receivable and notes receivable arising from business activities).
   (2) Average collection days = 365 / accounts receivable turnover.
   (3) Inventory turnover = cost of goods sold / average inventory.
   (4) Accounts payable (including accounts payable and notes payable arising from business activities) turnover = cost of goods sold / average accounts payable balance (including accounts payable and notes payable arising from business activities).
   (5) Average days in sales = 365 / inventory turnover.
   (6) Property, plant and equipment turnover = net sales / average net property, plant and equipment.
   (7) Total asset turnover = net sales / average total assets.
4. Profitability
   (1) Return on total assets = (net income + interest expenses * (1 - effective tax rate)) / average total assets.
   (2) Return on equity = net income after tax / average total equity.
   (3) Net profit margin = net income after tax / net sales.
   (4) Earnings per share = (income attributable to owners of parent - preferred stock dividends) / weighted average number of shares outstanding. (Note 4)
5. Cash flow
   (1) Cash flow ratio = net cash flows from operating activities / current liabilities.
   (2) Net cash flow adequacy ratio = 5-year sum of net cash flow from operating activities / 5-year sum of (capital expenditures + increases in inventory + cash dividends).
   (3) Cash reinvestment ratio = (cash from operating activities - cash dividends) / (gross property, plant and equipment + long-term investments + other non-current assets + working capital). (Note 5)
6. Leverage:
   (1) Operating leverage = (net operating revenue – variable operating costs and expenses) / operating income (Note 6).
   (2) Financial leverage = operating income / (operating income – interest expenses).

Special attention should be paid to the following when calculating earnings per share by the above equation:

1. The weighted average quantity of outstanding common shares shall be taken as the standard, not the quantity of outstanding shares at the end of the year.
2. If there is any cash capital increase or treasury stock transaction, take the circulation periods into account when calculating the weighted average quantity of outstanding shares.
3. If there is any capitalization of retained earnings or capital surplus, the annual and semiannual earnings per share of past years shall be retrospectively adjusted pro rata to the size of the capital increase, without considering the issuance period of the capital increase.
4. If the preferred shares are non-convertible cumulative preferred shares, the dividend for the fiscal year (whether it has been distributed or not) shall be deducted from the net income after tax or added to the net loss after tax. If the preferred shares are non-cumulative, the dividend shall be deducted from the net income after tax if there is net income after tax and no adjustment is required in case there is loss.

Special attention shall be paid to the following when making the calculations for cash flow analysis:

1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditures refers to the annual cash outflow used in capital investment.
3. Increase in inventory is counted only when the balance at the end of the period is greater than the balance at the beginning of the period. If the inventory has decreased at the end of the year, it is counted as zero.
4. Cash dividends include the cash dividends of common stock and preferred stock.
5. Gross property, plant and equipment refers to the total property, plant and equipment without deduction of accumulated depreciation.

The issuer shall categorize the operating costs and operating expenses into fixed ones and variable ones in accordance with their properties. If the categorization is subject to estimation or subjective judgment, attention shall be paid to ensure that it is done rationally and consistently.

If the Company’s shares have no par value or the par value per share is not NT$10, the paid-in capital involved in the calculation of the above ratio shall be replaced by the equity attributable to owners of the parent company on the balance sheet.

III. Audit committee's report for the most recent year's financial statement:

SHIEH YIH MACHINERY INDUSTRY CO., LTD
Audit Committee's Review Report

The Board of Directors has prepared the Company's 2022 Business Report, Financial Statements and Proposal for Distribution of Earnings. The financial statements have been audited by Deloitte & Touche and an audit report has been issued. The Business Report, the Financial Statements and the Proposal for Distribution of Earnings listed herein have been reviewed by the Audit Committee and found to be in compliance with the Securities and Exchange Act and the Company Act. We hereby submit this report.

To

2023 Annual General Shareholders' Meeting of

SHIEH YIH MACHINERY INDUSTRY CO., LTD

SHIEH YIH MACHINERY INDUSTRY CO., LTD

Audit Committee Convener: Shu-Chuan Chen

March 14, 2023

IV. Parent company only financial statement for the most recent year, certified by CPAs: Please see Pages 109-176.

V. Consolidated financial statement for the most recent year, certified by CPAs: Please see Pages 177-245.

VI. If the company or its affiliates have experienced financial difficulties in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, the annual report shall explain how the difficulties will affect the company's financial situation: None.

Chapter Seven. Review and analyse its financial position and financial performance, and shall assess its risks

I. Financial position

Unit: NT$ thousand

Item \ Year	2021	2022	Differences	
			Amount	%
Current assets	4,758,157	4,989,145	230,988	4.85%
Non-current assets	1,374,076	1,231,265	(142,811)	(10.39%)
Assets	6,132,233	6,220,410	88,177	1.44%
Current liabilities	2,639,849	2,532,694	(107,155)	(4.06%)
Non-current liabilities	1,106,859	1,261,605	154,746	13.98%
Liabilities	3,746,708	3,794,299	47,591	1.27%
Capital - common stock	1,584,341	1,584,341	0	0.00%
Capital reserve	213,219	195,244	(17,975)	(8.43%)
Retained earnings	801,146	783,596	(17,550)	(2.19%)
Other equity	(213,181)	(137,070)	76,111	(35.70%)
Equity	2,385,525	2,426,111	40,586	1.70%

Analysis of changes in ratio of increase/decrease (if the change is more than 20% and the amount of change reaches NT$10 million):
Other equity:The main reason is due to the depreciation of the New Taiwan Dollar, which has led to an increase in the exchange differences in the financial statements of overseas operating entities.

II. Financial performance

Unit: NT$ thousand

Item \ Year	2021	2022	Differences	
			Amount	%
Operating Income	3,795,751	3,548,578	(247,173)	(6.51%)
Operating costs	2,982,851	2,705,329	(277,522)	(9.30%)
Operating gross profit	812,900	843,249	30,349	3.73%
Operating expenses	807,416	873,176	65,760	8.14%
Net Income (loss) from operating	5,484	(29,927)	(35,411)	(645.71%)
Non-operating income and expenses	40,898	112,915	72,017	176.09%
Net Income before tax	46,382	82,988	36,606	78.92%
Income tax benefit (expense)	10,281	(54,244)	(64,525)	(627.61%)
Net income	56,663	28,744	(27,919)	(49.27%)

Analysis of changes in ratio of increase/decrease (if the change is more than 20% and the amount of change reaches NT$10 million):
In 2022, the Mainland China region was significantly affected by the pandemic, resulting in a decrease in overall revenue and profits.

III. Cash Flow

Unit: NT$ thousand

Cash at Beginning of Year	Net cash outflow from operating activities for the year	Net cash inflow from investing and financing activities for the year	Effect of exchange rate fluctuations on cash and cash equivalents	Excess (shortfall) of cash	Remedial Measures for Cash Inadequacy	
					Investment plan	Financing plan
2,330,138	(57,991)	22,152	133,981	2,428,280	-	-

(1) Analysis of Cash Flow Variations:

•Net cash outflow from operating activities is NT$ 57,991 thousands.
The main reason for this is an increase in the group's orders received and accounts payable.

•Net cash inflow from investing and financing activities is NT$ 22,152 thousands.
The main reason for this is the repayment of long-term loans and cash management.

(2) Improvements for Lack of Liquidity: Not applicable.

(3) Liquidity Analysis for the Next Year: Not applicable.

IV. Effect upon financial operations of any major capital expenditures during the most recent fiscal year: None.

V. The company’s reinvestment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability, and investment plans coming yea:

The Company’s investment policy is based on the long-term strategy, and the “Procedures for the Acquisition or Disposal of Assets” in accordance with the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” established by the competent authority is used as the basis for the Company’s investment business, in order to grasp the related business and financial situation. In addition, the Company has established control and management rules for its subsidiaries in its internal control system, and set up relevant regulations for information disclosure, finance, business, inventory and financial management. The Company regularly performs audits on important subsidiaries to establish the related operational risk mechanism so that the Company can maximize the effectiveness of its investees.

1. In response to the fact that China has become the largest tool market, so the Company’s investment policy is primarily focused on investing in China, actively expanding its market share in China, and further increasing its global business development.
2. The Company will continue to expand the business scale of its subsidiaries in accordance with the Company’s global business development plan.

VI. Risk Management and Assessments:

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

1. The effect upon the company's profits (losses) of interest rate fluctuation, and response measures to be taken in the future:

   The interest income of the Company and its subsidiaries for 2022 was $46,268 thousand, or 1.30% of the net operating income; the interest expense was $28,587 thousand, or 0.81% of the net operating income. These are very small amount; therefore, the effect of interest rate fluctuations on the overall profitability is not significant. The Company regularly evaluates bank borrowing rates to obtain more favorable borrowing rates or types of loans for the Company. Short-term working capital is often funded by lower interest rates from the money market. The Company has adjusted to increase the proportion of medium- and long-term loans in order to strengthen its financial structure and reduce capital risk. In addition, the Company maintains good relationships with its creditors. In response to the interest rate fluctuations, the Company will closely monitor the interest rate movements in the future, adjust the borrowing structure and take necessary measures to avoid the risk of interest rate increases promptly.

2. The effect upon the company's profits (losses) of exchange rate fluctuation, and response measures to be taken in the future:

   The Company and its subsidiaries had an exchange gain of $86,640 thousand in fiscal 2022, representing 2.44% of net operating revenues. The fluctuation of the exchange loss was mainly due to the impact of exchange rate changes in the current year on the valuation of related assets and liabilities, which accounted for a small amount of operating income. The Company adjusts the exchange rate of foreign currency quotations for foreign sales contracts, taking into account changes in interest rates and exchange rates, or sets the terms and conditions when accepting foreign currency quotations. The Company also conducts forward exchange transactions for hedging purposes as necessary to mitigate the possible impact of foreign exchange losses. Since the Company's export quota is high while its import quota is low, the foreign exchange rate is based on the Company's capital needs to seek the most suitable exchange rate at the time. When there is a high amount of export foreign exchange, we will use forward exchange and option to hedge the exchange rate risk.

3. The effect upon the company's profits (losses) of changes in the inflation rate, and response measures to be taken in the future:

   The Company and its subsidiaries will keep track of price fluctuations of raw materials and key components, maintain good interaction with suppliers and customers, and timely adjust product prices and raw material inventory quantity in response to the price vitality, so as to reduce inflation impact on the Company.

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

The Company will continue to expand the business scale of its subsidiaries in accordance with the Company's global business plan. The Company does not engage in high-risk and high-leverage investment activities, except for the endorsement and guarantee or lending of funds for the financing needs of its subsidiaries. The Company follows the Company's procedures for lending funds to others and the procedures for endorsement and guarantee. In addition, the policy on derivative transactions is governed by the "Procedures for the Acquisition or Disposal of Assets".

(III) Research and development work to be carried out in the future, and further expenditures expected for research and development work:

The Company invests in research and development in order to maintain its competitiveness in the marketplace through continuous research and development of new products and technologies. The Company has been collecting global market information, industry development analysis, and trends in the development of press technology for a long time, based on global development. We formulate long-term research and development strategies and product development projects at various stages to effectively reduce the risk of ineffective investment of R&D funds. The estimated research and development expenses for FY2023 are approximately $155,000 thousand.

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

The Company and its subsidiaries operate in accordance with the relevant domestic and foreign laws and regulations. In recent years, domestic and international policies and laws have changed, the most important issues related to business operation are corporate governance and environmental protection. The Company will gradually enhance its corporate governance based on the legal system with a steady and flexible response.

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

The Company is a professional and leading manufacturer of stamping presses. Our products are widely used in various metal stamping industries. In response to market demand and competition, the Company continues to develop refined and high value-added products to enhance its competitiveness and leading position in the market.

Cyber security risk assessment: The Company has established the highest standard for the information system, the related management rules and operating procedures for reference basis. At the same time, we integrate and strengthen our information security management system, establish an institutionalized, documented and standardized management mechanism, and continuously monitor and review management performance in order to implement our information system policy and the sustainable business operation concept. We will also achieve the implementation of information security management policies, introduce comprehensive information security management systems, train information security professionals, strengthen information security environment and response capabilities, and achieve information system policy measurement. The Company ensures the confidentiality, integrity, and availability of the information assets belonging to the Company, and complies with the relevant laws and regulations to protect them from internal and external threats, whether intentional or accidental, in order to protect the rights of the Company's employees or customers.

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

The Company and its subsidiaries have always been operating with professionalism and integrity. The management has been operating in a law-abiding manner, focusing on high-end development and sustainable services, and providing excellent products to our customers, so that we have a good reputation in the industry. There is no significant impact on the Company due to the change of corporate image in the recent year.

(VII) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken: None.

(VIII) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken: None.

(IX) Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken:

(X) Effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken: None.

There is no significant transfer of equity by the Company's directors, supervisors or major shareholders who hold more than 10% of the shares. The current shareholding percentages of directors and supervisors are in compliance with the regulations set by the competent authority and have not had a significant impact on the Company's operations.

(XI) Effect upon and risk to company associated with any change in managerial control and mitigation measures being or to be taken: None.

There is no change in the managerial control of the Company and its subsidiaries that would affect the Company's operations, and the Company and its subsidiaries have established a complete internal control system and related management rules, so there should be no significant impact on operations if there is a change in the managerial control.

(XII) Disclosure of litigious and non-litigious matters: None.

(XIII) Disclosure of other significant risks and countermeasures: None.

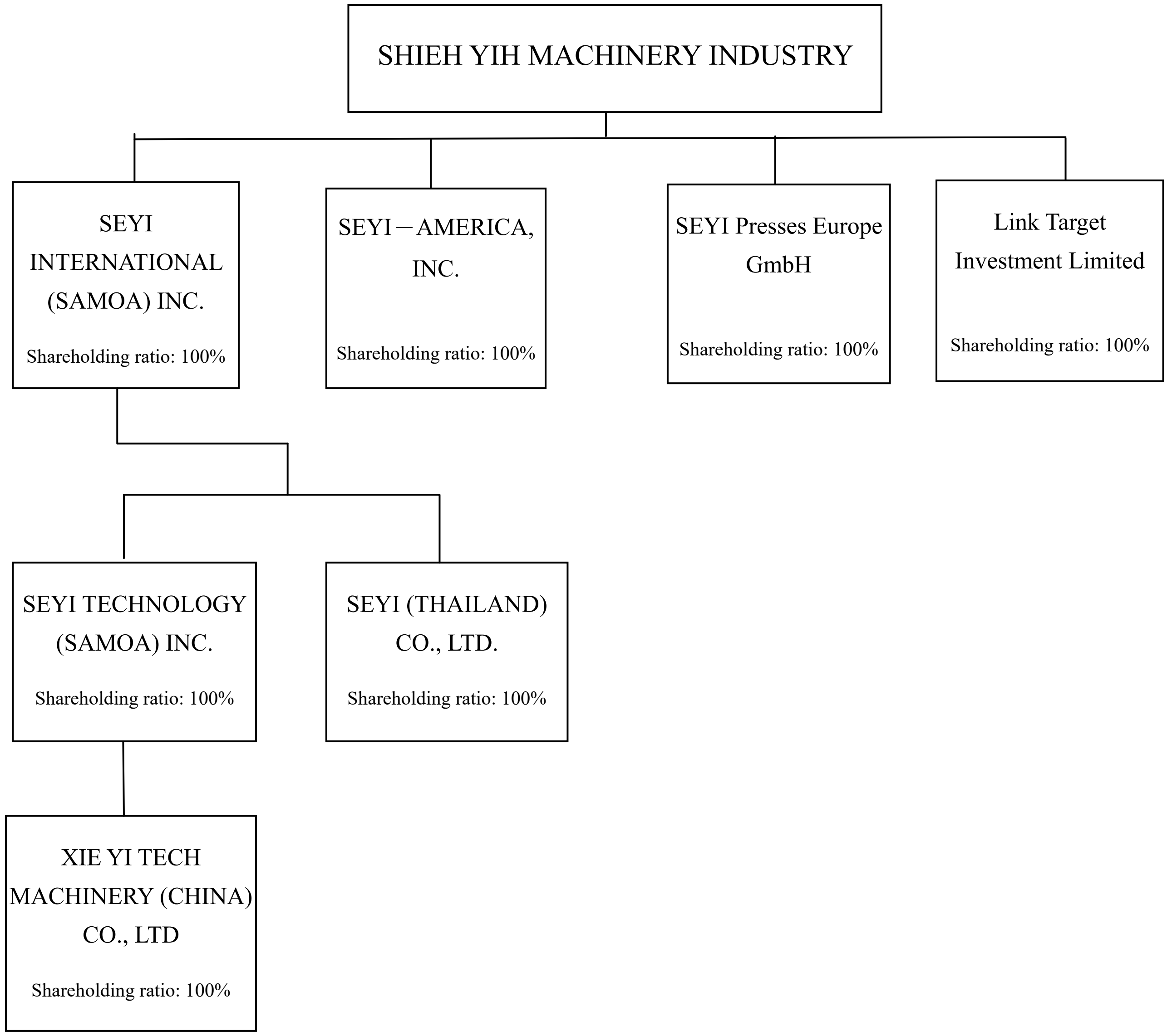
VII. Other material items: None.

Chapter Eight. Special items to be included

I. Information related to the company's affiliates:

(I) Consolidated business report of affiliates

1. Organizational chart of affiliates



Note: Organizational chart of affiliates as of March 31, 2023

2. Basic information on affiliates

Unit: in thousand

Company name	Date of incorporation	Address	Paid-in capital	Main business or production items
SEYI INTERNATIONAL (SAMOA)INC.	2002.07.31	TrustNet Chamber,Lotermau Centre,P.O.Box 1225, Apia,Samoa	USD 2,253	Trading and investing business
SEYI-AMERICA,INC.	2000.01.31	17534 VON KARMAN AVE. IRVINE, CA 92614, U.S.A.	USD 3,000	Sales of machine tools and related mechanical parts for presses
SEYI Presses Europe GmbH	2012.08.29	Wilhelm-Gutbrod-Str. 25, 60437 Frankfurt am Main, Germany	EUR 250	Sales of machine tools and related mechanical parts for presses
Link Target Investment Limited	2013.04.24	9F., No. 183, Gangqian Rd., Neihu Dist., Taipei City	NTD 250,000	Investing business
SEYI TECHNOLOGY (SAMOA)INC.	2002.07.31	TrustNet Chambers, Lotemau Centre, P.O. Box 1225, Apia, Samoa	USD 2,000	Trading and investing business
SEYI(THAILAND)CO.,LTD.	2012.08.31	399/69 Moo13, Rachatewa, Bangplee, Samutprakarn 10540 Thailand.	THB 7,500	Sales of machine tools and related mechanical parts for presses
XIE YI TECH MACHINERY (CHINA) CO., LTD	2002.08.22	No. 88 Xing Puzhong Lu, Qiandeng Town, Kunshan City, Jiangsu, China	USD 12,000	Manufacturing of specialized equipment for the electronics, automobile, home appliance and machine industries

Note: The record date for paid-in capital is March 31, 2023.

3. Information on the shareholders in common for presumption of a relationship of control or subordination: None.

4. The industries covered by the business operated by the affiliates overall:
The Company and its affiliates are engaged in the design, manufacture, trading and general investment business for presses and peripheral equipment and parts.

5. Information on directors, supervisors and presidents of affiliates

Unit: Shares; %

Company name	Position	Name of individual or representative(s)	Shareholding	
			Number of shares	Shareholding Ratio %
SEYI INTERNATIONAL (SAMOA)INC.	Chairman	SHIEH YIH MACHINERY INDUSTRY CO., LTD. Legal Representative: Ya-Hui Kuo	2,252,750	100.00
SEYI-AMERICA,INC .	Chairman	SHIEH YIH MACHINERY INDUSTRY CO., LTD. Legal Representative: Ya-Hui Kuo	3,000,000	100.00
SEYI Presses Europe GmbH	Chairman	SHIEH YIH MACHINERY INDUSTRY CO., LTD. Legal Representative: Ya-Hui Kuo	250,000	100.00
Link Target Investment Limited	Chairman	SHIEH YIH MACHINERY INDUSTRY CO., LTD. Legal Representative: Ya-Hui Kuo	25,000,000	100.00
SEYI TECHNOLOGY (SAMOA)INC.	Chairman	SHIEH YIH MACHINERY INDUSTRY CO., LTD. Legal Representative: Ya-Hui Kuo	2,000,000	100.00
SEYI(THAILAND) CO.,LTD.	Chairman	SHIEH YIH MACHINERY INDUSTRY CO., LTD. Legal Representative: Ya-Hui Kuo	75,000	100.00
XIE YI TECH MACHINERY (CHINA) CO., LTD	Chairman	SHIEH YIH MACHINERY INDUSTRY CO., LTD. Legal Representative: Ya-Hui Kuo	12,000,000	100.00

Note: Information as of March 31, 2023

6. Operating overview of affiliates

December 31, 2022; Unit: NT$thousand

Company name	Capital	Total assets	Total liabilities	Net worth	Operating Income	Operating profit	Profit or loss for the period (After tax)	Earnings per share (NTD) (After tax)
SEYI INTERNATIONAL (SAMOA)INC.	87,697	1,918,385	1,195,513	722,872	1,783,788	52,712	49,001	21.75
SEYI-AMERICA, INC.	93,776	533,170	329,927	203,244	985,259	36,292	32,068	10.69
SEYI Presses Europe GmbH	9,251	126,142	154,070	(27,928)	124,971	7,080	4,809	19.24
Link Target Investment Limited	250,000	156,413	0	156,413	0	(1,358)	(12,769)	(0.51)

(III) Consolidated financial statements of affiliates: Please see page 177-245.

(IV) (III) Affiliation reports: Not applicable.

II. Where the company has carried out a private placement of securities during the current fiscal year up to the date of publication of the annual report: None.

III. Holdings or disposal of shares in the company by the company's subsidiaries during the current fiscal year up to the date of publication of the annual report: None.

IV. Other matters that require additional description: None.

V. If any of the situations listed in Article 36, paragraph 2, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the current fiscal year up to the date of publication of the annual report: None.

Appendix (I) 2022 Parent Company Only Financial Statement

Appendix (II) 2022 Consolidated Financial Statement

Appendix (I)

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Shieh Yih Machinery Industry Co., Ltd.

Opinion

We have audited the accompanying financial statements of Shieh Yih Machinery Industry Co., Ltd. (the Company), which comprise the balance sheets as of December 31, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

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

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

Estimated Loss Due to Impairment of Inventory

As of December 31, 2022, the Company's net value of inventories amounted to $481,258 thousand (refer to Note 11), representing 9.96% of the total assets.

The impairment of the Company’s inventory may arise due to the obsolescence caused by customization. Obsolescence loss is estimated based on the inventory age and loss ratio from historical experience. Since the assessment of inventory obsolescence losses involves critical judgments by management, we considered inventory obsolescence loss as a key audit matter.

Refer to Notes 4(e) and 5 to the accompanying financial statements for the accounting policies on inventory impairment.

We obtained an understanding of the Company’s inventory obsolescence loss estimation process and of the design and implementation of related internal control system. We evaluated the rationality of the method for calculating the inventory obsolescence loss at the end of the year. On physical inventory count, we observed that whether the inventory that had not moved for a long time had been included in the assessment of inventory obsolescence. We obtained the Company’s inventory aging schedule and verified the completeness and accuracy of the calculation of inventory obsolescence loss at the end of the year. We reviewed the inventory aging analysis and compared the impairment loss with the actual inventory loss in previous years and confirmed the inventory obsolescence loss.

Estimated Impairment of Accounts Receivable

The Company recognizes impairment loss on accounts receivable by assessing the impairment amount of each past due receivable and also applies the simplified approach to determine expected credit losses as prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all accounts receivable. The expected credit losses on accounts receivable are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor’s current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as global economic growth rate at the reporting date. The Company uses provision matrix to determine expected credit loss rate and evaluates the prospect of recovery based on the past due days of accounts receivable. The degree of default risk and adjustment of loss rate are influenced by the assumptions which concern customer credit risk. We considered management’s related provisions to be subjective and also the associated risk of the estimation of the recoverability of these past due accounts receivable.

Refer to Notes 4(k) and 5 to the accompanying financial statements for the relevant accounting policies on the impairment of receivables. Refer to Note 10 to the accompanying financial statements for the related disclosures of accounts receivable.

We obtained an understanding of the internal control over the accounts receivable and tested the operating effectiveness of the control and the implementation of the quarterly detailed review of the expected credit loss provision matrix. At the end of the period, we obtained the aging of the accounts receivable and expected credit loss matrix provided by the Company, and we tested the accuracy and completeness of the aging of the accounts receivable. We reviewed the customer payment history and arrived at an understanding of management’s rationale for expected credit loss matrix by referencing payment patterns during the year as well as other available information. We recalculated and checked the correctness of the allowances provided by management. In addition, we also assessed the level of cash collected by the Company on past due receivable balances after the year end to consider any additional provision requirements.

Other Matter

We did not audit the financial statements of Seyi-America, Inc., a subsidiary included in the consolidated financial statements of the Company, but such statements were audited by other auditors. Our opinion, insofar as it relates to the amounts included in the financial statements of Seyi-America, Inc. are based solely on the report of other auditors. As of December 31, 2022 and 2021, the total assets of Seyi-America, Inc. were $162,998 thousand, representing 3.37%, and $133,345 thousand, representing 2.86%, respectively, of the consolidated total assets, and the amounts of total revenue were $32,068 thousand, representing 47.71%, and $11,231 thousand, representing 46.61%, of the consolidated total revenue for the years then ended.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including independent directors and the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Wan-I Liao and Bo-Ren Weng.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 14, 2023

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

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

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

SHIEH YIH MACHINERY INDUSTRY CO., LTD.

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

	2022		2021	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 1,773,476	37	$ 1,398,984	30
Financial assets at fair value through profit or loss (Notes 4, 7 and 27)	5,593	-	5,108	-
Contract assets (Note 21)	2,603	-	-	-
Financial assets at amortized cost (Notes 4, 9 and 29)	169,812	4	28,819	1
Notes receivable (Notes 4, 5, 10 and 21)	36,655	1	53,836	1
Trade receivables (Notes 4, 5, 10 and 21)	91,053	2	105,373	2
Trade receivables - related parties (Notes 21 and 28)	184,290	4	187,739	4
Other receivables (Note 10)	16,478	-	238,272	5
Other receivables - related parties (Note 28)	71,182	1	8,933	-
Current tax assets (Notes 4 and 23)	1,835	-	1,631	-
Inventories (Notes 4, 5 and 11)	481,258	10	286,303	6
Prepayments	62,790	1	12,190	1
Other current assets	1,128	-	1,150	-
Total current assets	2,898,153	60	2,328,338	50
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income (Notes 4, 8 and 27)	31,606	1	42,311	1
Financial assets at amortized cost - non-current (Notes 4, 9 and 29)	51,208	1	65,239	1
Long-term investments at equity (Notes 4 and 12)	1,035,507	21	1,339,957	29
Property, plant and equipment (Notes 4, 13 and 29)	601,257	13	623,586	13
Right-of-use assets (Note 14)	5,782	-	10,829	-
Investment properties (Notes 4, 15 and 29)	109,534	2	110,679	2
Intangible assets (Note 4)	16,763	-	18,824	1
Deferred tax assets (Notes 4 and 23)	74,914	2	115,566	3
Refundable deposits	2,554	-	2,661	-
Prepayments for equipment	4,134	-	1,346	-
Total non-current assets	1,933,259	40	2,330,998	50
TOTAL	$ 4,831,412	100	$ 4,659,336	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 16)	$ 254,583	6	$ 405,353	9
Contract liabilities (Notes 3, 21 and 28)	99,304	2	59,409	1
Notes payable (Note 17)	702	-	1,348	-
Trade payables (Note 17)	480,078	10	410,416	9
Trade payables - related parties (Note 28)	285	-	373	-
Lease liabilities - current (Note 14)	2,756	-	5,792	-
Other payables (Note 18)	93,776	2	85,458	2
Current tax liabilities (Note 23)	6,395	-	-	-
Current portion of long-term borrowings (Notes 16 and 29)	201,692	4	193,256	4
Other current liabilities	346	-	613	-
Total current liabilities	1,139,917	24	1,162,018	25
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 16 and 29)	1,181,051	24	982,744	21
Deferred tax liabilities (Notes 4 and 23)	21,053	-	21,791	1
Lease liabilities - non-current (Note 14)	2,295	-	4,500	-
Net defined benefit liabilities (Notes 4 and 19)	25,303	1	57,004	1
Credit balance for using equity methods (Notes 4 and 12)	34,756	1	44,837	1
Other non-current liabilities	926	-	917	-
Total non-current liabilities	1,265,384	26	1,111,793	24
Total liabilities	2,405,301	50	2,273,811	49
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital				
Ordinary shares	1,584,341	33	1,584,341	34
Capital surplus	195,244	4	213,219	5
Retained earnings				
Legal reserve	254,384	5	249,077	5
Special reserve	213,181	4	202,893	4
Unappropriated earnings	316,031	7	349,176	8
Total retained earnings	783,596	16	801,146	17
Other equity				
Exchange differences on translating foreign operations	(125,086)	(3)	(167,981)	(4)
Unrealized loss on financial assets at fair value through other comprehensive income	(11,984)	-	(45,200)	(1)
Total other equity	(137,070)	(3)	(213,181)	(5)
Total equity	2,426,111	50	2,385,525	51
TOTAL	$ 4,831,412	100	$ 4,659,336	100

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

(With Deloitte & Touche audit report dated March 14, 2023)

SHIEH YIH MACHINERY INDUSTRY CO., LTD.

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

	2022		2021	
	Amount	**%**	**Amount**	**%**
GROSS SALES	$ 1,294,653	100	$ 1,484,053	100
LESS: SALES RETURNS	60	-	119	-
LESS: SALES ALLOWANCE	13	-	284	-
NET SALES (Notes 21 and 28)	1,294,580	100	1,483,650	100
OPERATING COST (Notes 11, 22 and 28)	1,014,274	79	1,273,705	86
GROSS PROFIT	280,306	21	209,945	14
UNREALIZED GAIN ON TRANSACTION WITH SUBSIDIARIES AND ASSOCIATES	(53,851)	(4)	(38,899)	(3)
REALIZED GAIN ON TRANSACTION WITH SUBSIDIARIES AND ASSOCIATES	38,927	3	56,179	4
REALIZED GROSS PROFIT	265,382	20	227,225	15
OPERATING EXPENSES (Notes 22 and 28)				
Selling and marketing expenses	124,472	10	126,234	8
General and administrative expenses	129,725	10	133,765	9
Research and development expenses	134,415	10	89,383	6
Total operating expenses	388,612	30	349,382	23
LOSS FROM OPERATIONS	(123,230)	(10)	(122,157)	(8)
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 28)	12,495	1	6,263	1
Rental income	91	-	4,634	-
Other income (Notes 29 and 33)	1,250	-	19,165	1
Dividends income	11,797	1	2,594	-
Gain on valuation of financial instruments	2,255	-	824	-
Miscellaneous expenses	(1,261)	-	(1,303)	-
Foreign exchange gains (losses) (Note 22)	112,821	9	(38,284)	(3)
Interest expenses	(22,110)	(2)	(18,272)	(1)
Share of the profit or loss of associates	73,109	6	170,630	12
Total non-operating income and expenses	190,447	15	146,251	10

(Continued)

SHIEH YIH MACHINERY INDUSTRY CO., LTD.

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

	2022		2021	
	Amount	**%**	**Amount**	**%**
PROFIT BEFORE INCOME TAX	$ 67,217	5	$ 24,094	2
INCOME TAX (EXPENSE) BENEFIT (Notes 4 and 23)	(38,473)	(3)	32,569	2
NET PROFIT FOR THE YEAR	28,744	2	56,663	4
OTHER COMPREHENSIVE INCOME (Notes 28 and 23)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	20,230	1	(4,482)	-
Share of other comprehensive income of subsidiaries ventures accounted for using the equity method	25,000	2	-	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	(10,705)	(1)	7,853	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(4,047)	-	896	-
	30,478	2	4,267	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	53,620	4	(21,528)	(1)
Share of other comprehensive loss of subsidiaries ventures accounted for using the equity method	(7,171)	-	(947)	-
Income tax relating to items that may be reclassified subsequently to profit or loss	(9,633)	(1)	4,334	-
	36,816	3	(18,141)	(1)
Other comprehensive income (loss) for the year (net of income tax)	67,294	5	(13,874)	(1)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 96,038	7	$ 42,789	3
EARNINGS PER SHARE (Note 24)				
Basic	$ 0.18		$ 0.36	
Diluted	$ 0.18		$ 0.36	

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

(With Deloitte & Touche audit report dated March 14, 2023) (Concluded)

SHIEH YIH MACHINERY INDUSTRY CO., LTD.

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

	Equity Attributable to Owners to the Company (Note 20)										
		Capital Surplus				Retained Earnings (Note 20)			Other Equity		
	Share Capital	Share Premiums	Treasury Shares Transactions	Changes in Percentage of Ownership Interest in Subsidiaries	Employee Stock Options - Expired	Legal Reserve	Special Reserve	Unappro-priated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Loss on Financial Assets at FVTOCI	Total Equity
BALANCE AT JANUARY 1, 2021	$ 1,584,341	$ 234,740	$ 5,129	$ 1,602	$ 3,435	$ 247,277	$ 180,800	$ 319,992	$ (150,760)	$ (52,133)	$ 2,374,423
Appropriation of 2020 earnings											
Legal reserve	-	-	-	-	-	1,800	-	(1,800)	-	-	-
Special reserve	-	-	-	-	-	-	22,093	(22,093)	-	-	-
Cash dividends distributed by the Company	-	(31,687)	-	-	-	-	-	-	-	-	(31,687)
	-	(31,687)	-	-	-	1,800	22,093	(23,893)	-	-	(31,687)
Net profit for the year ended December 31, 2021	-	-	-	-	-	-	-	56,663	-	-	56,663
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	-	-	(3,586)	(17,221)	6,933	(13,874)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	-	-	53,077	(17,221)	6,933	42,789
BALANCE AT DECEMBER 31, 2021	1,584,341	203,053	5,129	1,602	3,435	249,077	202,893	349,176	(167,981)	(45,200)	2,385,525
Appropriation of 2021 earnings											
Legal reserve	-	-	-	-	-	5,307	-	(5,307)	-	-	-
Special reserve	-	-	-	-	-	-	10,288	(10,288)	-	-	-
Cash dividends distributed by the Company	-	(17,975)	-	-	-	-	-	(37,477)	-	-	(55,452)
	-	(17,975)	-	-	-	5,307	10,288	(53,072)	-	-	(55,452)
Net profit for the year ended December 31, 2022	-	-	-	-	-	-	-	28,744	-	-	28,744
Other comprehensive income for the year ended December 31, 2022, net of income tax	-	-	-	-	-	-	-	16,183	42,895	8,216	67,294
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	-	-	-	44,927	42,895	8,216	96,038
Disposal in equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	(25,000)	-	25,000	-
BALANCE AT DECEMBER 31, 2022	$ 1,584,341	$ 185,078	$ 5,129	$ 1,602	$ 3,435	$ 254,384	$ 213,181	$ 316,031	$ (125,086)	$ (11,984)	$ 2,426,111

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

(With Deloitte & Touche audit report dated March 14, 2023)

SHIEH YIH MACHINERY INDUSTRY CO., LTD.

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

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 67,217	$ 24,094
Adjustments for:		
Depreciation expenses	34,051	33,975
Amortization expenses	7,536	7,605
Gain on valuation of financial assets instruments	(2,255)	(824)
Interest expenses	22,110	18,272
Interest income	(12,495)	(6,263)
Dividends income	(11,797)	(2,594)
Share of profit of associates	(73,109)	(170,630)
Loss of write-downs of inventories	-	14,925
Gain on lease modification	(4)	(23)
Unrealized gain on transactions with subsidiaries and associates	53,850	38,899
Realized gain on transactions with subsidiaries and associates	(38,927)	(56,179)
Changes in operating assets and liabilities:		
Financial assets at fair value through profit or loss	1,770	-
Contract assets	(2,603)	-
Notes receivable	17,181	(27,804)
Trade receivables	14,320	(78,041)
Trade receivables - related parties	3,449	(61,092)
Other receivables	(10,210)	22,186
Other receivables - related parties	(62,249)	41,354
Inventories	(194,955)	179,411
Prepayments	(50,600)	(274)
Other current assets	22	(620)
Contract liabilities	39,895	(133,225)
Notes payable	(646)	914
Trade payables	69,662	143,721
Trade payables to related parties	(88)	139
Other payables	8,034	2,710
Other current liabilities	(267)	(1,828)
Net defined benefit liabilities	(11,471)	(5,861)
Cash generated from operations	(132,579)	(17,053)
Interest paid	(21,826)	(18,430)
Income tax paid	(6,048)	(46,869)
Net cash used in operating activities	(160,453)	(82,352)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital reduction of financial assets at fair value through other comprehensive income	-	6,000
Purchase of financial assets at amortized cost	(126,962)	(60,682)
Capital repatriation from subsidiaries (Note 25)	342,349	109,061
Proceeds from the capital reduction of subsidiaries	316,200	-
Payments for property, plant and equipment (Note 25)	(7,179)	(8,948)

(Continued)

SHIEH YIH MACHINERY INDUSTRY CO., LTD.

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

	2022	2021
Decrease in refundable deposits	$ 106	$ 1,312
Payments for intangible assets (Note 26)	(5,475)	(16,985)
Interest received	9,955	5,615
Dividend received	11,797	2,594
Net cash generated from investing activities	540,791	37,967
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	(150,770)	202,105
Proceeds (repayment) from long-term borrowings	206,743	(113,570)
Repayment of the principal portion of lease liabilities	(6,376)	(6,874)
Increase in deposits received	9	69
Dividends paid to owners of the Company	(55,452)	(31,687)
Net cash generated from (used in) financing activities	(5,846)	50,043
NET INCREASE IN CASH AND CASH EQUIVALENTS	374,492	5,658
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,398,984	1,393,326
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 1,773,476	$ 1,398,984

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

(With Deloitte & Touche audit report dated March 14, 2023) (Concluded)

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

1. GENERAL INFORMATION

Shieh Yih Machinery Industry Co., Ltd. (the "Company") was established in March 1982 and began operations in April 1982. The Company designs, develops, manufactures and sells machinery, and provides IT software services and other design services.

The ordinary shares of the Company has been listed on the Taipei Exchange since April 2002.

The functional currency of the Company is the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The accompanying financial statements were approved by the Company's board of directors on March 14, 2023.

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

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

New IFRSs	Effective Date Announced by IASB
"Annual Improvements to IFRS Standards 2018-2020"	January 1, 2022
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 Contracts - Cost of Fulfilling a Contract"	January 1, 2022

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

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

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

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

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

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

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

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

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

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

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

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

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

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

When preparing these parent company only financial statements, the Company used the equity method to account for its investments in subsidiaries. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries, and the related equity items, as appropriate, in these parent company only financial statements.

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

Current assets include:

1) Assets held primarily for the purpose of trading;

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

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

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

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

3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

d. Foreign currencies

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

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

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

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

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

e. Inventories

Inventories consist of raw materials, supplies, finished goods and work-in-process and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. The reason why the Company's inventory write-downs may arise is due to the obsolescence caused by customization. The net realizable value is estimated based on inventory age and historical experience. Inventories are recorded at weighted-average cost on the balance sheet date.

f. Investments in subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity (including a structured entity) that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company's share of equity of subsidiaries.

When the Company's share of loss of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further loss, if any.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary that constitutes a business over the cost of acquisition is recognized immediately in profit or loss.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides this, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Company directly disposed of the related assets or liabilities.

Profit or loss resulting from downstream transactions is eliminated in full only in the parent company only financial statements. Profit and loss resulting from upstream transactions and transactions between subsidiaries is recognized only in the parent company only financial statements and only to the extent of interests in the subsidiaries that are not related to the Company.

g. Property, plant and equipment

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

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

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

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

h. Investment properties

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

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

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

i. Intangible assets

1) Intangible assets acquired separately

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

2) Derecognition of intangible assets

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

j. Impairment of property, plant and equipment, right-of-use asset and intangible assets

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

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

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

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

k. Financial instruments

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

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

1) Financial assets

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

a) Measurement category

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

i. Financial assets at FVTPL

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividends or interest earned on such a financial asset. Fair value is determined in the manner described in Note 27.

ii. Financial assets at amortized cost

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

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

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

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables at amortized cost, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

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

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

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

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

iii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

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

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

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

c) Derecognition of financial assets

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

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

2) Equity instruments

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

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

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

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

l. Revenue recognition

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

1) Revenue from sale of goods

Revenue from the sale of goods comes from sales of vehicles and parts. Revenue from the sale of goods is recognized when the goods are delivered and the title has passed.

2) Revenue from rendering of services

Revenue from the rendering of services comes from designing and performing the R&D of cars. Contract assets and revenue are recognized by reference to the stage of completion of the respective contract, and contract assets are reclassified to trade receivables when the remaining obligation is performed. If the milestone payment exceeds the revenue recognized to date, then the Company recognizes a contract liability for the difference.

m. Leases

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

1) The Company as lessor

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

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

When a lease includes both land and building elements, the Company assesses the classification of each element separately as a finance or an operating lease based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the lessee. The lease payments are allocated to the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the contract. If the allocation of the lease payments can be made reliably, each element is accounted for separately in accordance with its lease classification. When the lease payments cannot be allocated reliably to the land and building elements, the entire lease is generally classified as a finance lease unless it is clear that both elements are operating leases; in which case, the entire lease is classified as an operating lease.

2) The Company as lessee

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

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the only balance sheets.

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

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

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

n. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

o. Taxation

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

1) Current tax

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

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

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

2) Deferred tax

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

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

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

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

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

3) Current and deferred tax for the year

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

p. Government grants

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

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Estimated Impairment of Accounts Receivable

The provision for impairment of accounts receivable is based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Company’s historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. When the actual future cash inflows are less than expected, a material impairment loss may arise.

Inventory Obsolescence Loss

Inventory obsolescence loss is estimated based on the stock age and the ratio of the impairment loss. Historical experience is also taken into consideration when assessing inventory obsolescence loss. If the actual impairment of inventory is higher than expected in the future, it may cause critical losses.

6. CASH AND CASH EQUIVALENTS

	December 31 2022	December 31 2021
Cash on hand	$ 773	$ 766
Checking accounts and demand deposits	795,975	1,006,047
Cash equivalents		
Time deposits with original maturities less than 3 months	757,469	195,480
Bonds with repurchase agreements	219,259	196,691
	$ 1,773,476	$ 1,398,984

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

	December 31 2022	December 31 2021
Bank balance	0.01%-0.10%	0.01%-0.10%
Time deposits with original maturities less than 3 months	1.25%-4.80%	2.00%-2.77%
Bonds with repurchase agreements	4.40%-4.50%	0.30%-0.35%

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31 2022	December 31 2021
Financial assets at FVTPL - current		
Financial assets mandatorily classified as at FVTPL		
Hua Nan Financial Holdings Co., Ltd.	$ 5,593	$ 5,108

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments

	December 31 2022	December 31 2021
Non-current		
Domestic investments		
Listed shares and emerging market shares		
Ordinary shares - Hua Nan Financial Holdings Co., Ltd.	$ 3,056	$ 2,792
Unlisted shares		
Ordinary shares - Grand Fortune Venture Capital Co., Ltd.	22,824	33,625
Ordinary shares - Kingfont Precision Industrial Co., Ltd.	5,726	5,894
	$ 31,606	$ 42,311

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

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2022	2021
Current		
Time deposits with original maturity of more than 3 months (a)	$ 154,609	$ 13,669
Time deposits - limited (b)	15,203	15,150
	$ 169,812	$ 28,819
Non-current		
Restricted bank deposits - limited (c)	$ 51,208	$ 65,239

a. As of December 31 2022 and 2021, the interest rates of time deposits with original maturity of more than 3 months were from 2.75% to 3.75% and 0.18% to 0.22% respectively at the end of the reporting period.

b. Financial assets at amortized cost pledged as collateral for derivative products, bank borrowings and endorsements/guarantees are set out in Note 29.

c. Restricted bank deposits, which are placed in the authorized bank with 10% reduction of tax in advance, were repatriated by the Company. This repatriation was based on the "Management, Utilization and Taxation Offshore Act" and with the approval of National Taxation Bureau of the Northern Area. All deposits in this special account were approved by the Industrial Bureau of the Economic Affairs for direct investment on the software enhancement program. The investment should be completed by March 31, 2023. The Company has applied for a 2-year extension to the Industrial Bureau of the Economic Affairs on March 8, 2023.

10. NOTES RECEIVABLE AND TRADE RECEIVABLES

	December 31	
	2022	2021
Notes receivable		
At amortized cost		
Gross carrying amount	$ 36,655	$ 53,836
Less: Allowance for impairment loss	-	-
	$ 36,655	$ 53,836

(Continued)

	December 31	
	2022	**2021**
Trade receivables		
At amortized cost		
Gross carrying amount	$ 91,053	$ 105,373
Less: Allowance for impairment loss	-	-
	$ 91,053	$ 105,373
Other receivables		
At amortized cost		
Dividends receivable	$ -	$ 234,546
Others	16,478	3,726
	$ 16,478	$ 238,272

(Concluded)

The dividends receivable of Seyi International (Samoa) Inc. which approved on January 22, 2021, has been recovered in November 2022.

a. Notes receivable

The average credit period of sales of goods was from 120 to 150 days. No interest was charged on notes receivable. In order to minimize credit risk, the management of the Company has determined credit limits, credit approvals and internal control procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual debt at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts. In this regard, the management believes the Company's credit risk was significantly reduced.

The Company use lifetime expected loss provision for all notes receivables. The expected credit losses on notes receivable are estimated using a provision matrix by reference to past default experience with the respective debtor and an analysis of the debtor's current financial position, adjusted for the general economic conditions of the industry in which the debtor operates and an assessment of both the current as well as the forecasted direction of economic conditions. The provision matrix of the Company is used to identify whether objective evidence shows the significant notes receivable are impaired. The Company determines the impairment amounts individually when the evidence shows the receivables are impaired. Other customers are differentiated by product category, the Company determines the credit losses with the respective risks of default occurring as the weights.

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

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

December 31, 2022

	Not Past Due
Expected credit loss rate	-
Gross carrying amount	$ 36,655
Loss allowance (Lifetime ECL)	-
Amortized cost	$ 36,655

December 31, 2021

	Not Past Due
Expected credit loss rate	-
Gross carrying amount	$ 53,836
Loss allowance (Lifetime ECL)	-
Amortized cost	$ 53,836

b. Trade receivables

The average credit period of sales of goods was from 120 to 150 days. The Company adopted a policy of only dealing with entities that are rated the equivalent of investment grade or higher and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from default. The Company uses the internal credit rating system to assess the credit quality and defines credit limits of the potential customers and periodically reviews each customer's records of historical trade and financial position each year.

The Company use lifetime expected loss provision for all trade receivables. The expected credit losses on notes receivable are estimated using a provision matrix by reference to past default experience with the respective debtor and an analysis of the debtor's current financial position, adjusted for the general economic conditions of the industry in which the debtor operates and an assessment of both the current as well as the forecasted direction of economic conditions. The provision matrix of the Company is used to identify whether objective evidence shows the significant trade receivables are impaired. The Company determines the impairment amounts individually when the evidence shows the receivables are impaired. Other customers are differentiated by region and by product category, the Company evaluates the prospect of recovery based on the past due days of accounts receivable and determine the credit losses with the respective risks of default occurring as the weights.

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

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

December 31, 2022

	Not Past Due	Less than 90 Days	91 to 180 Days	181 to 270 Days	271 to 360 Days	Over 361 Days	Individual Identification	Total
Expected credit loss rate	-	-	-	-	-	-	-	
Gross carrying amount	$ 88,730	$ 2,323	$ -	$ -	$ -	$ -	$ -	$ 91,053
Loss allowance (Lifetime ECL)	-	-	-	-	-	-	-	-
Amortized cost	$ 88,730	$ 2,323	$ -	$ -	$ -	$ -	$ -	$ 91,053

December 31, 2021

	Not Past Due	Less than 90 Days	91 to 180 Days	181 to 270 Days	271 to 360 Days	Over 361 Days	Individual Identification	Total
Expected credit loss rate	-	-	-	-	-	-	-	
Gross carrying amount	$ 97,226	$ 8,147	$ -	$ -	$ -	$ -	$ -	$ 105,373
Loss allowance (Lifetime ECL)	-	-	-	-	-	-	-	-
Amortized cost	$ 97,226	$ 8,147	$ -	$ -	$ -	$ -	$ -	$ 105,373

c. Other receivables

The Company determines the impairment amounts individually when the objective evidence shows the other receivables are impaired. There is no overdue other receivable outstanding at the end of the reporting period.

11. INVENTORIES

	December 31	
	2022	2021
Finished goods	$ 13,609	$ 29,968
Work in progress	339,378	146,506
Raw materials	128,271	109,829
	$ 481,258	$ 286,303

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2022 and 2021 was $1,014,274 thousand and $1,273,705 thousand, respectively. The cost of goods sold for the year ended December 31, 2021 included inventory depreciation and obsolescence losses of $14,925 thousand.

12. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

	December 31	
	2022	2021
Investments in subsidiaries	$ 1,035,507	$ 1,339,957
Unlisted shares		
Seyi International (Samoa) Inc.	$ 716,097	$ 1,060,714
Xie Da Investment Co., Ltd.	156,412	145,898
Seyi-America Inc.	162,998	133,345
Seyi Press Europe Gmbh	(34,756)	(44,837)
	1,000,751	1,295,120
Add: Investments accounted for using equity method (credit balance) listed in non-current liability	34,756	44,837
	$ 1,035,507	$ 1,339,957

Investments were accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments were calculated based on financial statements which have been audited.

The percentage subsidiaries' ownerships and voting right held by the Company:

	December 31	
	2022	2021
Seyi International (Samoa) Inc.	100%	100%
Xie Da Investment Co., Ltd.	100%	100%
SEYI-AMERICA, INC.	100%	100%
Seyi Presses Europe Gmbh	100%	100%

13. PROPERTY, PLANT AND EQUIPMENT - USED BY THE COMPANY

	Freehold Land	Buildings	Machinery and Equipment	Office Equipment	Other Equipment	Total
Cost						
Balance at January 1, 2021	$ 125,720	$ 498,162	$ 396,616	$ 21,803	$ 59,675	$ 1,101,976
Additions	-	480	174	1,418	5,596	7,668
Disposals	-	-	-	(770)	(8,803)	(9,573)
Balance at December 31, 2021	$ 125,720	$ 498,642	$ 396,790	$ 22,451	$ 56,468	$ 1,100,071
Accumulated depreciation						
Balance at January 1, 2021	$ -	$ 123,728	$ 273,062	$ 14,988	$ 48,102	$ 459,880
Disposals	-	-	-	(770)	(8,803)	(9,573)
Depreciation expenses	-	11,662	8,780	2,393	3,343	26,178
Balance at December 31, 2021	$ -	$ 135,390	$ 281,842	$ 16,611	$ 42,642	$ 476,485
Carrying amounts at December 31, 2021	$ 125,720	$ 363,352	$ 114,948	$ 5,840	$ 13,826	$ 623,586

(Continued)

	Freehold Land	Buildings	Machinery and Equipment	Office Equipment	Other Equipment	Total
Cost						
Balance at January 1, 2022	$ 125,720	$ 498,642	$ 396,790	$ 22,451	$ 56,468	$ 1,100,071
Additions	-	-	380	1,239	2,772	4,391
Disposals	-	-	-	(22)	(1,530)	(1,552)
Balance at December 31, 2022	$ 125,720	$ 498,642	$ 397,170	$ 23,668	$ 57,710	$ 1,102,910
Accumulated depreciation and impairment						
Balance at January 1, 2022	$ -	$ 135,390	$ 281,842	$ 16,611	$ 42,642	$ 476,485
Disposals	-	-	-	(22)	(1,530)	(1,552)
Depreciation expenses	-	11,669	8,931	2,363	3,757	26,720
Balance at December 31, 2022	$ -	$ 147,059	$ 290,773	$ 18,952	$ 44,869	$ 501,653
Carrying amounts at December 31, 2022	$ 125,720	$ 351,583	$ 106,397	$ 4,716	$ 12,841	$ 601,257

(Concluded)

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

Buildings	
Main buildings	50 years
Administration building	50 years
Others	5 to 50 years
Machinery and equipment	3 to 20 years
Office equipment	3 to 6 years
Other equipment	2 to 16 years

Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 29.

No impairment assessment was performed for the years ended December 31, 2022 and 2021.

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2022	2021
Carrying amounts		
Buildings	$ 706	$ 1,633
Office equipment	1,735	2,216
Transportation equipment	3,341	6,980
	$ 5,782	$ 10,829

	For the Year Ended December 31	
	2022	2021
Additions to right-of-use assets	$ 1,256	$ 959
Depreciation charge for right-of-use assets		
Buildings	$ 927	$ 980
Office equipment	481	481
Transportation equipment	4,778	5,190
	$ 6,186	$ 6,651

b. Lease liabilities

	December 31	
	2022	2021
Carrying amounts		
Current	$ 2,756	$ 5,792
Non-current	$ 2,295	$ 4,500

Range of discount rate for lease liabilities was as follows:

	December 31	
	2022	2021
Buildings	1.51%-1.54%	1.51%-1.54%
Office equipment	1.54%	1.54%
Transportation equipment	1.51%-1.54%	1.51%-1.54%

Except for the recognition of depreciation expenses and additions, there was no significant sublease and impairment of the right-of-use assets of the Company in 2022 and 2021. In addition, the Company terminated some lease contracts earlier, which resulted in a decrease of right-of-use assets of $117 thousand and $1,154 thousand, respectively, recognized a lease modification benefit of $4 thousand and $23 thousand, respectively.

c. Material lease-in activities and terms

The Company leases certain transportation equipments and office equipments for the use of its executives with lease terms of 2 to 7 years. The Company does not have bargain purchase options to acquire the leasehold cars at the end of the lease terms.

The Company also leases buildings for the use of plants, offices and dormitory with lease terms of 2 to 5 years. The Company does not have bargain purchase options to acquire the leasehold buildings at the end of the lease terms. The land right-of-use assets if the Company located in Mainland China is depreciated for 50 years.

d. Other lease information

The agreement of the rental with investment properties which are leased under operating leases are set out in Note 15.

	For the Year Ended December 31	
	2022	2021
Expenses relating to short-term leases	$ 1,562	$ 2,123
Expenses relating to variable lease payments not included in the measurement of lease liabilities	$ 79	$ 78
Total cash outflow for leases	$ (8,196)	$ (9,342)

The Company leases certain transportation equipment which qualify as short-term leases. The Company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

15. INVESTMENT PROPERTIES

	Completed Investment Property
Cost	
Balance at January 1, 2021	$ 145,323
Additions	-
Balance at December 31, 2021	$ 145,323
Accumulated depreciation	
Balance at January 1, 2021	$ (33,498)
Depreciation expense	(1,146)
Balance at December 31, 2021	$ (34,644)
Carrying amounts at December 31, 2021	$ 110,679
Cost	
Balance at January 1, 2022	$ 145,323
Additions	-
Balance at December 31, 2022	$ 145,323
Accumulated depreciation	
Balance at January 1, 2022	$ (34,644)
Depreciation expense	(1,145)
Balance at December 31, 2022	$ (35,789)
Carrying amounts at December 31, 2022	$ 109,534

The investment properties are depreciated using the straight-line method over their estimated useful lives of 55 years.

The fair value of investment real estate has not been evaluated by independent evaluators, and is only measured by the management of the combined company using evaluation methods commonly used by market participants. The evaluation is based on market evidence of similar real estate transaction prices. The fair value of its evaluation is as follows:

	December 31	
	2022	2021
Fair value	$ 189,519	$ 189,519

The investment real estate owned by the Company is leased for a period of 5 years. When the lessee exercises the right to renew the lease, adjust the terms of the rent in accordance with the market rent. The lessee does not have the preferential right to purchase investment real estate at the end of the lease period. The Company has pre-terminated the contract in October 2021.

The total amount of lease payments that will be received in the future for leasing investment real estate, please refer to Note 29.

16. BORROWINGS

a. Short-term borrowings

	December 31	
	2022	2021
Unsecured borrowings		
Bank loans	$ 250,000	$ 400,000
Loans from letter of credit of bank	4,583	5,353
	$ 254,583	$ 405,353

The ranges of interest rates on unsecured borrowings were both was 0.95%-1.47% and 0.36%-1.03% per annum as of December 31, 2022 and 2021, respectively.

b. Long-term borrowings

	December 31	
	2022	2021
Secured borrowings		
O-Bank Co., Ltd	$ 323,076	$ 350,000
First Commercial Bank	200,000	100,000
	523,076	450,000

(Continued)

	December 31	
	2022	2021
Unsecured borrowings		
SinoPac Bank	$ 300,000	$ 150,000
HuaNan Bank	235,000	240,000
Cathay United Bank	200,000	200,000
Fubon Bank	124,667	136,000
	859,667	726,000
Less: Current portions	201,692	193,256
Long-term borrowings	$ 1,181,051	$ 982,744

(Concluded)

The ranges of effective interest rates on the above loan were as follows:

	December 31	
	2022	2021
Effective interest rate:		
Floating rate	1.46%-1.77%	0.95%-1.10%

1) Secured borrowings from O-Bank Co., Ltd: The Company signed a loan agreement; the loan period is from December 25 2020 to December 2025, with the principal as the first instalment in December 2022, and every three months thereafter. There are 13 instalments in total, which are evenly amortized on a monthly basis. The annual interest rate is 1.10%. The Company provides investment real estate in Xinghua Section of Xinzhuang City as collateral. Refer to Note 29.

2) First Commercial Bank: In December 2021, the Company signed a loan agreement with a First Commercial Bank. Under the loan agreement, a revolving credit line of $1.1 billion was granted to the Company. The credit period is 5 years from the date of the first use date. The Company acquired new bank borrowing facilities in the amounts of $100,000 thousand with loan period is from December 2021 to December 2023, and the loan shall be repaid upon the maturity date. Furthermore, The Company acquired new bank borrowing facilities in the amounts of $100,000 thousand with loan period is from December 2022 to December 2024, and the loan shall be repaid upon the maturity date. The Company repaid the principal of $200,000 early in September 2022 and acquired new bank borrowing facilities in the amounts of $200,000 thousand in the mean time, with loan period is from September 2022 to September 2024, and the loan shall be repaid upon the maturity date. The Company provides the land and plant on Nanshang Road, Guishan District, Taoyuan City as collateral, refer to Note 29.

3) Unsecured borrowings from SinoPac Bank: The Company signed a loan agreement; the loan period is from September 2019 to March 2022, and the loan shall be repaid upon the maturity date. As of December 31, 2021, the remaining balance of the loan was $150,000 thousand and the principal was repaid in advance in January 2022. In addition, new contracts were signed in January and February 2022 for the borrowing period from January 2022 to January 2025 and from February 2022 to February 2025, respectively, and the loan shall be repaid upon the maturity date. As of December 31, 2022, the remaining balance of the loan was $300,000 thousand.

4) Unsecured borrowings from Huanan Bank: The Company signed a loan agreement; the loan period is from November 2021 to November 2026, with the principal as the first instalment in December 2022, and every month thereafter. There are 48 instalments in total, which are evenly amortized on a monthly basis.

5) Unsecured borrowings from Cathay United Bank: The Company signed a loan agreement; the loan period is from June 2021 to June 2023, and shall be repaid upon the maturity date. The Company extended the loan for one year with the bank and revised the interest rate. In addition, the contract was renewed starting from June 2022 to June 2024, and the loan shall be repaid upon the maturity date.

6) Unsecured borrowings from Fubon Bank: The Company signed a loan agreement; the loan period is from August 2021 to August 2026, with the principal as the first instalment in November 2022, and every month thereafter. There are 48 instalments in total, which are evenly amortized on a monthly basis.

17. NOTES PAYABLE AND TRADE PAYABLES

	December 31	
	2022	**2021**
Notes payable		
Operating	$ 702	$ 1,348
Trade payables		
Operating	$ 480,078	$ 410,416

18. OTHER PAYABLES

	December 31	
	2022	**2021**
Other payables		
Payables for salaries or bonuses	$ 49,005	$ 47,077
Payables for employee benefits	12,969	11,243
Payables for commissions	5,044	4,938
Payables for test run fees	3,251	3,088
Others	23,507	19,112
	$ 93,776	$ 85,458

19. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

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

b. Defined benefit plans

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

The amounts included in the balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31	
	2022	**2021**
Present value of defined benefit obligation	$ 157,738	$ 179,298
Fair value of plan assets	(132,435)	(122,294)
Net defined benefit liabilities	$ 25,303	$ 57,004

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	**Fair Value of the Plan Assets**	**Net Defined Benefit Liabilities (Assets)**
Balance at January 1, 2021	$ 183,697	$ (125,314)	$ 58,383
Service cost			
Current service cost	1,378	-	1,378
Net interest expense (income)	680	(463)	217
Recognized in profit or loss	2,058	(463)	1,595
Remeasurement			
Actuarial loss - changes in financial assumptions	(6,452)	-	(6,452)
Actuarial gain - changes in experience adjustments	12,768	(1,834)	(10,934)
Recognized in other comprehensive income	6,316	(1,834)	(4,482)
Contributions from the employer	-	(7,456)	(7,456)
Benefits paid	(12,773)	12,773	-
Balance at December 31, 2021	179,298	(122,294)	57,004
Balance at January 1, 2022	179,298	(122,294)	57,004
Service cost			
Current service cost	700	-	700
Net interest expense (income)	1,130	(770)	360
Recognized in profit or loss	1,830	(770)	1,060
Remeasurement			
Actuarial loss - changes in financial assumptions	(11,665)	-	(11,665)
Actuarial gain - changes in experience adjustments	949	(9,514)	(8,565)
Recognized in other comprehensive income	(10,716)	(9,514)	(20,230)
Contributions from the employer	-	(12,531)	(12,531)
Benefits paid	(12,674)	12,674	-
Balance at December 31, 2022	$ 157,738	$ (132,435)	$ 25,303

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

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

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

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

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

	December 31	
	2022	**2021**
Discount rate(s)	1.23%	0.63%
Expected rate(s) of salary increase	1.50%	1.50%

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

	December 31	
	2022	**2021**
Discount rate(s)		
0.5% increase	$ (1,975)	$ (11,547)
0.5% decrease	$ 9,485	$ 12,661
Expected rate(s) of salary increase		
0.5% increase	$ 9,404	$ 12,484
0.5% decrease	$ (1,980)	$ (11,512)

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

	December 31	
	2022	**2021**
The expected contributions to the plan for the next year	$ 2,040	$ 10,096
The average duration of the defined benefit obligation	7 years	14 years

20. EQUITY

a. Share capital - ordinary shares

	December 31	
	2022	2021
Number of shares authorized (in thousands)	300,000	300,000
Shares authorized	$ 3,000,000	$ 3,000,000
Number of shares issued and fully paid (in thousands)	158,434	158,434
Shares issued	$ 1,584,341	$ 1,584,341

Fully paid ordinary shares, which have a par value of $10, carry one vote per share and carry a right to dividends.

b. Capital surplus

	December 31	
	2022	2021
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Issuance of ordinary shares	$ 137,898	$ 155,873
Conversion of bonds	47,180	47,180
Treasury share transactions	5,129	5,129
Employee share options - expired	3,435	3,435
May be used to offset a deficit only (2)		
Changes in percentage of ownership interest in subsidiaries	1,602	1,602
	$ 195,244	$ 213,219

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

2) This capital surplus may be used only to offset a deficit, which arises from the effect of changes in capital surplus of subsidiaries accounted for by using the equity method or from the exercise of employee share options - expired.

c. Retained earnings and dividend policy

The parent company has passed a resolution of the shareholders meeting on June 13, 2019 to amend the articles of association, stating that the company authorizes the board of directors to make a special resolution to distribute dividends and bonuses in cash, and report to the shareholders meeting.

Under the dividend policy as set forth in the amended Articles, where the Company made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders. For the policies on distribution of employees' compensation and remuneration of directors and supervisors after amendment, refer to "Employees' compensation and remuneration of directors and supervisors" in Note 22(c).

As the Company is in the growing stage, for long-term financial planning and sustainable operating development needs, the Company uses residual dividend policy and constant growth dividend policy and take into consideration the Company's earnings position, future expansion plans, and financial funds requirement. The dividend distribution may take the form of a cash dividend and/or stock dividends, but the amount of cash dividends should not exceed 80% of total distribution.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2021 and 2020 which have been approved in the shareholders' meetings on May 27, 2022 and July 8, 2021, respectively, were as follows:

	Appropriation of Earnings	
	For the Year Ended December 31	
	2021	**2020**
Legal reserve	$ 5,307	$ 1,800
Special reserve	10,288	22,093
Cash dividends	37,477	-
Dividends per share	0.24	-

The above appropriations for cash dividends were resolved by the Company's board of directors on March 7, 2022; the other proposed appropriations were resolved by the shareholders in their meeting on May 27, 2022 and July 8, 2021, respectively.

The Company's also resolved by the Company's board of directors on March 7, 2022 and March 16, 2021 to issue share dividends and cash dividends of $17,975 thousand and $31,687 thousand, respectively, from the capital surplus.

The appropriation of earnings for 2022 were proposed by the Company's board of directors on March 14, 2023. The appropriation and dividends per share were as follows:

	Appropriation of Earnings	**Dividends Per Share (NT$)**
Legal reserve	$ 4,493	
Special reserve	(76,111)	
Cash dividends	40,437	$0.26

The above appropriations for cash dividends were resolved by the Company's board of directors. Rest of the cash dividends from share premium ordinary are yet to be announced in the shareholder's meeting to be held on June 21, 2023.

The Company's board of director also proposed to issue cash dividends from Share Premium-Ordinary of $10,262 thousand on March 14, 2023.

d. Special reserves

	For the Year Ended December 31	
	2022	2021
First-time Adoption of IFRSs	$ 22,544	$ 22,544
Appropriation in respect of:		
Debit to other equity items	190,637	180,349
	$ 213,181	$ 202,893

The increase in retained earnings that resulted from all IFRSs adjustments was not enough for this appropriation; therefore, the Company appropriated for special reserve an amount of $22,544 thousand, the increase in retained earnings that resulted from all IFRSs adjustments on transitions to IFRSs.

e. Other equity items

1) Exchange differences on translating the financial statements of foreign operations

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ (167,981)	$ (150,760)
Exchange differences on translating foreign operations	53,620	(21,528)
Related income tax	(10,725)	4,307
Balance at December 31	$ (125,086)	$ (167,981)

2) Unrealized gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ (45,200)	$ (52,133)
Recognized for the year		
Unrealized gain - equity instruments	(10,705)	7,853
Shares from subsidiary accounted for using the equity method	17,829	(947)
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	25,000	-
Related tax - debt instruments	1,092	27
Balance at December 31	$ (11,984)	$ (45,200)

21. REVENUE

a. Contract balances

	December 31, 2022	December 31, 2021	January 1, 2021
Notes receivable (Note 10)	$ 36,655	$ 53,836	$ 26,032
Trade receivables (Note 10)	$ 91,053	$ 105,373	$ 27,332
Trade receivable-related parties (Note 28)	$ 184,290	$ 187,739	$ 126,647
Contract assets			
Sale of goods	$ 2,603	$ -	$ -
Contract liabilities			
Sale of goods	$ 99,304	$ 59,409	$ 192,634

The changes in the balance of contract assets and contract liabilities primarily result from the timing difference between the Company's satisfaction of performance obligations and the respective customer's payment.

Revenue of the reporting period recognized from the beginning contract liabilities and from the performance obligations which were satisfied in the previous periods is as follows:

	December 31	
	2022	2021
From the beginning contract liabilities		
Sale of goods	$ 57,557	$ 177,608

b. Disaggregation of revenue

	For the Year Ended December 31	
	2022	2021
Revenue from the sale of goods	$ 1,160,908	$ 1,342,047
Repairs and other revenue	133,672	141,603
	$ 1,294,580	$ 1,483,650

c. Partially completed contracts

The transaction prices allocated to the performance obligations that are not fully satisfied and the expected timing for recognition of revenue are as follows.

	December 31	
	2022	2021
Sale of goods		
January 2022 to December 2022	$ -	$ 57,666
January 2023 to December 2023	83,279	1,743
January 2024 to December 2024	16,025	-
	$ 99,304	$ 59,409

22. NET PROFIT

a. Depreciation and amortization

	For the Year Ended December 31	
	2022	2021
An analysis of depreciation by function		
Operating costs	$ 16,312	$ 15,107
Operating expenses	16,594	17,722
Non-operating expenses	1,145	1,146
	$ 34,051	$ 33,975
An analysis of amortization by function		
Operating expenses	$ 7,536	$ 7,605

b. Employee benefits expense

	For the Year Ended December 31	
	2022	2021
Short-term benefits		
Payroll	$ 259,342	$ 253,946
Labor and health insurance	25,723	25,465
Remuneration of directors	3,155	1,781
	288,220	281,192
Post-employment benefits (see Note 19)		
Defined contribution plans	11,897	11,747
Defined benefit plans	1,060	1,595
	12,957	13,342
Total employee benefit expenses	$ 301,177	$ 294,534
An analysis of employee benefit expense by function		
Operating costs	$ 113,063	$ 108,852
Operating expenses	188,114	185,682
	$ 301,177	$ 294,534

	2022			2021		
	Operating Costs	Operating Expense	Amount	Operating Costs	Operating Expenses	Amount
Payroll	$ 98,109	$ 161,233	$ 259,342	$ 94,384	$ 159,562	$ 253,946
Labor and health insurance	10,330	15,393	25,723	9,819	15,646	25,465
Post-employment expenses	4,624	8,333	12,957	4,649	8,693	13,342
Remuneration of directors and supervisors	-	3,155	3,155	-	1,781	1,781
Total employee benefits expenses	$ 113,063	$ 188,114	$ 301,177	$ 108,852	$ 185,682	$ 294,534

For the years ended December 31, 2021 and 2022, the Company had 359 and 343 employees and there were 5 and 3 non-employee directors, respectively. For the year 2022 and 2021, the average numbers of the Company were 345 and 350, respectively. Employees and non-employee directors adopted the same calculation basis for benefit expenses.

The Company has been listed on the Over-the-Counter (OTC) Stock Exchange, therefore, the additional information disclosed as follows:

1) The average employee benefit expenses in 2022 equaled \$877 thousand, which was calculated as follows: (Sum of employee benefit expenses - Sum of remuneration of directors in 2022)/(Number of employees - Number of non-employee directors in 2022).

   The average employee benefit expenses in 2021 equaled \$844 thousand, which was calculated as follows: (Sum of employee benefit expenses - Sum of remuneration of directors in 2022)/(Number of employees - Number of non-employee directors in 2021).

2) The average employee payroll expense in 2022 equaled \$763 thousand, which was calculated as follows: Sum of employee payroll expense in 2022/(Number of employees - Number of non-employee directors in 2022).

   The average employee payroll expense in 2021 equaled \$732 thousand, which was calculated as follows: Sum of employee payroll expense in 2021/(Number of employees - Number of non-employee directors in 2021).

3) The change in average employee payroll expense equaled 4.23% in 2022, which was calculated as follows: (Average employee payroll expense in 2022 - average employee payroll expense in 2021)/Average employee payroll expense in 2021.

4) During the year 2022, the Company established an Audit Committee, which was composed of all Independent Directors, to replace supervisors.

5) The Company's remuneration policy, standard and combination, procedures for determining remuneration relied upon the Article 26 and 30 of the Articles of Incorporation, the Company shall accrue remuneration of directors at the rates no higher than 5% of net profit before income tax, and reference with the trade. The Company's remuneration policy concerning president, and vice president relied upon the Article 29 of the Articles of Incorporation, the extent of operating responsibility, and value of contribution; and reference with the trade. The hiring and remuneration payroll procedures are based on relevant rules of the Company.

c. Employees' compensation and remuneration to directors and supervisors

According to the Articles of Incorporation of the Company, the Company accrued employees' compensation and remuneration of directors and supervisors at the rates no less than 2% and no higher than 5%, respectively. The employees' compensation and remuneration of directors and supervisors for the years ended December 31, 2022 and 2021 which have been approved by the Company's board of directors on March 14, 2023 and March 7, 2022, respectively, were as follows:

<u>Accrual rate</u>

	For the Year Ended December 31	
	2022	**2021**
Employees' compensation	3%	3%
Remuneration of directors and supervisors	2%	2%

Amount

	For the Year Ended December 31	
	2022	2021
	Cash	Cash
Employees' compensation	$ 2,123	$ 761
Remuneration of directors and supervisors	1,415	507

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

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

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

d. Gain or loss on foreign currency exchange

	For the Year Ended December 31	
	2022	2021
Foreign exchange gains	$ 142,377	$ 12,661
Foreign exchange losses	(29,556)	(50,945)
Net loss	$ 112,821	$ (38,284)

23. INCOME TAXES

a. The major components of tax expense (benefit) recognized in profit or loss

	For the Year Ended December 31	
	2022	2021
Current tax		
In respect of the current year	$ 5,844	$ 46,331
Adjustments for prior years	6,395	-
	12,239	46,331
Deferred tax		
In respect of the current year	26,234	(78,900)
Income tax expense (benefit) recognized in profit or loss	$ 38,473	$ (32,569)

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

	For the Year Ended December 31	
	2022	2021
Profit before tax from continuing operations	$ 67,217	$ 24,094
Income tax expense calculated at the statutory rate	$ 13,444	$ 4,818
Non-taxable income	(14,900)	(34,877)
Repatriated offshore funds tax	5,844	26,246
Deferred tax adjustments	27,690	(28,756)
Adjustments for prior years' tax	6,395	-
Income tax expense (benefit) recognized in profit or loss	$ 38,473	$ (32,569)

In July 2019, the president promulgated the regulations on the management, use and taxation of overseas capital repatriation. Profit-seeking enterprises may be subject to the approval of the tax authority to apply the regulations for taxation within two years from the implementation date of the regulations. Furthermore, the repatriated funds in the first year are applicable to the tax rate of 8%, and the applicable tax rate for repatriated funds in the second year is 10%. The general statutory tax rate of 20% is not applicable or both. If real investment is made in the future, a refund of 50% of the tax paid can be applied for the investment amount that meets the requirements.

The parent company repatriated $109,061 thousands with the approval of National Tax Administration of Northern Taiwan Province in February 2021. The tax amount is calculated according to the applicable tax rate of 10% of the repatriated funds in the second year according to the country's regulations on the management and use of overseas capital repatriation and the taxation of the repatriated capital.

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2022	2021
Deferred tax		
In respect of the current year		
Translation of foreign operations	$ 10,725	$ (4,307)
Unrealized loss on financial assets at FVTOCI	(1,092)	(27)
Actuarial gain from defined benefit plans	4,047	(896)
	$ 13,680	$ (5,230)

c. Current tax assets and liabilities

	December 31	
	2022	2021
Current tax assets		
Tax refund receivable	$ 1,835	$ 1,631
Current tax liabilities		
Income tax payable	$ 6,395	$ -

d. Deferred tax assets and liabilities

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

For the year ended December 31, 2022

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Write-down of inventories	$ 14,181	$ (6,300)	$ -	$ 7,881
Defined benefit obligation	14,451	(2,294)	(4,047)	8,110
Payable for annual leave	2,123	345	-	2,468
Unrealized exchange loss	11,402	(16,449)	-	(5,047)
Unrealized gain between affiliates	7,785	2,985	-	10,770
Financial instruments at fair value through profit or loss	238	-	1,092	1,330
Exchange difference on foreign operations	17,261	-	(10,725)	6,536
	67,441	(21,713)	(13,680)	32,048
Tax losses	48,125	(5,259)	-	42,866
	$ 115,566	$ (26,972)	$ (13,680)	$ 74,914
Deferred tax liabilities				
Temporary differences				
Share of the profit or loss of associates	$ 21,791	$ (738)	$ -	$ 21,053

For the year ended December 31, 2021

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Write-down of inventories	$ 18,475	$ (4,294)	$ -	$ 14,181
Defined benefit obligation	14,726	(1,171)	896	14,451
Payable for annual leave	2,014	109	-	2,123
Unrealized exchange loss	7,669	3,733	-	11,402
Unrealized gain between affiliates	11,241	(3,456)	-	7,785
Financial instruments at fair value through profit or loss	211	-	27	238
Exchange difference on foreign operations	12,954	-	4,307	17,261
	67,290	(5,079)	5,230	67,441
Tax losses	38,814	9,311	-	48,125
	$ 106,104	$ 4,232	$ 5,230	$ 115,566
Deferred tax liabilities				
Temporary differences				
Share of the profit or loss of associates	$ 96,459	$ (74,668)	$ -	$ 21,791

e. Information about unused loss carryforwards

Loss carryforwards as of December 31, 2022 comprised:

Unused Amount	Expiry Year
$ 195,124	2030
19,206	2032
$ 214,330	

f. Income tax assessments

Income tax returns of the Company through 2020 have been examined and cleared by the tax authorities.

24. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2022	**2021**
Basic earnings per share	$ 0.18	$ 0.36
Diluted earnings per share	$ 0.18	$ 0.36

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

Net Profit for the Year

	For the Year Ended December 31	
	2022	**2021**
Earnings used in the computation of basic and diluted earnings per share	$ 28,744	$ 56,663

Weighted average number of ordinary shares outstanding (in thousand shares):

	For the Year Ended December 31	
	2022	**2021**
Weighted average number of ordinary shares used in the computation of basic earnings per share	158,434	158,434
Effect of potentially dilutive ordinary shares:		
Employees compensation issue to employees	202	61
Weighted average number of ordinary shares used in the computation of diluted earnings per share	158,636	158,495

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

25. PARTIAL CASH TRANSACTIONS

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

	For the Year Ended December 31	
	2022	2021
Cash paid for intangible assets acquisition		
Increase in intangible assets	$ 5,475	$ 19,651
Net increase in long-term advance	-	(2,666)
Cash paid	$ 5,475	$ 16,985
Cash paid for property, plant and equipment acquisition		
Increase in property, plant and equipment	$ 4,391	$ 7,668
Net increase in prepayments for equipment	2,788	1,280
Cash paid	$ 7,179	$ 8,948
Capital repatriation from subsidiaries		
Surplus appropriation from subsidiaries	$ 107,803	$ 365,084
Net decrease in accounts receivable	234,546	(234,546)
Income tax prepaid	-	(25,602)
Foreign exchange effect	-	4,125
Cash paid	$ 342,349	$ 109,061

Changes in liabilities arising from financing activities

2022

	Opening Balance	Cash Flows	New Leases	Disposals	December 31, 2022
Short-term borrowings	$ 405,353	$ (150,770)	$ -	$ -	$ 254,583
Guarantee deposits received	917	9	-	-	926
Long-term borrowings	1,176,000	206,743	-	-	1,382,743
Lease liabilities (Note 14)	10,292	(6,376)	1,256	(121)	5,051
	$ 1,592,562	$ 49,606	$ 1,256	$ (121)	$ 1,643,303

2021

	Opening Balance	Cash Flows	Syndicated Loan Arrangement Fee	New Leases	Disposals	December 31, 2021
Short-term borrowings	$ 203,248	$ 202,105	$ -	$ -	$ -	$ 405,353
Guarantee deposits received	848	69	-	-	-	917
Long-term borrowings	1,289,420	(113,570)	150	-	-	1,176,000
Lease liabilities (Note 14)	17,384	(6,874)	-	959	(1,177)	10,292
	$ 1,510,900	$ 81,730	$ 150	$ 959	$ (1,177)	$ 1,592,562

26. CAPITAL MANAGEMENT

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The Company's capital structure management strategy is based on its products, economic status of property development, and consideration of the risk of future development. The Company's goals to achieve suitable market package of sales, operating scale and target of market share and planned capital expenditure and related schemes of operating capital and cash are the factors in the whole planning of the Company's development and in deciding on the Company's appropriate capital structure.

The Company's management regularly reviews the Company's capital structure and considers the costs and risks of different capital structures and adopts the best overall capital structure. The Company's methods used for capital management and overall strategy had not changed until December 31, 2022.

27. FINANCIAL INSTRUMENTS

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

The Company's management believes the carrying amounts of financial assets and financial liabilities recognized in the financial statements approximate their fair values or their fair value could not be measured reliably.

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

1) Fair value hierarchy

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares	$ 5,593	$ -	$ -	$ 5,593
Financial assets at FVTOCI				
Investments in equity Instruments at FVTOCI				
Listed shares	$ 3,056	$ -	$ -	$ 3,056
Unlisted shares	-	-	28,550	28,550
	$ 3,056	$ -	$ 28,550	$ 31,606

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares	$ 5,108	$ -	$ -	$ 5,108
Financial assets at FVTOCI				
Investments in equity Instruments at FVTOCI				
Listed shares	$ 2,792	$ -	$ -	$ 2,792
Unlisted shares	-	-	39,519	39,519
	$ 2,792	$ -	$ 39,519	$ 42,311

There were no transfers between Levels 1 and 2 in the current and prior periods.

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

The fair values of limited partnership is based on assets-based approach. The fair values of unlisted equity securities-ROC were based on the fair values of investment targets which were calculated by using the market approach or assets assets-based approach.

The market approach refers to the use of stock transaction price of the stock in the active market and the value multiplier implied by the price of the companies that engage in the same or similar business, and considers the liquidity reduction to determine the value of the target company.

The assets-based approach evaluates the total market value of individual assets and individual liabilities covered by the evaluation target, and considers non-controlling discounts and liquidity discounts to reflect the overall value of the enterprise or business.

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

For the year ended December 31, 2022

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2022	$ 39,519
Recognized in other comprehensive income (included in unrealized valuation gain on financial assets at FVTOCI)	(10,969)
Balance at December 31, 2022	$ 28,550

For the year ended December 31, 2021

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2021	$ 38,117
Recognized in other comprehensive income (included in unrealized valuation gain on financial assets at FVTOCI)	7,402
Reduction of capital	(6,000)
Balance at December 31, 2021	$ 39,519

c. Categories of financial instruments

	December 31	
	2022	2021
Financial assets		
Fair value through profit or loss (FVTPL)		
Financial assets mandatorily classified as at FVTPL	$ 5,593	$ 5,108
Financial assets at amortized cost (Note 1)	2,396,708	2,116,309
Financial assets at FVTOCI	31,606	42,311
Financial liabilities		
Amortized cost (Note 2)	2,151,119	2,021,395

Note 1: The balances include financial assets at amortized cost, which comprise cash and cash equivalents, time deposits with original maturity of more than 3 months, notes receivable, trade receivables, trade receivables from related parties, other receivables, other receivables from related parties, restricted demand deposits, restricted time deposits and refundable deposits.

Note 2: The balances include financial liabilities at amortized cost, which comprise short-term loans, notes payable, trade payables, part of other payables, other payables from related parties, long-term loans and guarantee deposits received.

d. Financial risk management objectives and policies

The Company's major financial instruments include equity and debts investments, trade receivables, trade payables, borrowings, and lease liability. The Company's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below), interest rates (see (b) below) and other price risk (see (c) below).

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

a) Foreign currency risk

Several subsidiaries of the Company had foreign currency sales and purchases, which exposed the Company to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing individual option contracts. The mechanism regularly monitors the position held and the exchange rate fluctuation to lower the risk on exchange rate fluctuations.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period are set out in Note 31.

Sensitivity analysis

The Company was mainly exposed to the USD, EUR, RMB and JPY.

The following table shows the Company's sensitivity to a 1% increase and decrease in New Taiwan dollars (the functional currency) against the relevant foreign currencies. The sensitivity rate of 1% is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit and other equity assuming when the New Taiwan dollars strengthened 1% against the relevant currency. For a 1% weakening of New Taiwan dollars against the relevant currency, there would be an equal and opposite impact on pre-tax profit and other equity and the balances below would be negative.

	For the Year Ended December 31	
	2022	**2021**
Effect of USD (i)	$ (14,298)	$ (11,744)
Effect of EUR (ii)	(1,188)	(1,841)
Effect of RMB (iii)	(5,853)	(2,479)
Effect of JPY (iv)	(110)	(15)

i. This was mainly attributable to the outstanding USD-denominated cash and cash equivalents, trade receivables (including related parties), other receivables from related parties, trade payables (including related parties) and other payable at the end of the reporting period.

ii. This was mainly attributable to the outstanding EUR-denominated cash and cash equivalents and trade receivables (including related parties) at the end of the reporting period.

iii. This was mainly attributable to the outstanding RMB-denominated cash and cash equivalents, trade receivables (including related parties), other receivables from related parties and trade payables (including related parties) at the end of the reporting period.

iv. This was mainly attributable to the outstanding JPY-denominated cash and cash equivalents, short-term borrowings, trade payables and other payables at the end of the reporting period.

b) Interest rate risk

The Company was exposed to interest rate risk because entities in the Company borrowed funds at both fixed and floating interest rate and held demand deposit, foreign currency deposit and investment of financial product. The Company's management periodically monitors the risk of changes in interest rates, measures the significant risks, and takes control of the risks affected by market rates.

Because the amounts of the Company's financial assets and financial liabilities exposed to fair value interest rate risk and cash flow interest rate risk are immaterial, floating interest rate risk is considered not significant to the Company.

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

	December 31	
	2022	**2021**
Fair value interest rate risk		
Financial assets	$ 1,146,540	$ 420,990
Financial liabilities	5,051	10,292
Cash flow interest rate risk		
Financial assets	843,312	1,070,528
Financial liabilities	1,637,326	1,581,203

Sensitivity analysis

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

If interest rates had been 1 basis point higher/lower and all other variables were held constant, the Company's pre-tax income for the year ended December 31, 2022 and 2021 would decrease/increase by $794 thousand and $511 thousand, respectively, which was mainly attributable to the Company's exposure to interest rates on its variable-rate bank borrowing.

c) Other price risk

The Company was exposed to equity price risk through its investments in listed equity securities, debts instruments investments, and limited partnership. Equity investments are held for strategic rather than trading purposes. The Company does not actively trade these investments.

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices and limited partnership instrument had been 5% higher/lower, pre-tax profit for the year ended December 31, 2022 would have increased/decreased by $280 thousand, as a result of the changes in financial assets at FVTPL. Other comprehensive income and losses before tax will increase/decrease by $1,580 thousand due to changes in financial assets at FVTOCI for the year ended December 31, 2022.

If equity prices and limited partnership instrument had been 5% higher/lower, pre-tax profit for the year ended December 31, 2021 would have increased/decreased by $255 thousand, as a result of the changes in financial assets at FVTPL. Other comprehensive income and losses before tax will increase/decrease by $2,116 thousand due to changes in financial assets at FVTOCI for the year ended December 31, 2021.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. As at the end of the reporting period, the Company's maximum exposure to credit risk which will cause a financial loss to the Company due to failure of counterparties to discharge an obligation and financial guarantees provided by the Company could arise from:

a) The carrying amounts of the respective recognized financial assets as stated in the balance sheets; and

b) The amounts of contingent liabilities in relation to financial guarantee issued by the Company.

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

The credit risk on liquid funds and derivatives was limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Trade receivables consisted of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of trade receivables.

The Company adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company's concentration of credit risk of 86.83% and 74.31% in total trade receivables as of December 31, 2022 and 2021, respectively, were related to the Company's five largest customers.

3) Liquidity risk

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

The Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2022 and 2021, the Company had available unutilized short-term bank loan facilities set out in (2) below.

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

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

December 31, 2022

	Less Than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years	Total
Non-derivative financial liabilities						
Lease liabilities	$ 469	$ 889	$ 1,821	$ 2,313	$ -	$ 5,492
Floating interest rate liabilities	1,355	10,962	471,276	1,208,320	-	1,691,913
	$ 1,824	$ 11,851	$ 473,097	$ 1,210,633	$ -	$ 1,697,405

December 31, 2021

	Less Than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years	Total
Non-derivative financial liabilities						
Lease liabilities	$ 526	$ 1,052	$ 4,670	$ 4,510	$ -	$ 10,758
Floating interest rate liabilities	1,247	2,386	606,214	1,010,144	-	1,619,991
	$ 1,773	$ 3,438	$ 610,884	$ 1,014,654	$ -	$ 1,630,749

b) Financing facilities

	December 31	
	2022	2021
Unsecured bank financing facilities		
Amount used	$ 1,114,250	$ 1,131,353
Amount unused	635,750	668,647
	$ 1,750,000	$ 1,800,000

(Continued)

	December 31	
	2022	2021
Secured bank loan facilities		
Amount used	$ 523,076	$ 450,000
Amount unused	926,924	1,000,000
	$ 1,450,000	$ 1,450,000
Commercial paper facilities		
Amount used	$ -	$ -
Amount unused	70,000	130,000
	$ 70,000	$ 130,000

(Concluded)

28. TRANSACTIONS WITH RELATED PARTIES

Besides information disclosed elsewhere in the other notes, details of transactions between the Company and other related parties are disclosed below.

a. Related party name and category

Related Party Name	Related Party Category
Seyi-America, Inc.	Subsidiary
Seyi Presses Europe Gmbh	Subsidiary
Xie Da Investment Co., Ltd.	Subsidiary
Seyi (Thailand) Co., Ltd.	Second-tier subsidiary
Xie Yi Tech Machinery (China) Co., Ltd.	Second-tier subsidiary

b. Sales of goods

Line Item	Related Party Category/Name	For the Year Ended December 31 2022	2021
Sales	Subsidiary	$ 504,857	$ 408,387
	Seyi-America, Inc.	61,895	94,327
	Seyi Presses Europe Gmbh		
	Second-tier subsidiary		
	Xie Yi Tech Machinery (China) Co., Ltd.	11,596	14,390
	Seyi (Thailand) Co., Ltd.	13,500	34,425
		$ 591,848	$ 551,529
Repairs and other revenue	Second-tier subsidiary		
	Xie Yi Tech Machinery (China) Co., Ltd.	$ 44,770	$ 54,705

Sales to related parties are made at usual list price and the terms do not have significant differences from usual customers. Payment terms is based on mutual agreement.

c. Purchases of goods

Related Party Category/Name	For the Year Ended December 31 2022	2021
Subsidiaries	$ 555	$ 1,267
Second-tier subsidiary	962	1,873
	$ 1,517	$ 3,140

The terms and conditions of purchase transactions with related parties are base on mutual; agreement. Usually, after the goods were accepted and recorded, the Group issues notes due within three to four months for the payment, which is similar to the payment process to general suppliers and processors.

d. Operating expenses

Line Item	Related Party Category/Name	For the Year Ended December 31 2022	2021
Selling and marketing expenses	Subsidiaries	$ -	$ 247
	Second-tier subsidiary	$ 1,887	$ 986

The Company pays for the import and export costs, and the transaction prices and payment terms associated with purchases between the Company and related parties are negotiated separately.

e. Receivables from related parties (excluding loans to related parties)

Line Item	Related Party Category/Name	For the Year Ended December 31 2022	2021
Trade receivables from related parties	Subsidiary		
	Seyi Presses Europe Gmbh	$ 85,873	$ 98,373
	Seyi-America, Inc.	53,323	41,729
	Second-tier subsidiary		
	Xie Yi Tech Machinery (China) Co., Ltd.	31,641	13,604
	Other	13,453	34,033
		$ 184,290	$ 187,739
Other receivables from related parties	Subsidiary		
	Seyi Presses Europe Gmbh	$ 6,118	$ 5,867
	Second-tier subsidiary		
	Xie Yi Tech Machinery (China) Co., Ltd.	3,644	3,066
		$ 9,762	$ 8,933

No guarantee had been received for receivables from related parties. For the years ended December 31, 2022 and 2021, no impairment loss was recognized for receivables from related parties.

f. Loans to related parties (recognized as other receivables from related parties)

Related Party Category/Name	For the Year Ended December 31 2022	2021
Second-tier subsidiary		
Xie Yi Tech Machinery (China) Co., Ltd.	$ 61,420	$ -

Interest revenue

Related Party Category/Name	For the Year Ended December 31 2022	2021
Second-tier subsidiary		
Xie Yi Tech Machinery (China) Co., Ltd.	$ 820	$ -

g. Payables to related parties (not including loans from related parties)

Line Item	Related Party Category/Name	For the Year Ended December 31 2022	2021
Trade payables - related parties	Second-tier subsidiary Xie Yi Tech Machinery (China) Co., Ltd.	$ 285	$ 373

h. Endorsements and guarantees

Endorsements and guarantees provided by the Company

Related Party Category/Name	For the Year Ended December 31 2022	2021
Subsidiary		
Seyi Presses Europe Gmbh	$ 5,545	$ 8,304
Second-tier subsidiary		
Xie Yi Tech Machinery (China) Co., Ltd.	$ -	$ 166,080

i. Compensation of key management personnel

The remuneration of directors and other members of key management personnel was as follows:

	For the Year Ended December 31 2022	2021
Short-term employee benefits	$ 40,768	$ 42,054
Post-employment benefits	1,857	1,849
Separation benefits	9,188	6,941
	$ 51,813	$ 50,844

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

29. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as guarantees for the derivative products, borrowing and endorsements/guarantees:

	December 31	
	2022	2021
Buildings, net	$ 125,153	$ 130,608
Land	118,957	118,957
Investment property	109,534	110,679
Restricted time deposits	15,203	15,150
Restricted demand deposits	51,208	65,239
	$ 420,055	$ 440,633

30. CRITICAL TECHNOLOGY AGREEMENT

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

Available unused letters of credit were as follows:

	December 31	
	2022	2021
Available unused Letters of Credit	$ 1,910	$ 1,053

31. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2022

	Foreign Currencies (In Thousands)	Exchange Rate	New Taiwan Dollars
Financial assets			
Monetary items			
USD	$ 47,014	30.71 (USD:NTD)	$ 1,443,808
EUR	3,632	32.72 (EUR:NTD)	118,845
RMB	132,841	4.408 (RMB:NTD)	585,561
JPY	72,075	0.2324 (JPY:NTD)	16,750
			$ 2,164,964

(Continued)

	Foreign Currencies (In Thousands)	Exchange Rate	New Taiwan Dollars
Investments accounted for using equity method			
USD	$ 28,626	30.71 (USD:NTD)	$ 879,095
EUR	(1,062)	32.72 (EUR:NTD)	(34,756)
			$ 844,339
Financial liabilities			
Monetary items			
USD	455	30.71 (USD:NTD)	$ 13,977
JPY	24,644	0.2324 (JPY:NTD)	5,727
RMB	65	4.408 (RMB: NTD)	285
			$ 19,989

(Concluded)

December 31, 2021

	Foreign Currencies (In Thousands)	Exchange Rate	New Taiwan Dollars
Financial assets			
Monetary items			
USD	$ 42,784	27.68 (USD:NTD)	$ 1,184,251
EUR	5,879	31.32 (EUR:NTD)	184,146
RMB	57,088	4.344 (RMB:NTD)	247,992
JPY	30,624	0.241 (JPY:NTD)	7,366
			$ 1,623,755
Investments accounted for using equity method			
USD	43,138	27.68 (USD:NTD)	$ 1,194,059
EUR	(1,432)	31.32 (EUR:NTD)	(44,837)
			$ 1,149,222
Financial liabilities			
Monetary items			
USD	356	27.68 (USD:NTD)	$ 9,855
JPY	24,524	0.241 (JPY:NTD)	5,898
RMB	17	4.344 (RMB: NTD)	72
			$ 15,825

For the years ended December 31, 2022 and 2021, realized and unrealized net foreign exchange gain (losses) were $112,821 thousand and $(38,284) thousand, respectively. The realized and unrealized foreign exchange gain or loss resulted from the evaluation. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the Company entities.

32. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others. (Table 1)

2) Endorsements/guarantees provided. (Table 2)

3) Marketable securities held (excluding investment in subsidiaries, associates and jointly controlled portion). (Table 3)

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

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

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

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 4)

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

9) Trading in derivative instruments. (None)

10) Information on investees. (Table 5)

b. Information on investments in mainland China

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

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Note 28, Table 1):

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

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

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

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

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

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

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

TABLE 1

SHIEH YIH MACHINERY INDUSTRY CO., LTD.

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

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Note 2)	Ending Balance (Note 2)	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)	Note
													Item	Value			
0	Shieh Yih Machinery Industry Co., Ltd.	Xie Yi Tech Machinery (China) Co., Ltd.	Other receivables - related party	Yes	$ 89,920	$ -	$ 61,420	-	Short-term financing	$ 61,420	-	$ -	-	$ -	$ 606,528	$ 970,444	

Note 1: The total amount of the parent company's funds loaned to others shall not exceed 40% of the parent company's net worth, and the limit of individual fund loans to individual objects shall not exceed 25% of the parent company's net worth.

Note 2: The maximum balance for the current period and the ending balance are the quota approved by the board of directors.

SHIEH YIH MACHINERY INDUSTRY CO., LTD.

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

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 5)	Outstanding Endorsement/ Guarantee at the End of the Period (Notes 4 and 5)	Actual Borrowing Amount (Note 4)	Amount Endorsed/ Guaranteed by Collaterals (Notes 4 and 5)	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship (Note 2)											
0	Shieh Yih Machinery Industry Co., Ltd.	Seyi Presses Europe GmbH	b	$ 485,222	$ 5,545 (EUR 169 thousand)	$ 5,545 (EUR 169 thousand)	$ 5,545 (EUR 169 thousand)	$ -	0.23	$ 1,213,056	Y	N	N	
		Xie Yi Tech Machinery (China) Co., Ltd.	b	485,222	178,320 (US$ 6,000 thousand)	-	-	-	-	1,213,056	Y	N	Y	
		Seyi-America, Inc.	b	485,222	8,843 (US$ 300 thousand)	-	-	-	-	1,213,056	Y	N	N	

Note 1: Numbered as follows:

a. "0" for the issuers.
b. Investees are numbered from "1".

Note 2: The relationship between guarantor and guarantee are divided into six categories as follows:

a. The Company in relation to business.
b. A company in which endorsement/guarantee provider holds directly and indirectly over 50% of voting shares.
c. A company holds directly and indirectly over 50% voting shares of endorsement/guarantee provider.
d. A company directly and indirectly holds more than 90% voting shares of endorsement/guarantee provider.
e. Based on contract projects among their peers in accordance with contract provisions which need mutual insurance company.
f. Owing to the joint venture funded by the shareholders on its endorsement of its holding company.
g. Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: The table should note the calculation method and the quota of maximum amounts. If the financial statement has recognized contingent losses, the table should have recognized the amount.

a. The limits on endorsement or guarantee amount provided to each guarantee party is up to 20% of the net assets value.
b. The total amount of endorsement or guarantee that the Company is allowed to provide shall not exceed 50% of the net assets value.

Note 4: The amount was calculated using the exchange rate of EUR to NTD as of December 31, 2022.

Note 5: The maximum balance for the period and ending balance were approved by the board of directors.

TABLE 3

SHIEH YIH MACHINERY INDUSTRY CO., LTD.

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Number of Shares/ Denomination	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Shieh Yih Machinery Industry Co., Ltd.	Hua Nan Financial Holdings	-	Financial asset at fair value through profit or loss	249,123	$ 5,593	-	$ 5,593	Note 1
	Hua Nan Financial Holdings	-	Financial asset at fair value through other comprehensive income (FVTOCI)	136,161	3,056	-	3,056	Note 1
	Kingfont Precision Industrial Co., Ltd.	-	Financial asset at fair value through other comprehensive income (FVTOCI)	374,710	5,726	1.11	5,726	Note 1
	Gfortune Co., Ltd.	The Company is the supervisor	Financial asset at fair value through other comprehensive income (FVTOCI)	2,400,000	22,824	4.12	22,824	Note 1
Seyi International (Samoa) Inc.	Petroleos Mexicanos (5.35%)	-	Financial asset at fair value through other comprehensive income (FVTOCI)	US$ 500 thousand	12,817	-	12,817	Note 1
	Petroleos Mexicanos (5.95%)	-	Financial asset at fair value through other comprehensive income (FVTOCI)	US$ 500 thousand	11,817	-	11,817	Note 1
Xie Da Investment Co., Ltd.	PineBridge ESG Quantitative Income & Growth Fund N	-	Financial asset at fair value through profit or loss	2,970,209	26,417	-	26,417	Note 1
	United Microelectronics Corporation	-	Financial asset at fair value through profit or loss	500,000	20,350	-	20,350	Note 1
	Foryou Private Equity Limited Partnership	-	Financial asset at fair value through profit or loss	-	12,460	-	12,460	Note 1
	Foryou Venture Capital Limited Partnership	-	Financial asset at fair value through profit or loss	-	10,399	-	10,399	Note 1
	Outstanding Management Capital Limited Partnership	-	Financial asset at fair value through profit or loss	-	568	-	568	Note 1
	Emirates NBD Bank PJSC (3.00%)	-	Financial asset at fair value through other comprehensive income (FVTOCI)	US$ 980 thousand	24,446	-	24,446	Note 1

Note 1: No pledge on securities.

Note 2: Refer to Tables 5 and 6 for information about subsidiaries and associates.

TABLE 4

SHIEH YIH MACHINERY INDUSTRY CO., LTD.

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

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Shieh Yih Machinery Industry Co., Ltd.	Seyi-America, Inc.	Subsidiary	Sale	$ (504,857)	(39)	Note	$ -	-	$ 53,323	17	-
Seyi-America, Inc.	Shieh Yih Machinery Industry Co., Ltd.	Parent company	Purchase	504,857	82	Note	-	-	(53,323)	(100)	-

Note: The collection terms of receivables between the related parties and the Company depend on funds status of the Company. The transaction prices and payment terms associated with purchases between the Company and related parties are negotiated separately.

SHIEH YIH MACHINERY INDUSTRY CO., LTD.

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee (Note 2)	Share of Profits (Loss) (Note 2)	Note
				December 31, 2022	December 31, 2021	Shares	%	Carrying Amount (Note 1)			
Shieh Yih Machinery Industry Co., Ltd.	Seyi International (Samoa) Inc.	Trust Net Chambers, Lotemau Centre, P.O. Box 1225, Apia, Samoa	Trading and business investment	$ 74,266 (US$ 2,253 thousand)	$ 403,896 (US$ 12,253 thousand)	2,252,750	100.00	$ 716,097 (US$ 23,318 thousand)	$ 49,001 (US$ 1,644 thousand)	$ 49,001 (US$ 1,644 thousand)	Note 3
	Seyi-America, Inc.	17534 VON KARMAN AVE. IRVINE, CA 92614, U.S.A.	Punching machine and other spare and accessory parts	93,776 (US$ 3,000 thousand)	93,776 (US$ 3,000 thousand)	3,000,000	100.00	162,998 (US$ 5,308 thousand)	32,068 (US$ 1,076 thousand)	32,068 (US$ 1,076 thousand)	Note 3
	Seyi Presses Europe GmbH	Wilhelm-Gutbrod-Straße 25, 60437 Frankfurt am Main, Germany	Punching machine and other spare and accessory parts	9,251 (EUR 250 thousand)	9,251 (EUR 250 thousand)	250,000	100.00	(34,756) (EUR (1,062) thousand)	4,809 (EUR 153 thousand)	4,809 (EUR 153 thousand)	Note 3
	Xie Da Investment Co., Ltd.	9F., No. 183, Gangqian Rd., Neihu Dist., Taipei City	Business investment	250,000	250,000	25,000,000	100.00	156,412	(12,769)	(12,769)	Note 3
Seyi International (Samoa) Inc.	Seyi Technology (Samoa) Inc.	Trust Net Chambers, Lotemau Centre, P.O. Box 1225, Apia, Samoa	Trading and business investment	65,409 (US$ 2,000 thousand)	392,456 (US$ 12,000 thousand)	2,000,000	100.00	636,535 (US$ 20,727 thousand)	41,056 (US$ 1,377 thousand)	41,056 (US$ 1,377 thousand)	Note 3
	Seyi (Thailand) Co., Ltd.	399/69 Moo13, Rachatewa, Bangplee, Samutprakarn 10540 Thailand.	Punching machine and other spare and accessory parts	7,300 (THB 7,500 thousand)	7,300 (THB 7,500 thousand)	75,000	100.00	11,634 (THB 13,012 thousand)	1,433 (THB 1,675 thousand)	1,433 (THB 1,675 thousand)	Note 3

Note 1: The amount was calculated using the exchange rate of USD, EUR and THB to NTD on December 31, 2022.

Note 2: The amount was calculated using the average exchange rate of USD, RMB, EUR and THB to NTD from January to December 2022.

Note 3: The financial statements have been audited.

Note 4: The information on investment in mainland China is included in Table 6.

TABLE 6

SHIEH YIH MACHINERY INDUSTRY CO., LTD.

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

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Net Income (Loss) of the Investee (Notes 2 and 3)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Notes 2 and 3)	Carrying Amount as of December 31, 2022	Accumulated Repatriation of Investment Income as of December 31, 2022	Note
					Outflow	Inflow							
Xie Yi Tech Machinery (China) Co., Ltd.	Production of electronic equipment for computer communication and electronic parts; sale of self-produced products	$ 392,456 (US$ 12,000 thousand)	b. (Seyi Technology (Samoa) Inc.)	$ 392,456 (US$ 12,000 thousand)	$ -	$ 327,047 (US$ 10,000 thousand)	$ 65,409 (US$ 2,000 thousand)	$ 42,661 (RMB 9,647 thousand)	100	$ 42,661 (RMB 9,647 thousand)	$ 623,489 (RMB 141,445 thousand)	$ 734,846 (RMB 166,180 thousand)	

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2022 (Note 4)	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 5)
$122,879 (US$3,979 thousand)	$122,879 (US$3,979 thousand)	$1,455,667

Note 1: The method of investment is divided into three categories as follows:

a. Direct investment.
b. Investments through a holding company registered in a third region.
c. Others.

Note 2: The amount was calculated using the average rate of USD and RMB to NTD from January to December 2022.

Note 3: The financial statement had been audited by the Company's auditors.

Note 4: It include the initial investment of Xie Yi Tech Machinery (China) Co., Ltd. which amounted to $65,409 thousand and the initial investment of Suzhou Yuming Metal Industry Co., Ltd. which amounted to $57,470 thousand; Suzhou Yuming was liquidated and dissolved in December 2020 and its initial investment was repatriated to Taiwan in November 2022 and has been approved by the Investment Commission of the Ministry of Economic Affairs on February 2023.

Note 5: Calculated on 60% of the Company's net value on December 31, 2022 according to the letter of the Ministry of Economic Affairs No. 09704604680.

TABLE 7

SHIEH YIH MACHINERY INDUSTRY CO., LTD.

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2022

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Xuan-Rong Trading Co., Ltd.	13,000,000	8.20
Kaotai Machinery Co., Ltd.	9,239,000	5.83
Far Union Investment Limited	8,061,547	5.08

Note: The main shareholder information in this table is based on the last business day of the quarter at the end of the quarter, and the shareholders hold more than 5% of the Company's ordinary shares and special shares that have completed unregistered delivery (including treasury shares). The share capital recorded in the Company's financial report and the actual number of shares delivered without physical registration may be different due to different or different calculation bases.

Appendix (II)

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2022 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we have not prepared a separate set of consolidated financial statements of affiliates.

Very truly yours,

SHIEH YIH MACHINERY INDUSTRY CO., LTD.

By:

YA-HUI KUO
Chairman

March 14, 2023

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Shieh Yih Machinery Industry Co., Ltd.

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

<u>Estimated Loss Due to Impairment of Inventory</u>

As of December 31, 2022, the Group's net value of inventories amounted to $1,168,144 thousand (refer to Note 12), representing 18.78% of the consolidated total assets.

The impairment of the Group's inventory may arise due to the obsolescence caused by customization. Obsolescence loss is estimated based on the inventory age and loss ratio from historical experience. Since the assessment of inventory obsolescence losses involves critical judgments by management, we considered inventory obsolescence loss as a key audit matter.

Refer to Notes 4(f) and 5 to the accompanying consolidated financial statements for the accounting policies on inventory impairment.

We obtained an understanding of the Group's inventory obsolescence loss estimation process and of the design and implementation of related internal control system. We evaluated the rationality of the method for calculating the inventory obsolescence loss at the end of the year. On physical inventory count, we observed that whether the inventory that had not moved for a long time had been included in the assessment of inventory obsolescence. We obtained the Group's inventory aging schedule and verified the completeness and accuracy of the calculation of inventory obsolescence loss at the end of the year. We reviewed the inventory aging analysis and compared the impairment loss with the actual inventory loss in previous years and confirmed the inventory obsolescence loss.

Estimated Impairment of Accounts Receivable

The Group recognizes impairment loss on accounts receivable by assessing the impairment amount of each past due receivable and also applies the simplified approach to determine expected credit losses as prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all accounts receivable. The expected credit losses on accounts receivable are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as global economic growth rate at the reporting date. The Group uses provision matrix to determine expected credit loss rate and evaluates the prospect of recovery based on the past due days of accounts receivable. The degree of default risk and adjustment of loss rate are influenced by the assumptions which concern customer credit risk. We considered management's related provisions to be subjective and also the associated risk of the estimation of the recoverability of these past due accounts receivable.

Refer to Notes 4(l) and 5 to the accompanying consolidated financial statements for the relevant accounting policies on the impairment of receivables. Refer to Note 11 to the accompanying consolidated financial statements for the related disclosures of accounts receivable.

We obtained an understanding of the internal control over the accounts receivable and tested the operating effectiveness of the control and the implementation of the quarterly detailed review of the expected credit loss provision matrix. At the end of the period, we obtained the aging of the accounts receivable and expected credit loss matrix provided by the Group, and we tested the accuracy and completeness of the aging of the accounts receivable. We reviewed the customer payment history and arrived at an understanding of management's rationale for expected credit loss matrix by referencing payment patterns during the year as well as other available information. We recalculated and checked the correctness of the allowances provided by management. In addition, we also assessed the level of cash collected by the Group on past due receivable balances after the year end to consider any additional provision requirements.

Other Matter

We did not audit the financial statements of Seyi-America, Inc., a subsidiary included in the consolidated financial statements of the Group, but such statements were audited by other auditors. Our opinion, insofar as it relates to the amounts included in the financial statements of Seyi-America, Inc. are based solely on the report of other auditors. As of December 31, 2022 and 2021, the total assets of Seyi-America, Inc. were NT$533,170 thousand, representing 8.57%, and NT$436,465 thousand, representing 7.12%, respectively, of the consolidated total assets, and the amounts of total revenue were NT$985,259 thousand, representing 27.76%, and NT$614,191 thousand, representing 16.18%, of the consolidated total revenue for the years then ended.

We have also audited the parent company only financial statements of Shieh Yih Machinery Industry Co., Ltd. as of and for the years ended December 31, 2022 and 2021 on which we have issued an unmodified opinion with other matter paragraph.

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

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

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

Those charged with governance, including the independent directors and supervisors, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Wan-I Liao and Bo-Ren Weng.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 14, 2023

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

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

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

SHIEH YIH MACHINERY INDUSTRY CO., LTD. AND SUBSIDIARIES

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

	2022		2021	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 2,428,280	39	$ 2,330,138	38
Financial assets at fair value through profit or loss (Notes 4, 7 and 30)	272,928	4	577,664	10
Financial assets at amortized cost (Notes 4, 10 and 32)	262,254	4	112,397	2
Contract assets (Note 24)	64,962	1	81,058	1
Notes receivable (Notes 4, 11 and 24)	323,730	5	257,753	4
Trade receivables (Notes 4, 5, 11 and 24)	307,182	5	360,617	6
Other receivables	24,149	1	8,779	-
Current tax assets (Notes 4 and 26)	1,841	-	22,519	-
Inventories (Notes 4, 5 and 12)	1,168,144	19	968,878	16
Prepayments	134,538	2	37,194	1
Other current assets	1,137	-	1,160	-
Total current assets	4,989,145	80	4,758,157	78
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income (Notes 4, 8 and 30)	80,686	1	95,759	2
Financial assets at amortized cost - non-current (Notes 4, 10 and 32)	53,954	1	67,868	1
Property, plant and equipment (Notes 4, 14 and 32)	790,551	13	857,072	14
Right-of-use assets (Note 15)	67,094	1	72,797	1
Investment properties (Notes 4, 16 and 32)	109,534	2	110,679	2
Intangible assets (Note 4)	16,765	-	18,828	-
Deferred tax assets (Notes 4 and 26)	89,387	2	131,565	2
Refundable deposits	9,338	-	7,673	-
Other non-current assets (Note 17)	13,956	-	11,835	-
Total non-current assets	1,231,265	20	1,374,076	22
TOTAL	$ 6,220,410	100	$ 6,132,233	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 18)	$ 254,583	4	$ 571,529	9
Contract liabilities (Note 24)	628,341	10	488,715	8
Notes payable (Note 19)	372,038	6	431,915	7
Trade payables (Note 19)	876,163	14	775,737	13
Other payables (Note 20)	168,027	3	145,260	3
Current tax liabilities (Notes 4 and 26)	10,892	-	11,831	-
Lease liabilities - current (Note 15)	20,371	1	20,750	-
Current portion of long-term borrowings (Note 18)	201,692	3	193,256	3
Other current liabilities (Note 21)	587	-	856	-
Total current liabilities	2,532,694	41	2,639,849	43
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 18 and 32)	1,181,051	19	982,744	16
Deferred tax liabilities (Notes 4 and 26)	21,053	-	21,791	-
Net defined benefit liabilities (Notes 4 and 22)	25,303	-	57,004	1
Guarantee deposits received	927	-	917	-
Lease liabilities - non-current (Note 15)	33,271	1	44,403	1
Total non-current liabilities	1,261,605	20	1,106,859	18
Total liabilities	3,794,299	61	3,746,708	61
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital				
Ordinary shares	1,584,341	25	1,584,341	26
Capital surplus	195,244	3	213,219	3
Retained earnings				
Legal reserve	254,384	4	249,077	4
Special reserve	213,181	4	202,893	3
Unappropriated earnings	316,031	5	349,176	6
Total retained earnings	783,596	13	801,146	13
Other equity				
Exchange differences on translating foreign operations	(125,086)	(2)	(167,981)	(3)
Unrealized loss on financial assets at fair value through other comprehensive income	(11,984)	-	(45,200)	-
Total other equity	(137,070)	(2)	(213,181)	(3)
Total equity	2,426,111	39	2,385,525	39
TOTAL	$ 6,220,410	100	$ 6,132,233	100

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

(With Deloitte & Touche audit report dated March 14, 2023)

SHIEH YIH MACHINERY INDUSTRY CO., LTD. AND SUBSIDIARIES

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

	2022		2021	
	Amount	**%**	**Amount**	**%**
GROSS SALES	$ 3,548,643	100	$ 3,795,870	100
LESS: SALES RETURNS	60	-	119	-
LESS: SALES ALLOWANCE	5	-	-	-
NET SALES (Note 24)	3,548,578	100	3,795,751	100
OPERATING COST (Notes 12 and 25)	2,705,329	76	2,982,851	79
GROSS PROFIT	843,249	24	812,900	21
OPERATING EXPENSES (Note 25)				
Selling and marketing expenses	473,239	14	447,986	12
General and administrative expenses	213,761	6	220,555	6
Research and development expenses	175,991	5	129,408	3
Expected credit loss	10,185	-	9,467	-
Total operating expenses	873,176	25	807,416	21
PROFIT/(LOSS) FROM OPERATIONS	(29,927)	(1)	5,484	-
NON-OPERATING INCOME AND EXPENSES				
Interest income	46,268	1	43,684	1
Rental income	91	-	4,634	-
Dividends income	13,571	-	2,767	-
Other income	7,315	-	44,478	1
Loss on disposal of property, plant and equipment	(133)	-	(63)	-
Gain on disposal of investment	400	-	6,780	-
Gain (loss) on valuation of financial instruments	(11,036)	-	2,564	-
Miscellaneous expenses	(1,623)	-	(1,955)	-
Foreign exchange gains (losses), net (Note 25)	86,640	3	(36,841)	(1)
Interest expenses	(28,578)	(1)	(25,150)	-
Total non-operating income and expenses	112,915	3	40,898	1
PROFIT BEFORE INCOME TAX	82,988	2	46,382	1
INCOME TAX BENEFIT/EXPENSE (Notes 4 and 26)	(54,244)	(1)	10,281	-
NET PROFIT FOR THE YEAR	28,744	1	56,663	1

(Continued)

SHIEH YIH MACHINERY INDUSTRY CO., LTD. AND SUBSIDIARIES

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

	2022		2021	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME (Notes 22, 23 and 26)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	$ 20,230	1	$ (4,482)	-
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	14,295	-	7,853	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	(4,047)	-	896	-
	30,478	1	4,267	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	53,620	1	(21,528)	-
Unrealized gain on investments in debt instruments at fair value through other comprehensive income	(7,171)	-	(947)	-
Income tax relating to items that may be reclassified subsequently to profit or loss	(9,633)	-	4,334	-
	36,816	1	(18,141)	-
Other comprehensive income (loss) for the year, net of income tax	67,294	2	(13,874)	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 96,038	3	$ 42,789	1
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	$ 28,744	1	$ 56,663	1
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 96,038	3	$ 42,789	1
EARNINGS PER SHARE (Note 27)				
Basic	$ 0.18		$ 0.36	
Diluted	$ 0.18		$ 0.36	

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

(With Deloitte & Touche audit report dated March 14, 2023) (Concluded)

SHIEH YIH MACHINERY INDUSTRY CO., LTD. AND SUBSIDIARIES

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

	Equity Attributable to Owners to the Company (Note 23)										
		Capital Surplus				Retained Earnings (Note 23)			Other Equity		
	Share Capital	Share Premiums	Treasury Shares Transactions	Changes in Percentage of Ownership Interest in Subsidiaries	Employee Stock Options - Expired	Legal Reserve	Special Reserve	Unappro-priated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Loss on Financial Assets at FVTOCI	Total Equity
BALANCE AT JANUARY 1, 2021	$ 1,584,341	$ 234,740	$ 5,129	$ 1,602	$ 3,435	$ 247,277	$ 180,800	$ 319,992	$ (150,760)	$ (52,133)	$ 2,374,423
Appropriation of 2020 earnings											
Legal reserve	-	-	-	-	-	1,800	-	(1,800)	-	-	-
Special reserve	-	-	-	-	-	-	22,093	(22,093)	-	-	-
Cash dividends distributed by the Company	-	(31,687)	-	-	-	-	-	-	-	-	(31,687)
	-	(31,687)	-	-	-	1,800	22,093	(23,893)	-	-	(31,687)
Net profit for the year ended December 31, 2021	-	-	-	-	-	-	-	56,663	-	-	56,663
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	-	-	(3,586)	(17,221)	6,933	(13,874)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	-	-	53,077	(17,221)	6,933	42,789
BALANCE AT DECEMBER 31, 2021	1,584,341	203,053	5,129	1,602	3,435	249,077	202,893	349,176	(167,981)	(45,200)	2,385,525
Appropriation of 2021 earnings											
Legal reserve	-	-	-	-	-	5,307	-	(5,307)	-	-	-
Special reserve	-	-	-	-	-	-	10,288	(10,288)	-	-	-
Cash dividends distributed by the Company	-	(17,975)	-	-	-	-	-	(37,477)	-	-	(55,452)
	-	(17,975)	-	-	-	5,307	10,288	(53,072)	-	-	(55,452)
Net profit for the year ended December 31, 2022	-	-	-	-	-	-	-	28,744	-	-	28,744
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	-	-	16,183	42,895	8,216	67,294
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	-	-	44,927	42,895	8,216	96,038
Disposal in equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	(25,000)	-	25,000	-
BALANCE AT DECEMBER 31, 2022	$ 1,584,341	$ 185,078	$ 5,129	$ 1,602	$ 3,435	$ 254,384	$ 213,181	$ 316,031	$ (125,086)	$ (11,984)	$ 2,426,111

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

(With Deloitte & Touche audit report dated March 14, 2023)

SHIEH YIH MACHINERY INDUSTRY CO., LTD. AND SUBSIDIARIES

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

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 82,988	$ 46,382
Adjustments for:		
Expected credit loss recognized on trade receivables	10,185	9,467
Depreciation expenses	109,188	120,619
Amortization expenses	7,536	7,605
Interest expenses	28,578	25,150
Interest income	(46,268)	(43,684)
Dividends income	(13,571)	(2,767)
Write-downs of inventories	50,587	14,925
Gain on lease modification	(4)	(23)
Loss on disposal of property, plant and equipment	133	63
Gain on disposal of investments	(400)	(6,780)
Loss (gain) on valuation of financial assets instruments	11,036	(2,564)
Gain (loss) on foreign currency exchange	(87,906)	28,708
Changes in operating assets and liabilities:		
Contract assets	16,096	(45,284)
Notes receivable	(65,977)	(73,770)
Trade receivables	42,782	(156,114)
Other receivables	(12,066)	6,041
Inventories	(250,088)	34,380
Prepayments	(97,344)	(3,085)
Other current assets	23	1,407
Contract liabilities	139,626	(115,969)
Notes payable	(59,877)	138,475
Trade payables	100,426	184,872
Other payables	22,505	10,614
Other current liabilities	(269)	(13,817)
Net defined benefit liabilities	(11,471)	(5,861)
Cash generated from operations	(23,552)	158,990
Interest paid	(28,316)	(25,163)
Income tax paid	(6,123)	(82,169)
Net cash generated from (used in) operating activities	(57,991)	51,658
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of financial assets at fair value through other comprehensive income	25,000	-
Proceeds from disposal of financial assets at fair value through profit or loss	341,554	140,964
Capital reduction of financial assets at fair value through other comprehensive income	-	6,000
Purchase of financial assets at fair value through profit or loss	(50,610)	(235,646)
Proceeds from disposal of financial assets at amortized cost	-	(12,645)
Purchase of financial assets at amortized cost	(135,943)	(61,461)

(Continued)

SHIEH YIH MACHINERY INDUSTRY CO., LTD. AND SUBSIDIARIES

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

	2022	2021
Payments for property, plant and equipment (Note 28)	$ (17,808)	$ (18,659)
Proceeds from disposal of property, plant and equipment	766	-
Decrease (increase) in refundable deposits	(1,665)	182
Payments for intangible assets (Note 28)	(5,475)	(16,985)
Decrease in other non-current assets	666	1,458
Interest received	42,964	42,622
Dividend received	13,571	2,767
Net cash generated from (used in) investing activities	213,020	(151,403)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term borrowings	(316,946)	196,923
Proceeds from long-term borrowings	206,743	(113,420)
Proceeds from guarantee deposits received	10	68
Repayment of the principal portion of lease liabilities	(25,223)	(19,687)
Dividends paid to owners of the Company	(55,452)	(31,687)
Net cash generated from (used in) financing activities	(190,868)	32,197
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	133,981	(42,854)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	98,142	(110,402)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2,330,138	2,440,540
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 2,428,280	$ 2,330,138

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

(With Deloitte & Touche audit report dated March 14, 2023) (Concluded)

SHIEH YIH MACHINERY INDUSTRY CO., LTD. AND SUBSIDIARIES

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

1. GENERAL INFORMATION

Shieh Yih Machinery Industry Co., Ltd. (the "Company") was established in March 1982 and began operations in April 1982. The Company designs, develops, manufactures and sells machinery, and provides IT software services and other design services.

The ordinary shares of the Company has been listed on the Taipei Exchange since April 2002.

The functional currency of the Company is the New Taiwan dollar and the consolidated financial statements of the Company and its subsidiaries (collectively, the "Group") are presented in the Company's functional currency.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on March 14, 2023.

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

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

New IFRSs	Effective Date Announced by IASB
"Annual Improvements to IFRS Standards 2018-2020"	January 1, 2022
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 Contracts - Cost of Fulfilling a Contract"	January 1, 2022

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

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

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

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

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

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

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

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

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

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

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

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

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

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

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

Current assets include:

1) Assets held primarily for the purpose of trading;

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

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

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

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

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e. its subsidiaries, including structured entities).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

See Note 13, Tables 6 and 7 for the detailed information of subsidiaries (including the percentages of ownership and main business).

e. Foreign currencies

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

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

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

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purposes of presenting consolidated financial statements, the functional currencies of the Group entities (including subsidiaries, associates, joint ventures and branches currency in other countries that use different from the currency of the Company) are translated into the presentation currency - New Taiwan dollars as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

f. Inventories

Inventories consist of raw materials, supplies, finished goods and work-in-process and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. The reason why the Group's inventory write-downs may arise is due to the obsolescence caused by customization. The net realizable value is estimated based on inventory age and historical experience. Inventories are recorded at weighted-average cost on the balance sheet date.

g. Property, plant and equipment

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

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

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

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

h. Investment properties

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

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

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

i. Intangible assets

1) Intangible assets acquired separately

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

2) Derecognition of intangible assets

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

j. Impairment of property, plant and equipment, right-of-use asset and intangible assets

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

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

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

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

k. Financial instruments

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

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

1) Financial assets

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

a) Measurement category

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

i. Financial assets at FVTPL

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividends or interest earned on such a financial asset. Fair value is determined in the manner described in Note 30.

ii. Financial assets at amortized cost

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

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

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

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables at amortized cost, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.
Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

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

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

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

iii. Investments in equity instruments at FVTOCI

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

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

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

iv. Investments in debt instruments at FVTOCI

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

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

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

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

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables), as well as contract assets.

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

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

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

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

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

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

The Group derecognizes a financial liability only when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

l. Revenue recognition

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

1) Revenue from sale of goods

Revenue from the sale of goods comes from sales of vehicles and parts. Revenue from the sale of goods is recognized when the goods are delivered and the title has passed.

2) Revenue from rendering of services

Revenue from the rendering of services comes from designing and performing the R&D of cars. Contract assets and revenue are recognized by reference to the stage of completion of the respective contract, and contract assets are reclassified to trade receivables when the remaining obligation is performed. If the milestone payment exceeds the revenue recognized to date, then the Group recognizes a contract liability for the difference.

m. Leases

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

1) The Group as lessor

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

2) The Group as lessee

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

n. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

Net defined benefit liabilities represent the actual deficit in the Group's defined benefit plans.

o. Taxation

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

1) Current tax

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

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

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

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized.

3) Current and deferred tax for the year

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

p. Government grants

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

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Estimated Impairment of Accounts Receivable

The provision for impairment of accounts receivable is based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Group’s historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. When the actual future cash inflows are less than expected, a material impairment loss may arise.

Inventory Obsolescence Loss

Inventory obsolescence loss is estimated based on the stock age and the ratio of the impairment loss. Historical experience is also taken into consideration when assessing inventory obsolescence loss. If the actual impairment of inventory is higher than expected in the future, it may cause critical losses.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2022	2021
Cash on hand	$ 1,467	$ 1,474
Checking accounts and demand deposits	1,406,085	1,595,264
Cash equivalents		
Time deposits with original maturities less than 3 months	757,469	503,710
Bonds with repurchase agreements	263,259	229,690
	$ 2,428,280	$ 2,330,138

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

	December 31	
	2022	2021
Bank balance	0.01%-0.10%	0.01%-0.10%
Time deposits with original maturities less than 3 months	1.25%-4.80%	2.00%-2.77%
Bonds with repurchase agreements	0.80%-4.50%	0.30%-0.35%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT

	December 31	
	2022	2021
Financial assets at FVTPL - current		
Financial assets mandatorily classified as at FVTPL		
Structured deposits	$ 197,141	$ 526,236
Non-derivative financial assets		
Beneficiary certificate	26,417	30,278
Domestic-listed shares		
United Microelectronics Corporation	20,350	6,500
Hua Nan Financial Holdings Co., Ltd.	5,593	5,108
Compeo Manufacturing Co., Ltd	-	2,188
Limited partnership		
Foryou Private Equity Limited Partnership	12,460	-
Foryou Venture Capital Limited Partnership	10,399	7,354
Outstanding Management Capital Limited Partnership	568	-
	$ 272,928	$ 577,664

The Group's structured time deposits are 100% principal guaranteed. As of December 31, 2022 and 2021, the principal of undue structured time deposits were $197,141 thousand (RMB44,709 thousand) and $526,236 thousand (RMB121,141 thousand), and related information was as follows:

	December 31	
	2022	2021
Maturity	January 2023 - March 2023	January 2022 - March 2022
Expected rate of return	3.00%-3.50%	3.20%-3.70%

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2022	2021
Non-current		
Investments in equity instruments	$ 31,606	$ 42,311
Investments in debt instruments	49,080	53,448
	$ 80,686	$ 95,759

Investments in Equity Instruments

	December 31	
	2022	**2021**
Non-current		
Domestic investments		
Listed shares and emerging market shares		
Ordinary shares - Hua Nan Financial Holdings Co., Ltd.	$ 3,056	$ 2,792
Unlisted shares		
Ordinary shares - Grand Fortune Venture Capital Co., Ltd.	22,824	33,625
Ordinary shares - Kingfont Precision Industrial Co., Ltd.	5,726	5,894
	$ 31,606	$ 42,311

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

Investments in Debt Instruments

	December 31	
	2022	**2021**
Non-current		
Foreign investments	$ 49,080	$ 53,448

For debt instrument investments held by the Group, the coupon rate ranges are as follows:

	December 31	
	2022	**2021**
Debt instrument investments	3.00%-5.95%	3.00%-5.95%

9. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

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

	December 31	
	2022	**2021**
Gross carrying amount	$ 61,517	$ 58,500
Less: Allowance for impairment loss	-	-
Amortized cost	61,517	58,500
Adjustment to fair value	(12,437)	(5,052)
	$ 49,080	$ 53,448

The Group invests only in debt instruments that are rated the equivalent of investment grade or higher and have low credit risk for the purpose of impairment assessment. The credit rating information is supplied by independent rating agencies. The Group's exposure and the external credit ratings are continuously monitored. The Group reviews changes in bond yields and other publicly available information and makes an assessment whether there has been a significant increase in credit risk since the last period to the reporting date.

As of December 31, 2022, the combined company was assessed not to recognize expected credit impairment losses.

10. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2022	**2021**
Current		
Time deposits with original maturity of more than 3 months (a)	$ 247,051	$ 31,044
Time deposits - limited (b)	15,203	81,353
	$ 262,254	$ 112,397
Non-current		
Restricted bank deposits (b)	$ 2,746	$ 2,629
Restricted bank deposits (c)	51,208	65,239
	$ 53,954	$ 67,868

a. As of December 31 2022 and 2021, the interest rates of time deposits with original maturity of more than 3 months were from 2.10% to 3.75% and 0.18% to 2.10%, respectively at the end of the reporting period.

b. Financial assets at amortized cost pledged as collateral for derivative products, bank borrowings and endorsements/guarantees are set out in Note 32.

c. Restricted bank deposits, which are placed in the authorized bank with 10% reduction of tax in advance, were repatriated by the Company. This repatriation was based on the "Management, Utilization and Taxation Offshore Act" and with the approval of National Taxation Bureau of the Northern Area. All deposits in this special account were approved by the Industrial Bureau of the Economic Affairs for direct investment on the software enhancement program. Therefore, the investment should be completed by March 31, 2023. The Company has applied for a 2-year extension to the Industrial Bureau of the Economic Affairs on March 8, 2023.

11. NOTES RECEIVABLE AND TRADE RECEIVABLES

	December 31	
	2022	2021
Notes receivable		
At amortized cost		
Gross carrying amount	$ 323,730	$ 257,753
Less: Allowance for impairment loss	-	-
	$ 323,730	$ 257,753
Trade receivables		
At amortized cost		
Gross carrying amount	$ 323,439	$ 366,530
Less: Allowance for impairment loss	16,257	5,913
	$ 307,182	$ 360,617

a. Notes receivable

The average credit period of sales of goods was from 120 to 150 days. No interest was charged on notes receivable. In order to minimize credit risk, the management of the Group has determined credit limits, credit approvals and internal control procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual debt at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts. In this regard, the management believes the Group’s credit risk was significantly reduced.

The Group use lifetime expected loss provision for all notes receivables. The expected credit losses on notes receivable are estimated using a provision matrix by reference to past default experience with the respective debtor and an analysis of the debtor’s current financial position, adjusted for the general economic conditions of the industry in which the debtor operates and an assessment of both the current as well as the forecasted direction of economic conditions. The provision matrix of the Group is used to identify whether objective evidence shows the significant notes receivable are impaired. The Group determines the impairment amounts individually when the evidence shows the receivables are impaired. Other customers are differentiated by region and by product category, the Group determines the credit losses with the respective risks of default occurring as the weights.

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

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

December 31, 2022

	Not Past Due
Expected credit loss rate	-
Gross carrying amount	$ 323,730
Loss allowance (Lifetime ECL)	-
Amortized cost	$ 323,730

December 31, 2021

	Not Past Due
Expected credit loss rate	-
Gross carrying amount	$ 257,753
Loss allowance (Lifetime ECL)	-
Amortized cost	$ 257,753

b. Trade receivables

The average credit period of sales of goods was from 120 to 150 days. The Group adopted a policy of only dealing with entities that are rated the equivalent of investment grade or higher and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from default. The Group uses the internal credit rating system to assess the credit quality and defines credit limits of the potential customers and periodically reviews each customer's records of historical trade and financial position each year.

The Group use lifetime expected loss provision for all trade receivables. The expected credit losses on notes receivable are estimated using a provision matrix by reference to past default experience with the respective debtor and an analysis of the debtor's current financial position, adjusted for the general economic conditions of the industry in which the debtor operates and an assessment of both the current as well as the forecasted direction of economic conditions. The provision matrix of the Group is used to identify whether objective evidence shows the significant trade receivables are impaired. The Group determines the impairment amounts individually when the evidence shows the receivables are impaired. Other customers are differentiated by region and by product category, the Group evaluates the prospect of recovery based on the past due days of accounts receivable and determine the credit losses with the respective risks of default occurring as the weights.

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

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

December 31, 2022

	Not Past Due	Less than 90 Days	91 to 180 Days	181 to 270 Days	271 to 360 Days	Over 361 Days	Individual Identification	Total
Expected credit loss rate	0.00%-12.11%	0.00%-12.11%	0.00%-12.11%	-	-	-	30%-100%	
Gross carrying amount	$ 244,620	$ 33,460	$ 30,190	$ -	$ -	$ -	$ 15,169	$ 323,439
Loss allowance (Lifetime ECL)	(3,710)	(3,515)	(1,988)	-	-	-	(7,044)	(16,257)
Amortized cost	$ 240,910	$ 29,945	$ 28,202	$ -	$ -	$ -	$ 8,125	$ 307,182

December 31, 2021

	Not Past Due	Less than 90 Days	91 to 180 Days	181 to 270 Days	271 to 360 Days	Over 361 Days	Individual Identification	Total
Expected credit loss rate	0.00%-3.00%	0.00%-1.92%	0.00%-12.14%	0.00%-16.67%	-	-	3.00%-100%	
Gross carrying amount	$ 326,817	$ 24,983	$ 1,487	$ 4,744	$ -	$ -	$ 8,499	$ 366,530
Loss allowance (Lifetime ECL)	(1,518)	(320)	(181)	(788)	-	-	(3,106)	(5,913)
Amortized cost	$ 325,299	$ 24,663	$ 1,306	$ 3,956	$ -	$ -	$ 5,393	$ 360,617

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

	2022	2021
Balance at January 1	$ 5,913	$ 24,899
Add: Net remeasurement of loss allowance	10,185	9,467
Less: Write-off	(14)	(27,977)
Foreign exchange translation gains and losses	173	(476)
Balance at December 31	$ 16,257	$ 5,913

12. INVENTORIES

	December 31	
	2022	2021
Finished goods	$ 369,155	$ 352,901
Work in progress	535,493	335,328
Raw materials	263,496	280,649
	$ 1,168,144	$ 968,878

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2022 and 2021 was $2,705,329 thousand and $2,982,851 thousand, respectively. The Cost of goods sold for the years ended December 31, 2022 and 2021 included inventory depreciation and obsolescence losses of $50,587 thousand and $14,925 thousand, respectively.

13. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements:

			Proportion of Ownership			
Name of Investor	**Name of Subsidiary**	**Nature of Activities**	**September 30, 2022**	**December 31, 2021**	**September 30, 2021**	**Remark**
Shieh Yih Machinery Industry Co., Ltd.	Seyi-America, Inc.	Sales of presses and other spare accessory parts	100%	100%	100%	
	Seyi International (Samoa) Inc.	Trade and business investment	100%	100%	100%	Note 1
	Seyi Presses Europe Gmbh	Sales of presses and other spare accessory parts	100%	100%	100%	
	Xie Da Investment Co., Ltd.	Business investment	100%	100%	100%	
Seyi International (Samoa) Inc.	Seyi Technology (Samoa) Inc.	Trade and business investment	100%	100%	100%	Note 2
	Seyi (Thailand) Co., Ltd.	Sales of presses and other spare accessory parts	100%	100%	100%	
Seyi Technology (Samoa) Inc.	Xie Yi Tech Machinery (China) Co., Ltd.	Production of electronic equipment for computer communication and electronic parts; sale of self-produced products.	100%	100%	100%	Note 3

Note 1: The Board of Directors of Seyi International (SAMOA) Inc. resolved a cash capital reduction of US$10,000 thousand on September 22, 2022, with the base date of the capital reduction on September 22, 2022.

Note 2: The Board of Directors of Seyi Technology (SAMOA) Inc. resolved a cash capital reduction of US$10,000 thousand on September 22, 2022, with the base date of the capital reduction on September 22, 2022.

Note 3: The Board of Directors of Xie Yi Tech Machinery (China) Co., Ltd. resolved a cash capital reduction of US$10,000 thousand on September 22, 2022, with the base date of the capital reduction on September 22, 2022. In addition, on November 30, 2022, the board of directors resolved to convert the earnings into additional capital of US$10,000 thousand, with the base date of capital addition on November 30, 2022.

14. PROPERTY, PLANT AND EQUIPMENT - USED BY THE GROUP

	Freehold Land	Buildings	Machinery and Equipment	Transportation Equipment	Office Equipment	Other Equipment	Leasehold Improvements	Property under Construction	Total
Cost									
Balance at January 1, 2021	$ 125,720	$ 863,136	$ 1,029,788	$ 16,753	$ 64,020	$ 118,394	$ 435	$ -	$ 2,218,246
Additions	-	480	460	-	6,039	7,155	-	3,245	17,379
Disposals	-	-	(4,918)	(2,769)	(1,038)	(9,340)	-	-	(18,065)
Effect of foreign currency exchange differences	-	(2,752)	(4,777)	(450)	(1,617)	(650)	(54)	3	(10,297)
Balance at December 31, 2021	$ 125,720	$ 860,864	$ 1,020,553	$ 13,534	$ 67,404	$ 115,559	$ 381	$ 3,248	$ 2,207,263
Accumulated depreciation and impairment									
Balance at January 1, 2021	$ -	$ 306,179	$ 814,675	$ 13,596	$ 45,111	$ 98,291	$ 127	$ -	$ 1,277,979
Disposals	-	-	(4,918)	(2,706)	(1,038)	(9,340)	-	-	(18,002)
Depreciation expenses	-	28,493	55,197	518	5,938	7,125	81	-	97,352
Effect of foreign currency exchange differences	-	(1,364)	(3,972)	(285)	(965)	(531)	(21)	-	(7,138)
Balance at December 31, 2021	$ -	$ 333,308	$ 860,982	$ 11,123	$ 49,046	$ 95,545	$ 187	$ -	$ 1,350,191
Carrying amounts at December 31, 2021	$ 125,720	$ 527,556	$ 159,571	$ 2,411	$ 18,358	$ 20,014	$ 194	$ 3,248	$ 857,072

(Continued)

	Freehold Land	Buildings	Machinery and Equipment	Transportation Equipment	Office Equipment	Other Equipment	Leasehold Improvements	Property under Construction	Total
Cost									
Balance at January 1, 2022	$ 125,720	$ 860,864	$ 1,020,553	$ 13,534	$ 67,404	$ 115,559	$ 381	$ 3,248	$ 2,207,263
Additions	-	260	5,340	361	2,317	6,066	-	676	15,020
Disposals	-	(863)	(6,199)	(9,050)	(3,421)	(1,954)	-	-	(21,487)
Reclassification	-	3,991	-	-	-	-	-	(3,991)	-
Effect of foreign currency exchange differences	-	5,439	9,406	13,801	(17,558)	8,425	28	67	19,608
Balance at December 31, 2022	$ 125,720	$ 869,691	$ 1,029,100	$ 18,646	$ 48,742	$ 128,096	$ 409	$ -	$ 2,220,404
Accumulated depreciation and impairment									
Balance at January 1, 2022	$ -	$ 333,308	$ 860,982	$ 11,123	$ 49,046	$ 95,545	$ 187	$ -	$ 1,350,191
Disposals	-	(858)	(6,199)	(8,156)	(3,421)	(1,954)	-	-	(20,588)
Depreciation expenses	-	29,455	41,902	1,336	4,061	8,225	78	-	85,057
Effect of foreign currency exchange differences	-	2,880	8,574	11,244	(12,828)	5,307	16	-	15,193
Balance at December 31, 2022	$ -	$ 364,785	$ 905,259	$ 15,547	$ 36,858	$ 107,123	$ 281	$ -	$ 1,429,853
Carrying amounts at December 31, 2022	$ 125,720	$ 504,906	$ 123,841	$ 3,099	$ 11,884	$ 20,973	$ 128	$ -	$ 790,551

(Concluded)

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

Buildings	
Main buildings	50 years
Administration building	50 years
Factory building located in mainland China	20 to 23 years
Others	5 to 50 years
Machinery and equipment	3 to 20 years
Transportation equipment	3 to 6 years
Office equipment	3 to 7 years
Other equipment	2 to 16 years
Leasehold improvement	2 to 12 years

Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 32. No impairment assessment was performed for the year ended December 31, 2022 and 2021 as there was no indication of impairment.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2022	**2021**
Carrying amounts		
Land	$ 12,973	$ 13,194
Buildings	37,977	46,493
Office equipment	1,735	2,216
Transportation equipment	14,409	10,894
	$ 67,094	$ 72,797

	For the Year Ended December 31	
	2022	2021
Additions to right-of-use assets	$ 12,862	$ 17,169
Depreciation charge for right-of-use assets		
Land	$ 421	$ 413
Buildings	13,156	13,153
Office equipment	481	481
Transportation equipment	8,928	8,074
	$ 22,986	$ 22,121

b. Lease liabilities

	December 31	
	2022	2021
Carrying amounts		
Current	$ 20,371	$ 20,750
Non-current	$ 33,271	$ 44,403

Range of discount rate for lease liabilities was as follows:

	December 31	
	2022	2021
Buildings	1.51%-7.27%	1.51%-7.27%
Office equipment	1.54%	1.54%
Transportation equipment	1.51%-4.75%	1.51%-4.75%

Except for the recognition of depreciation expenses and additions, there was no significant sublease and impairment of the right-of-use assets of the Group in 2022 and 2021. In addition, the Group terminated some lease contracts earlier, which resulted in a decrease of right-of-use assets of $117 thousand and $1,154 thousand, respectively, and recognized a lease modification benefit of $4 thousand and $23 thousand, respectively.

c. Material lease-in activities and terms

The Group leases certain cars for the use of its executives with lease terms of 2 to 7 years. The Group does not have bargain purchase options to acquire the leasehold cars at the end of the lease terms.

The Group also leases buildings for the use of plants, offices and dormitory with lease terms of 1 to 6 years. The Group does not have bargain purchase options to acquire the leasehold buildings at the end of the lease terms. The land right-of-use assets if the Group located in Mainland China is depreciated for 50 years.

d. Other lease information

The Group leases its own investment properties for an operating leases, refer to Note 16.

	For the Year Ended December 31	
	2022	2021
Expenses relating to short-term leases	$ 1,562	$ 2,123
Expenses relating to variable lease payments not included in the measurement of lease liabilities	$ 79	$ 78
Total cash outflow for leases	$ (30,107)	$ (25,130)

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

16. INVESTMENT PROPERTIES

	Completed Investment Property
Cost	
Balance at January 1, 2021	$ 145,323
Additions	-
Balance at December 31, 2021	$ 145,323
Accumulated depreciation	
Balance at January 1, 2021	$ (33,498)
Depreciation expense	(1,146)
Balance at December 31, 2021	$ (34,644)
Carrying amounts at December 31, 2021	$ 110,679
Cost	
Balance at January 1, 2022	$ 145,323
Additions	-
Balance at December 31, 2022	$ 145,323
Accumulated depreciation	
Balance at January 1, 2022	$ (34,644)
Depreciation expense	(1,145)
Balance at December 31, 2022	$ (35,789)
Carrying amounts at December 31, 2022	$ 109,534

The investment properties are depreciated using the straight-line method over their estimated useful lives of 55 years.

The fair value of investment real estate has not been evaluated by independent evaluators, and is only measured by the management of the combined company, and the evaluation is based on market evidence of similar real estate transaction prices. The fair value of its evaluation is as follows:

	December 31	
	2022	2021
Fair value	$ 189,519	$ 189,519

The investment real estate owned by the Group is leased for a period of 5 years. When the lessee exercises the right to renew the lease, adjust the terms of the rent in accordance with the market rent. The lessee does not have the preferential right to purchase investment real estate at the end of the lease period. The Group has pre-terminated the contract in October 2021.

The investment properties pledged as collateral for bank borrowings are set out in Note 32.

17. OTHER NON-CURRENT ASSETS

	December 31	
	2022	2021
Prepayments for equipment	$ 4,134	$ 1,346
Others	9,822	10,489
	$ 13,956	$ 11,835

18. BORROWINGS

a. Short-term borrowings

	December 31	
	2022	2021
Unsecured borrowings		
Bank loans	$ 250,000	$ 566,176
Loans from letter of credit of bank	4,583	5,353
	$ 254,583	$ 571,229

The ranges of interest rates on unsecured borrowings were both was 0.95%-1.47% and 0.36%-1.03% per annum as of December 31, 2022 and 2021, respectively.

b. Long-term borrowings

	December 31	
	2022	2021
Secured borrowings		
O-Bank Co., Ltd	$ 323,076	$ 350,000
Syndicated and secured loan from First Commercial Bank and other banks	200,000	100,000
	523,076	450,000
Unsecured borrowings		
SinoPac Bank	300,000	150,000
HuaNan Bank	235,000	240,000
Cathay United Bank	200,000	200,000
Fubon Bank	124,667	136,000
	859,667	726,000
Less: Current portions	201,692	193,256
Long-term borrowings	$ 1,181,051	$ 982,744

The ranges of effective interest rates on the above loan were as follows:

	December 31	
	2022	2021
Effective interest rate:		
Floating rate	1.46%-1.77%	0.95%-1.10%

1) Secured borrowings from O-Bank Co., Ltd: The Group signed a loan agreement; the loan period is from December 25, 2020 to December 2025, with the principal as the first instalment in December 2022, and every three months thereafter. There are 13 instalments in total, which are evenly amortized on a monthly basis. The Group provides investment real estate in Xinghua Section of Xinzhuang City as collateral. Refer to Note 32.

2) First Commercial Bank: In December 2021, The Group entered into a five-year credit agreement with First Commercial Bank with a credit amount of NT$1.1 billion, which is to be utilized in several tranches and is renewable. The Group utilized $100,000 thousand in December 2021 and the loan period is from December 2021 to December 2023 which shall be repaid upon the maturity date. The Group paid the principal of $200,000 thousand in advance in September 2022 and utilized $200,000 thousand in that month. The borrowing period is from September 2022 to September 2024 which shall be repaid upon the maturity date.

   The Group provided the land and factory in Guishan District, Taoyuan City, as security for the syndicated loan with First Commercial Bank and other banks. Refer to Note 32.

3) Unsecured borrowings from SinoPac Bank: The Group signed a loan agreement; the loan period is from September 2019 to March 2022, and the loan shall be repaid upon the maturity date. As of December 31, 2021, the remaining balance of the loan was $150,000 thousand and the principal was repaid in advance in January 2022. In addition, new contracts were signed in January and February 2022 for the borrowing period from January 2022 to January 2025 and from February 2022 to February 2025, respectively, and the loan shall be repaid upon the maturity date. As of December 31, 2022, the remaining balance of the loan was $300,000 thousand.

4) Unsecured borrowings from Huanan Bank: The Group signed a loan agreement; the loan period is from November 2021 to November 2026, with the principal as the first instalment in December 2022, and every month thereafter. There are 48 instalments in total, which are evenly amortized on a monthly basis.

5) Unsecured borrowings from Cathay United Bank: The Group signed a loan agreement; the loan period is from June 2021 to June 2023, and shall be repaid upon the maturity date. The Group extended the loan for one year with the bank and revised the interest rate. In addition, the contract was renewed starting from June 2022 to June 2024, and the loan shall be repaid upon the maturity date.

6) Unsecured borrowings from Fubon Bank: The Group signed a loan agreement; the loan period is from August 2021 to August 2026, with the principal as the first instalment in November 2022, and every month thereafter. There are 48 instalments in total, which are evenly amortized on a monthly basis.

19. NOTES PAYABLE AND TRADE PAYABLES

	December 31	
	2022	**2021**
Notes payable		
Operating	$ 372,038	$ 431,915
Trade payables		
Operating	$ 876,163	$ 775,737

20. OTHER PAYABLES

	December 31	
	2022	**2021**
Other payables		
Payables for salaries or bonuses	$ 75,092	$ 69,815
Payables for employee benefits	18,015	15,402
Payables for commissions	5,044	4,938
Payables for test run fees	3,251	3,088
Others	37,093	29,398
Payables for other accrued expenses	29,532	22,619
	$ 168,027	$ 145,260

21. OTHER CURRENT LIABILITIES

	December 31	
	2022	2021
Receipts under custody	$ 317	$ 804
Temporary credits	270	52
	$ 587	$ 856

22. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

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

The consolidated subsidiaries have pension plans in accordance with their respective local regulations. The subsidiaries are required to contribute an amount equal to a specified percentage of local employees’ salaries to the retirement benefit scheme.

b. Defined benefit plans

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

The amounts included in the consolidated balance sheets in respect of the Group’s defined benefit plans were as follows:

	December 31	
	2022	2021
Present value of defined benefit obligation	$ 157,738	$ 179,298
Fair value of plan assets	(132,435)	(122,294)
Net defined benefit liabilities	$ 25,303	$ 57,004

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance at January 1, 2021	$ 183,697	$ (125,314)	$ 58,383
Service cost			
Current service cost	1,378	-	1,378
Net interest expense (income)	680	(463)	217
Recognized in profit or loss	2,058	(463)	1,595
Remeasurement			
Actuarial loss - changes in financial assumptions	(6,452)	-	(6,452)
Actuarial gain - changes in financial assumptions	12,768	(1,834)	10,934
Recognized in other comprehensive income	6,316	(1,834)	4,482
Contributions from the employer	-	(7,456)	(7,456)
Benefits paid	(12,773)	12,773	-
Balance at December 31, 2021	$ 179,298	$ (122,294)	$ 57,004
Balance at January 1, 2022	$ 179,298	$ (122,294)	$ 57,004
Service cost			
Current service cost	700	-	700
Net interest expense (income)	1,130	(770)	360
Recognized in profit or loss	1,830	(770)	1,060
Remeasurement			
Actuarial loss - changes in financial assumptions	(11,665)	-	(11,665)
Actuarial gain - changes in financial assumptions	949	(9,514)	(8,565)
Recognized in other comprehensive income	(10,716)	(9,514)	(20,230)
Contributions from the employer	-	(12,531)	(12,531)
Benefits paid	(12,674)	12,674	-
Balance at December 31, 2022	$ 157,738	$ (132,435)	$ 25,303

Through the defined benefit plans under the Labor Standards Law, the Group is exposed to the following risks:

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

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

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

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

	December 31	
	2022	2021
Discount rate(s)	1.23%	0.63%
Expected rate(s) of salary increase	1.50%	1.50%

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

	December 31	
	2022	2021
Discount rate(s)		
0.5% increase	$ (1,975)	$ (11,547)
0.5% decrease	$ 9,485	$ 12,661
Expected rate(s) of salary increase		
0.5% increase	$ 9,404	$ 12,484
0.5% decrease	$ (1,980)	$ (11,512)

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

	December 31	
	2022	2021
The expected contributions to the plan for the next year	$ 2,040	$ 10,096
The average duration of the defined benefit obligation	7 years	14 years

23. EQUITY

a. Share capital - ordinary shares

	December 31	
	2022	2021
Number of shares authorized (in thousands)	300,000	300,000
Shares authorized	$ 3,000,000	$ 3,000,000
Number of shares issued and fully paid (in thousands)	158,434	158,434
Shares issued	$ 1,584,341	$ 1,584,341

Fully paid ordinary shares, which have a par value of $10, carry one vote per share and carry a right to dividends.

b. Capital surplus

	December 31	
	2022	2021
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)</u>		
Issuance of ordinary shares	$ 137,898	$ 155,873
Conversion of bonds	47,180	47,180
Treasury share transactions	5,129	5,129
Employee share options - expired	3,435	3,435
<u>May be used to offset a deficit only (2)</u>		
Changes in percentage of ownership interest in subsidiaries		
Employee share options - expired	1,602	1,602
	$ 195,244	$ 213,219

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

2) This capital surplus may be used only to offset a deficit, which arises from the effect of changes in capital surplus of subsidiaries accounted for by using the equity method or from the exercise of employee share options - expired.

c. Retained earnings and dividend policy

The parent company has passed a resolution of the shareholders meeting on June 13, 2019 to amend the articles of association, stating that the company authorizes the board of directors to make a special resolution to distribute dividends and bonuses in cash, and report to the shareholders meeting.

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

As the Company is in the growing stage, for long-term financial planning and sustainable operating development needs, the Company uses residual dividend policy and constant growth dividend policy and take into consideration the Company's earnings position, future expansion plans, and financial funds requirement. The dividend distribution may take the form of a cash dividend and/or stock dividends, but the amount of cash dividends should not exceed 80% of total distribution.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

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

The appropriations of earnings for 2021 and 2020 which have been approved in the shareholders' meetings on May 27, 2022 and July 8, 2021, respectively, were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2021	**2020**
Legal reserve	$ 5,307	$ 1,800
Special reserve	10,288	22,093
Cash dividends	37,477	-
Cash dividends per share	0.24	-

The above appropriations for cash dividends were resolved by the Company's board of directors on March 7, 2022; the other proposed appropriations were resolved by the shareholders in their meeting on May 27, 2022 and July 8, 2021, respectively.

The parent company's board of director also proposed to issue cash dividends from Share Premium-Ordinary of $17,975 thousand and $31,687 on March 7, 2022 and March 16, 2021, respectively.

The appropriation of earnings for 2022 were proposed by the Company's board of directors on March 14, 2023. The appropriation and dividends per share were as follows:

	Appropriation of Earnings	**Dividends Per Share (NT$)**
Legal reserve	$ 4,493	
Special reserve	(76,111)	
Cash dividends	40,437	$0.26

Rest of the cash dividends from share premium ordinary are yet to be announced in the shareholder's meeting to be held on June 21, 2023.

The Company's board of director also proposed to issue cash dividends from Share Premium-Ordinary of $10,262 thousand on March 14, 2023.

d. Special reserves

	For the Year Ended December 31	
	2022	**2021**
First-time Adoption of IFRSs	$ 22,544	$ 22,544
Appropriation in respect of:		
Debit to other equity items	190,637	180,349
	$ 213,181	$ 202,893

The increase in retained earnings that resulted from all IFRSs adjustments was not enough for this appropriation; therefore, the Company appropriated for special reserve an amount of $22,544 thousand, the increase in retained earnings that resulted from all IFRSs adjustments on transitions to IFRSs.

e. Other equity items

1) Exchange differences on translating the financial statements of foreign operations

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ (167,981)	$ (150,760)
Exchange differences on translating foreign operations	53,620	(21,528)
Related income tax	(10,725)	4,307
Balance at December 31	$ (125,086)	$ (167,981)

2) Unrealized gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ (45,200)	$ (52,133)
Recognized for the year		
Unrealized gain- equity instruments	14,295	11,957
Unrealized loss - debt instruments	(7,171)	(5,051)
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	25,000	-
Related tax- debt instruments	1,092	27
Balance at December 31	$ (11,984)	$ (45,200)

24. REVENUE

a. Contract balances

	December 31, 2022	December 31, 2021	January 1, 2021
Notes receivable (Note 11)	$ 323,730	$ 257,753	$ 183,983
Trade receivables (Note 11)	$ 307,182	$ 360,617	$ 214,226
Contract assets			
Sale of goods	$ 64,962	$ 81,058	$ 35,774
Contract liabilities			
Sale of goods	$ 628,341	$ 488,715	$ 604,684

The changes in the balance of contract assets and contract liabilities primarily result from the timing difference between the Group's satisfaction of performance obligations and the respective customer's payment; other significant changes are as follows:

	For the Year Ended December 31	
	2022	2021
Contract assets		
Transfers of beginning balance to receivables	$ 80,866	$ 35,354

Revenue of the reporting period recognized from the beginning contract liabilities and from the performance obligations which were satisfied in the previous periods is as follows:

	December 31	
	2022	2021
From the beginning contract liabilities		
Sale of goods	$ 467,598	$ 591,001

b. Disaggregation of revenue

	For the Year Ended December 31	
	2022	2021
Revenue from the sale of goods	$ 3,402,882	$ 3,643,610
Repairs and other revenue	145,696	152,141
	$ 3,548,578	$ 3,795,751

c. Partially completed contracts

The transaction prices allocated to the performance obligations that are not fully satisfied and the expected timing for recognition of revenue are as follows.

	December 31	
	2022	2021
Sale of goods		
January 2022 to December 2022	$ -	$ 486,903
January 2023 to December 2023	611,972	1,812
January 2024 to December 2024	16,369	-
	$ 628,341	$ 488,715

25. NET PROFIT

a. Depreciation and amortization

	For the Year Ended December 31	
	2022	2021
An analysis of depreciation by function		
Operating costs	$ 61,125	$ 72,695
Operating expenses	46,918	46,778
Non-operating expenses	1,145	1,146
	$ 109,188	$ 120,619
An analysis of amortization by function		
Operating expenses	$ 7,536	$ 7,605

b. Employee benefits expense

	For the Year Ended December 31	
	2022	2021
Short-term benefits		
Payroll	$ 536,572	$ 515,723
Labor and health insurance	37,623	36,001
	574,195	551,724
Post-employment benefits (see Note 21)		
Defined contribution plans	25,674	23,272
Defined benefit plans	1,060	1,595
	26,734	24,867
Other employee benefits	5,205	4,159
Total employee benefit expenses	$ 606,134	$ 580,750
An analysis of employee benefit expense by function		
Operating costs	$ 214,001	$ 211,432
Operating expenses	392,133	369,318
	$ 606,134	$ 580,750

c. Employees' compensation and remuneration to directors and supervisors

According to the Articles of Incorporation of the Company, the Company accrued employees' compensation and remuneration of directors and supervisors at the rates no less than 2% and no higher than 5%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors and supervisors. The employees' compensation and remuneration of directors and supervisors for the years ended December 31, 2022 and 2021 which have been approved by the Company's board of directors on March 14, 2023 and March 7, 2022, respectively, were as follows:

Accrual rate

	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
Employees' compensation	3%	3%
Remuneration of directors and supervisors	2%	2%

Amount

	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
	Cash	Cash
Employees' compensation	$ 2,123	$ 761
Remuneration of directors and supervisors	1,415	507

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

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

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

d. Gain (loss) on foreign currency exchange

	For the Year Ended December 31	
	2022	2021
Foreign exchange gains	$ 144,297	$ 31,617
Foreign exchange losses	(57,657)	(68,458)
Net gain (loss)	$ 86,640	$ (36,841)

26. INCOME TAXES

a. The major components of tax expense (benefit) recognized in profit or loss

	For the Year Ended December 31	
	2022	2021
Current tax		
In respect of the current year	$ 24,996	$ 71,184
Adjustments for prior years	866	(4,426)
	25,862	66,758
Deferred tax		
In respect of the current year	28,382	(77,039)
Income tax expense (benefit) recognized in profit or loss	$ 54,244	$ (10,281)

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

	For the Year Ended December 31	
	2022	2021
Profit (loss) before tax from continuing operations	$ 82,988	$ 46,382
Income tax expense calculated at the statutory rate	$ 24,106	$ 32,299
Nondeductible expenses in determining taxable income	8,190	113
Non-taxable income	(20,255)	(36,553)
Unrecognized loss carryforwards	(201)	(2,243)
Unrecognized deductible temporary differences	8,004	262
Income tax hike	-	708
Deferred tax adjustments	27,690	(26,687)
Repatriated offshore funds tax	5,844	26,246
Adjustments for prior years' tax	866	(4,426)
Income tax expense (benefit) recognized in profit or loss	$ 54,244	$ (10,281)

The applicable tax rate used by subsidiaries in China is 15%. Tax rates used by other entities in the Group operating in other jurisdictions are based on the tax laws in those jurisdictions.

In July 2019, the president promulgated the regulations on the management, use and taxation of overseas capital repatriation. Profit-seeking enterprises may be subject to the approval of the tax authority to apply the regulations for taxation within two years from the implementation date of the regulations. Furthermore, the repatriated funds in the first year are applicable to the tax rate of 8%, and the applicable tax rate for repatriated funds in the second year is 10%. The general statutory tax rate of 20% is not applicable or both. If real investment is made in the future, a refund of 50% of the tax paid can be applied for the investment amount that meets the requirements.

The parent company repatriated $109,061 thousands with the approval of National Tax Administration of Northern Taiwan Province in February 2021. The tax amount is calculated according to the applicable tax rate of 10% of the repatriated funds in the second year according to the country's regulations on the management and use of overseas capital repatriation and the taxation of the repatriated capital.

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2022	2021
Deferred tax		
In respect of the current year		
Translation of foreign operations	$ 10,725	$ (4,307)
Unrealized loss on financial assets at FVTOCI	(1,092)	(27)
Actuarial gain from defined benefit plans	4,047	(896)
	$ 13,680	$ (5,230)

c. Current tax assets and liabilities

	December 31	
	2022	2021
Current tax assets		
Tax refund receivable	$ 1,841	$ 22,519
Current tax liabilities		
Income tax payable	$ 10,892	$ 11,831

d. Deferred tax assets and liabilities

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

For the year ended December 31, 2022

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Deferred tax assets					
Temporary differences					
Write-down of inventories	$ 14,181	$ (6,300)	$ -	$ -	$ 7,881
Defined benefit obligation	14,451	(2,294)	(4,047)	-	8,110
Payable for annual leave	2,123	345	-	-	2,468
Unrealized exchange loss	11,402	(16,449)	-	-	(5,047)
Unrealized gain between affiliates	7,785	2,985	-	-	10,770
Financial instruments at fair value through profit or loss	238	-	1,092	-	1,330
Exchange difference on foreign operations	17,261	-	(10,725)	-	6,536
	67,441	(21,713)	(13,680)	-	32,048
Tax losses	64,124	(7,407)	-	622	57,339
	$ 131,565	$ (29,120)	$ (13,680)	$ 622	$ 89,387
Deferred tax liabilities					
Temporary differences					
Share of the profit or loss of associates Exchange difference on foreign operations	$ 21,791	$ (738)	$ -	$ -	$ 21,053

For the year ended December 31, 2021

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
Deferred tax assets					
Temporary differences					
Write-down of inventories	$ 18,475	$ (4,294)	$ -	$ -	$ 14,181
Defined benefit obligation	14,726	(1,171)	896	-	14,451
Payable for annual leave	2,014	109	-	-	2,123
Unrealized exchange loss	7,669	3,733	-	-	11,402
Unrealized gain between affiliates	11,241	(3,456)	-	-	7,785
Financial instruments at fair value through profit or loss	211	-	27	-	238
Exchange difference on foreign operations	12,954	-	4,307	-	17,261
	67,290	(5,079)	5,230	-	67,441
Tax losses	58,666	7,450	-	(1,992)	64,124
	$ 125,956	$ 2,371	$ 5,230	$ (1,992)	$ 131,565
Deferred tax liabilities					
Temporary differences					
Share of the profit or loss of associates Exchange difference on foreign operations	$ 96,459	$ (74,668)	$ -	$ -	$ 21,791

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

	December 31	
	2022	2021
Loss carryforwards		
Expiry in 2024	$ 476	$ 1,482
Expiry in 2025	3,802	3,802
Expiry in 2026	11,551	11,551
Expiry in 2027	77,236	77,236
Expiry in 2028	215	215
	$ 93,280	$ 94,286
Deductible temporary differences	$ 99,408	$ 46,275

f. Information about unused loss carryforwards

Loss carryforwards as of December 31, 2022 comprised:

Unused Amount	Expiry Year
$ 95	2024
760	2025
2,310	2026
15,447	2027
2,739	2028
39,024	2030
19,206	2032
17,199	No limit
$ 96,780	

g. Income tax assessments

Income tax returns of the Company through 2020 have been examined and cleared by the tax authorities.

Income tax returns of Xie Da Investment Co., Ltd. through 2020 have been examined and cleared by the tax authorities.

27. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2022	2021
Basic earnings per share	$ 0.18	$ 0.36
Diluted earnings per share	$ 0.18	$ 0.36

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

Net Profit for the Year

	For the Year Ended December 31	
	2022	**2021**
Earnings used in the computation of basic and diluted earnings per share	$ 28,744	$ 56,663

Weighted average number of ordinary shares outstanding (in thousand shares):

	For the Year Ended December 31	
	2022	**2021**
Weighted average number of ordinary shares used in the computation of basic earnings per share	158,434	158,434
Effect of potentially dilutive ordinary shares:		
Employees compensation issue to employees	202	61
Weighted average number of ordinary shares used in the computation of diluted earnings per share	158,636	158,495

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

28. PARTIAL CASH TRANSACTIONS

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

	For the Year Ended December 31	
	2022	**2021**
Cash paid for intangible assets acquisition		
Increase in intangible assets	$ 5,475	$ 19,651
Net increase in long-term advance	-	(2,666)
Cash paid	$ 5,475	$ 16,985
Cash paid for property, plant and equipment acquisition		
Increase in property, plant and equipment	$ 15,020	$ 17,379
Net increase in prepayments for equipment	2,788	1,280
Cash paid	$ 17,808	$ 18,659

Changes in liabilities arising from financing activities

2022

	Opening Balance	Cash Flows	New Leases	Disposals	Change in Foreign Currencies	December 31, 2022
Short-term borrowings	$ 571,529	$ (316,946)	$ -	$ -	$ -	$ 254,583
Guarantee deposits received	917	10	-	-	-	927
Long-term borrowings	1,176,000	206,743	-	-	-	1,382,743
Lease liabilities	65,153	(25,223)	12,862	(121)	971	53,642
	$ 1,813,599	$ (135,416)	$ 12,862	$ (121)	$ 971	$ 1,691,895

2021

	Opening Balance	Cash Flows	New Leases	Disposals	Change in Foreign Currencies	December 31, 2021
Short-term borrowings	$ 374,606	$ 196,923	$ -	$ -	$ -	$ 571,529
Guarantee deposits received	849	68	-	-	-	917
Long-term borrowings	1,289,420	(113,420)	-	-	-	1,176,000
Lease liabilities	71,311	(19,687)	17,169	(1,177)	(2,463)	65,153
	$ 1,736,186	$ 63,884	$ 17,169	$ (1,177)	$ (2,463)	$ 1,813,599

29. CAPITAL MANAGEMENT

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

The Group's capital structure management strategy is based on its products, economic status of property development, and consideration of the risk of future development. The Group's goals to achieve suitable market package of sales, operating scale and target of market share and planned capital expenditure and related schemes of operating capital and cash are the factors in the whole planning of the Group's development and in deciding on the Group's appropriate capital structure.

The Group's management regularly reviews the Group's capital structure and considers the costs and risks of different capital structures and adopts the best overall capital structure. The Group's methods used for capital management and overall strategy had not changed until December 31, 2022.

30. FINANCIAL INSTRUMENTS

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

The Group's management believes the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values or their fair value could not be measured reliably.

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

1) Fair value hierarchy

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares	$ 25,943	$ -	$ -	$ 25,943
Structured deposits	-	197,141	-	197,141
Beneficiary certificate	26,417	-	-	26,417
Limited partnership	-	-	23,427	23,427
	$ 52,360	$ 197,141	$ 23,427	$ 272,928
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Listed shares	$ 3,056	$ -	$ -	$ 3,056
Unlisted shares	-	-	28,550	28,550
Investments in debt instruments				
Foreign investment	49,080	-	-	49,080
	$ 52,136	$ -	$ 28,550	$ 80,686

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Listed shares	$ 13,796	$ -	$ -	$ 13,796
Structured deposits	-	526,236	-	526,236
Beneficiary certificate	30,278	-	-	30,278
Limited partnership	-	-	7,354	7,354
	$ 44,074	$ 526,236	$ 7,354	$ 577,664
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Listed shares	$ 2,792	$ -	$ -	$ 2,792
Unlisted shares	-	-	39,519	39,519
Investments in debt instruments				
Foreign investment	53,448	-	-	53,448
	$ 56,240	$ -	$ 39,519	$ 95,759

There were no transfers between Levels 1 and 2 in the current and prior periods.

2) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Structured deposits	Discounted cash flow Future cash flows are estimated based on contract forward rates, discounted at a rate that reflects credit risk.

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

The fair values of limited partnership is based on assets-based approach. The fair values of unlisted equity securities-ROC were based on the fair values of investment targets which were calculated by using the market approach or assets assets-based approach.

The market approach refers to the use of stock transaction price of the stock in the active market and the value multiplier implied by the price of the companies that engage in the same or similar business, and considers the liquidity reduction to determine the value of the target company.

The assets-based approach evaluates the total market value of individual assets and individual liabilities covered by the evaluation target, and considers non-controlling discounts and liquidity discounts to reflect the overall value of the enterprise or business.

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

For the year ended December 31, 2022

	Financial Assets at FVTPL	Financial Assets at FVTOCI
Financial Assets	**Equity Instruments**	**Equity Instruments**
Balance at January 1, 2022	$ 7,354	$ 39,519
Additions	12,600	-
Recognized in profit or loss (included in other gains and losses)	3,473	-
Recognized in other comprehensive income (included in unrealized valuation gain/(loss) on financial assets at FVTOCI)	-	(10,969)
Balance at December 31, 2022	$ 23,427	$ 28,550

For the year ended December 31, 2021

Financial Assets	Financial Assets at FVTPL Equity Instruments	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2021	$ 6,929	$ 38,117
Recognized in profit or loss (included in other gains and losses)	425	-
Recognized in other comprehensive income (included in unrealized valuation gain/(loss) on financial assets at FVTOCI)	-	7,402
Capital reduction of financial assets at fair value through other comprehensive income	-	(6,000)
Balance at December 31, 2021	$ 7,354	$ 39,519

c. Categories of financial instruments

	December 31	
	2022	2021
Financial assets		
Fair value through profit or loss (FVTPL)		
Held for trading	$ 272,928	$ 577,664
Financial assets at amortized cost (Note 1)	3,408,887	3,145,225
Financial assets at FVTOCI	80,686	95,759
Financial liabilities		
Amortized cost (Note 2)	2,961,374	3,016,141

Note 1: The balances include financial assets at amortized cost, which comprise cash and cash equivalents, time deposits with original maturity of more than 3 months, notes receivable, trade receivables, other receivables, time deposits - limited, restricted bank deposits and refundable deposits.

Note 2: The balances include financial liabilities at amortized cost, which comprise short-term and long-term loans, notes payable, trade payables, part of other payables, and guarantee deposits received.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity and debts investments, trade receivables, trade payables, borrowings, and lease liability. The Group's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The Group’s activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below), interest rates (see (b) below) and other price risk (see (c) below). The Group uses foreign exchange swap contracts and option contracts to manage its exposure to foreign currency risk and interest rate risk.

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

a) Foreign currency risk

Several subsidiaries of the Company had foreign currency sales and purchases, which exposed the Group to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing individual option contracts. The mechanism regularly monitors the position held and the exchange rate fluctuation to lower the risk on exchange rate fluctuations.

The carrying amounts of the Group’s foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period are set out in Note 34.

Sensitivity analysis

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

The following table shows the Group’s sensitivity to a 1% increase and decrease in New Taiwan dollars (the functional currency) against the relevant foreign currencies. The sensitivity rate of 1% is used when reporting foreign currency risk internally to key management personnel and represents management’s assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit and other equity assuming when the New Taiwan dollars strengthened 1% against the relevant currency. For a 1% weakening of New Taiwan dollars against the relevant currency, there would be an equal and opposite impact on pre-tax profit and other equity and the balances below would be negative.

	For the Year Ended December 31	
	2022	**2021**
Effect of USD (i)	$ (12,588)	$ (8,215)
Effect of EUR (ii)	(1,188)	(1,841)
Effect of RMB (iii)	(6,659)	(3,271)
Effect of JPY (iv)	(110)	(15)

i. This was mainly attributable to the outstanding USD-denominated cash and cash equivalents, trade receivables (including related parties), other receivables from related parties, trade payables (including related parties) and other payable at the end of the reporting period.

ii. This was mainly attributable to the outstanding EUR-denominated cash and cash equivalents and trade receivables (including related parties), other receivables from related parties and other payable at the end of the reporting period.

iii. This was mainly attributable to the outstanding RMB-denominated cash and cash equivalents, trade receivables (including related parties), other receivables and trade payables (including related parties) at the end of the reporting period.

iv. This was mainly attributable to the outstanding JPY-denominated cash and cash equivalents, trade receivables, short-term borrowings and trade payable at the end of the reporting period.

b) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rate and held demand deposit, foreign currency deposit and investment of financial product. The Group's management periodically monitors the risk of changes in interest rates, measures the significant risks, and takes control of the risks affected by market rates.

Because the amounts of the Group's financial assets and financial liabilities exposed to fair value interest rate risk and cash flow interest rate risk are immaterial, floating interest rate risk is considered not significant to the Group.

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

	December 31	
	2022	**2021**
Fair value interest rate risk		
Financial assets	$ 1,480,123	$ 1,372,033
Financial liabilities	53,642	65,153
Cash flow interest rate risk		
Financial assets	1,389,403	1,605,883
Financial liabilities	1,637,326	1,747,529

Sensitivity analysis

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

If interest rates had been 1 basis point higher/lower and all other variables were held constant, the Group's pre-tax loss for the year ended December 31, 2022 and 2021 would decrease/increase by $248 thousand and $142 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowing.

c) Other price risk

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

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices and limited partnership instrument had been 5% higher/lower, pre-tax profit for the year ended December 31, 2022 would have increased/decreased by $3,789 thousand, as a result of the changes in financial assets at FVTPL.

If equity prices had been 5% higher/lower, pre-tax profit for the year ended December 31, 2022 would increase/decrease by $4,034 thousand, as a result of the changes in financial assets at FVTOCI.

If equity prices and limited partnership instrument had been 5% higher/lower, pre-tax profit for the year ended December 31, 2021 would have increased/decreased by $2,571 thousand, as a result of the changes in financial assets at FVTPL.

If equity prices had been 5% higher/lower, pre-tax other comprehensive income for the year ended December 31, 2021 would have increased/decreased by $4,788 thousand, as a result of the changes in financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure of counterparties to discharge an obligation and financial guarantees provided by the Group could arise from:

a) The carrying amounts of the respective recognized financial assets as stated in the balance sheets; and

b) The amounts of contingent liabilities in relation to financial guarantee issued by the Group.

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

The credit risk on liquid funds and derivatives was limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Trade receivables consisted of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of trade receivables.

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group's concentration of credit risk of 24.63% and 44.93% in total trade receivables as of December 31, 2022 and 2021, respectively, were related to the Group's five largest customers.

3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2022 and 2021, the Group had available unutilized short-term bank loan facilities set out in (2) below.

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

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

December 31, 2022

	Less Than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years	Total
Non-derivative financial liabilities						
Lease liabilities	$ 2,268	$ 4,488	$ 17,197	$ 34,717	$ 2,491	$ 61,161
Floating interest rate liabilities	1,355	10,962	471,276	1,208,320	-	1,691,913
	$ 3,623	$ 15,450	$ 488,473	$ 1,243,037	$ 2,491	$ 1,753,074

December 31, 2021

	Less Than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years	Total
Non-derivative financial liabilities						
Lease liabilities	$ 2,177	$ 4,354	$ 18,406	$ 45,847	$ 2,341	$ 73,125
Floating interest rate liabilities	2,679	5,124	778,954	1,010,294	-	1,797,051
	$ 4,856	$ 9,478	$ 797,360	$ 1,056,141	$ 2,341	$ 1,870,176

b) Financing facilities

	December 31 2022	December 31 2021
Unsecured bank financing facilities		
Amount used	$ 1,114,250	$ 1,297,529
Amount unused	1,933,881	1,624,326
	$ 3,048,131	$ 2,921,855

(Continued)

	December 31	
	2022	2021
Secured bank loan facilities		
Amount used	$ 523,076	$ 450,000
Amount unused	926,924	1,000,000
	$ 1,450,000	$ 1,450,000
Commercial paper facilities		
Amount used	$ -	$ -
Amount unused	70,000	130,000
	$ 70,000	$ 130,000

(Concluded)

31. TRANSACTIONS WITH RELATED PARTIES

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

Compensation of Key Management Personnel

	For the Year Ended December 31	
	2022	2021
Short-term employee benefits	$ 40,768	$ 42,054
Post-employment benefits	1,857	1,849
Termination benefits	9,188	6,941
	$ 51,813	$ 50,844

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

32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as guarantees for the derivative products, borrowing and endorsements/guarantees:

	December 31	
	2022	2021
Buildings, net	$ 125,153	$ 130,608
Land	118,957	118,957
Investment property	109,534	110,679
Restricted time deposits	15,203	81,353
Restricted demand deposits	53,954	67,868
	$ 422,801	$ 509,465

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

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

Available unused letters of credit were as follows:

	December 31	
	2022	2021
Available unused letters of credit	$ 1,910	$ 1,053

34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2022

	Foreign Currencies (In Thousands)	Exchange Rate	New Taiwan Dollars
Financial assets			
Monetary items			
USD	$ 47,077	30.71 (USD:NTD)	$ 1,445,724
USD	810	6.97 (USD:RMB)	24,862
EUR	3,632	32.72 (EUR:NTD)	118,845
RMB	132,841	4.408 (RMB:NTD)	585,753
RMB	18,238	0.14 (RMB:USD)	80,418
JPY	72,075	0.2324 (JPY:NTD)	16,750
			$ 2,272,352
Financial liabilities			
Monetary items			
USD	455	30.71 (USD:NTD)	$ 13,977
USD	438	34.35 (USD:THB)	13,453
USD	6,003	0.94 (USD:EUR)	184,352
RMB	65	4.408 (RMB:NTD)	285
JPY	24,644	0.2324 (JPY:NTD)	5,727
			$ 217,794

December 31, 2021

	Foreign Currencies (In Thousands)	Exchange Rate	New Taiwan Dollars
Financial assets			
Monetary items			
USD	$ 42,784	27.68 (USD:NTD)	$ 1,184,251
USD	177	6.37 (USD:RMB)	4,897
EUR	5,879	31.32 (EUR:NTD)	184,146
RMB	57,088	4.344 (RMB:NTD)	247,992
RMB	18,238	0.16 (RMB:USD)	79,225
JPY	30,624	0.241 (JPY:NTD)	7,366
			$ 1,707,877
Financial liabilities			
Monetary items			
USD	356	27.68 (USD:NTD)	$ 9,855
USD	6,000	6.37 (USD:RMB)	166,080
USD	1,230	33.16 (USD:THB)	34,033
USD	5,696	0.88 (USD:EUR)	157,667
RMB	17	4.344 (RMB:NTD)	72
JPY	24,524	0.241 (JPY:NTD)	5,898
			$ 373,605

For the years ended December 31, 2022 and 2021, realized and unrealized net foreign exchange gains (losses) were $86,640 thousand and $(36,841) thousand, respectively. The realized and unrealized foreign exchange gain or loss resulted from the evaluation. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the group entities.

35. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others. (Table 1)

2) Endorsements/guarantees provided. (Table 2)

3) Marketable securities held (excluding investment in subsidiaries, associates and jointly controlled portion). (Table 3)

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

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

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

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 4)

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

9) Trading in derivative instruments. (None)

10) Intercompany relationships and significant intercompany transactions. (Table 5)

11) Information on investees. (Table 6)

b. Information on investments in mainland China

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

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses (Table 1 and Table 5):

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

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

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

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

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

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

c. Information on investees (Table 8)

36. SEGMENT INFORMATION

The Group mainly develops, manufactures and sells, and provides IT software services, other design services, and catering service.

a. Revenue from major products and services

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

	For the Year Ended December 31	
	2022	2021
Sales of equipment	$ 3,402,882	$ 3,643,610
Repair services	145,696	152,141
	$ 3,548,578	$ 3,795,751

b. Geographical information

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

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2022	2021	2022	2021
China	$ 1,566,630	$ 2,071,181	$ 213,788	$ 249,013
Taiwan	303,038	204,821	748,024	775,924
America	985,259	614,191	30,560	36,154
Europe	124,971	189,873	12,139	14,394
Others	568,680	715,685	2,727	3,399
	$ 3,548,578	$ 3,795,751	$ 1,007,238	$ 1,078,884

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

c. Information about major customers

No other single customers contributed 10% or more to the Group's revenue for both 2022 and 2021.

TABLE 1

SHIEH YIH MACHINERY INDUSTRY CO., LTD. CORPORATION AND SUBSIDIARIES

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

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Note 2)	Ending Balance (Note 2)	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)	Note
													Item	Value			
0	Shieh Yih Machinery Industry Co., Ltd.	Xie Yi Tech Machinery (China) Co., Ltd	Other receivables - related party	Yes	$ 89,920	$ -	$ 61,420	-	Short-term financing	$ 61,420	$ -	$ -	-	$ -	$ 606,528	$ 970,444	

Note 1: The total amount of the parent company's funds loaned to others shall not exceed 40% of the parent company's net worth, and the limit of individual fund loans to individual objects shall not exceed 25% of the parent company's net worth.

Note 2: The maximum balance for the current period and the ending balance are the quota approved by the board of directors.

Note 3: It has been fully written off when preparing the consolidated financial report.

TABLE 2

SHIEH YIH MACHINERY INDUSTRY CO., LTD. AND SUBSIDIARIES

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

No.	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 5)	Outstanding Endorsement/ Guarantee at the End of the Period (Notes 4 and 5)	Actual Borrowing Amount (Note 4)	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship (Note 2)											
0	Shieh Yih Machinery Industry Co., Ltd.	Seyi Presses Europe GmbH	b	$ 485,222	$ 5,545 (EUR 169 thousand)	$ 5,545 (EUR 169 thousand)	$ 5,545 (EUR 169 thousand)	$ -	0.23	$ 1,213,056	Y	N	N	
		Xie Yi Tech Machinery (China)	b	485,222	178,320 (US$ 6,000 thousand)	-	-	-	-	1,213,056	Y	N	Y	
		Seyi-America, Inc.	b	485,222	8,843 (US$ 300 thousand)	-	-	-	-	1,213,056	Y	N	N	

Note 1: Numbered as follows:

a. "0" for the issuers.
b. Investees are numbered from "1".

Note 2: The relationship between guarantor and guarantee are divided into six categories as follows:

a. The Company in relation to business.
b. A company in which endorsement/guarantee provider holds directly and indirectly over 50% of voting shares.
c. A company holds directly and indirectly over 50% voting shares of endorsement/guarantee provider.
d. A company directly and indirectly holds more than 90% voting shares of endorsement/guarantee provider.
e. Based on contract projects among their peers in accordance with contract provisions which need mutual insurance company.
f. Owing to the joint venture funded by the shareholders on its endorsement of its holding company.
g. Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other:

Note 3: The table should note the calculation method and the quota of maximum amounts. If the financial statement has recognized contingent losses, the table should have recognized the amount.

a. The limits on endorsement or guarantee amount provided to each guarantee party is up to 20% of the net assets value.
b. The total amount of endorsement or guarantee that the Group is allowed to provide shall not exceed 50% of the net assets value.

Note 4: The amount was calculated using the exchange rate of EUR to NTD as of December 31, 2022.

Note 5: The maximum balance for the period and ending balance were approved by the board of directors.

TABLE 3

SHIEH YIH MACHINERY INDUSTRY CO., LTD. AND SUBSIDIARIES

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Number of Shares/ Denomination	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Shieh Yih Machinery Industry Co., Ltd.	Hua Nan Financial Holdings	-	Financial asset at fair value through profit or loss	249,123	$ 5,593	-	$ 5,593	Note 1
	Hua Nan Financial Holdings	-	Financial asset at fair value through other comprehensive income (FVTOCI)	131,616	3,056	-	3,056	Note 1
	Kingfont Precision Industrial Co., Ltd.	-	Financial asset at fair value through other comprehensive income (FVTOCI)	374,710	5,726	1.11	5,726	Note 1
	Gfortune Co., Ltd.	The Company is the supervisor	Financial asset at fair value through other comprehensive income (FVTOCI)	2,400,000	22,824	4.12	22,824	Note 1
Seyi International (Samoa) Inc.	Petroleos Mexicanos (5.35%)	-	Financial asset at fair value through other comprehensive income (FVTOCI)	US$ 500 thousand	12,817	-	12,817	Note 1
	Petroleos Mexicanos (5.95%)	-	Financial asset at fair value through other comprehensive income (FVTOCI)	US$ 500 thousand	11,817	-	11,817	Note 1
Xie Da Investment Co., Ltd.	PineBridge ESQ Quantitative Income & Growth Fund N	-	Financial asset at fair value through profit or loss	2,970,209	26,417	-	26,417	Note 1
	United Microelectronics Corporation	-	Financial asset at fair value through profit or loss	50,000	20,350	-	20,350	Note 1
	Foryou Private Equity Fund Limited Partnership	-	Financial asset at fair value through profit or loss	-	12,460	-	12,460	Note 1
	Foryou Venture Capital Limited Partnership	-	Financial asset at fair value through profit or loss	-	10,399	-	10,399	Note 1
	Outstanding Management Capital Limited Partnership	-	Financial asset at fair value through profit or loss	-	568	-	568	Note 1
	Emirates NBD Bank PJSC (3.00%)	-	Financial asset at fair value through other comprehensive income (FVTOCI)	US$ 980 thousand	24,446	-	24,446	Note 1

Note 1: No pledge on securities.

Note 2: Refer to Tables 6 and 7 for information about subsidiaries and associates.

TABLE 4

SHIEH YIH MACHINERY INDUSTRY CO., LTD. AND SUBSIDIARIES

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

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount (Note 2)	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance (Note 2)	% of Total	
Shieh Yih Machinery Industry Co., Ltd.	Seyi-America, Inc.	Subsidiary	Sale	$ (504,857)	(39)	Note 1	$ -	-	$ 53,323	17	-
Seyi-America, Inc.	Shieh Yih Machinery Industry Co., Ltd.	Parent company	Purchase	504,857	82	Note 1	-	-	(53,323)	(100)	-

Note 1: The collection terms of receivables between the related parties and the Group depend on funds status of the Group. Most receivables were collected according to the fund status. There was no significant difference in other transaction conditions between related parties and non-related parties.

Note 2: The transactions were eliminated from the consolidated financial statements.

TABLE 5

SHIEH YIH MACHINERY INDUSTRY CO., LTD. AND SUBSIDIARIES

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

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount (Note 4)	Payment Terms	% to Total Sales or Assets (Note 3)
0	Shieh Yih Machinery Industry Co., Ltd.	Seyi-America, Inc.	a	Sales revenue	$ 504,857	Note 5	14.23
			a	Accounts receivable	53,323		0.86
		Xie Yi Tech Machinery (China) Co., Ltd.	a	Sales revenue	11,596	Note 5	0.33
			a	Interest Income	820		0.02
			a	Other operating revenue	44,770		1.26
			a	Selling expenses	16		-
			a	Accounts receivable	31,641		0.51
			a	Other receivables	65,064		1.05
			a	Accounts payable	285		-
			a	Purchase	826		0.02
		Seyi Presses Europe GmbH	a	Sales revenue	61,895	Note 5	1.74
			a	Accounts receivable	85,873		1.38
			a	Other receivables	6,118		0.10
			a	Purchase	555		0.02
		Seyi (Thailand) Co., Ltd.	a	Sales revenue	13,500	Note 5	0.38
			a	Accounts receivable	13,453		0.22
			a	Purchase	136		-
			a	Selling expenses	1,871		0.05

Note 1: Significant transactions between the Company and its subsidiaries are numbered as follows:

a. "0" for the Company.
b. Subsidiaries are numbered from "1".

Note 2: Related party transactions are divided into three categories as follows:

a. The Company to subsidiaries.
b. Subsidiaries to the Company.
c. Subsidiaries to subsidiaries.

Note 3: For assets and liabilities, the amount is shown as a percentage to consolidated total assets as of December 31, 2022, while revenues, costs and expenses are shown as a percentage to consolidated total operating revenues for the year ended December 31, 2022.

Note 4: The amount was eliminated from the consolidated financial statements.

Note 5: The Company's sales to related parties were mainly composed of parts and semi-finished goods to Xie Yi Tech Machinery (China) Co., Ltd., finished goods to Seyi-America, Inc. and Seyi Presses Europe GmbH, and parts to Seyi (Thailand) Co., Ltd. For the conditions of sales to Xie Yi Tech Machinery (China) Co., Ltd., the price was the Group's usual list price and there were no similar conditions to compare. The prices of sales to Seyi-America, Inc., Seyi Presses Europe GmbH and Seyi (Thailand) Co., Ltd. Sales price and payment terms are negotiated separately.

SHIEH YIH MACHINERY INDUSTRY CO., LTD. AND SUBSIDIARIES

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee (Note 2)	Share of Profits (Loss) (Note 2)	Note
				December 31, 2022	December 31, 2021	Shares	%	Carrying Amount (Note 1)			
Shieh Yih Machinery Industry Co., Ltd.	Seyi International (Samoa) Inc.	Trust Net Chambers, Lotemau Centre, P.O. Box 1225, Apia, Samoa	Trading and business investment	$ 74,266 (US$ 2,253 thousand)	$ 403,896 (US$ 12,253 thousand)	2,252,750	100.00	$ 716,097 (US$ 23,318 thousand)	$ 49,001 (US$ 1,644 thousand)	$ 49,001 (US$ 1,644 thousand)	Note 3
	Seyi-America, Inc.	17534 VON KARMAN AVE. IRVINE, CA 92614, U.S.A.	Punching machine and other spare and accessory parts	93,776 (US$ 3,000 thousand)	93,776 (US$ 3,000 thousand)	3,000,000	100.00	162,998 (US$ 5,308 thousand)	32,068 (US$ 1,076 thousand)	32,068 (US$ 1,076 thousand)	Note 3
	Seyi Presses Europe GmbH	Wilhelm-Gutbrod-Straße 25, 60437 Frankfurt am Main, Germany	Punching machine and other spare and accessory parts	9,251 (EUR 250 thousand)	9,251 (EUR 250 thousand)	250,000	100.00	(34,756) (EUR (1,062) thousand)	4,809 (EUR 153 thousand)	4,809 (EUR 153 thousand)	Note 3
	Xie Da Investment Co., Ltd.	9F., No. 183, Gangqian Rd., Neihu Dist., Taipei City	Business investment	250,000	250,000	25,000,000	100.00	156,412	(12,769)	(12,769)	Note 3
Seyi International (Samoa) Inc.	Seyi Technology (Samoa) Inc.	Trust Net Chambers, Lotemau Centre, P.O. Box 1225, Apia, Samoa	Trading and business investment	65,409 (US$ 2,000 thousand)	392,456 (US$ 12,000 thousand)	2,000,000	100.00	636,535 (US$ 20,727 thousand)	41,056 (US$ 1,377 thousand)	41,056 (US$ 1,377 thousand)	Note 3
	Seyi (Thailand) Co., Ltd.	399/69 Moo13, Rachatewa, Bangplee, Samutprakarn 10540 Thailand.	Punching machine and other spare and accessory parts	7,300 (THB 7,500 thousand)	7,300 (THB 7,500 thousand)	75,000	100.00	11,634 (THB 13,012 thousand)	1,433 (THB 1,675 thousand)	1,433 (THB 1,675 thousand)	Note 3

Note 1: The amount was calculated using the exchange rate of USD, EUR and THB to NTD on December 31, 2022.

Note 2: The amount was calculated using the average exchange rate of USD, RMB, EUR and THB to NTD from January to December 2022.

Note 3: The financial statements have been audited.

Note 4: The information on investment in mainland China is included in Table 7.

Note 5: Related transactions had been written off in consolidated statement.

SHIEH YIH MACHINERY INDUSTRY CO., LTD. AND SUBSIDIARIES

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

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2022	Net Income (Loss) of the Investee (Notes 2 and 3)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Notes 2 and 3)	Carrying Amount as of December 31, 2022	Accumulated Repatriation of Investment Income as of December 31, 2022	Note
					Outflow	Inflow							
Xie Yi Tech Machinery (China) Co., Ltd.	Production of electronic equipment for computer communication and electronic parts; sale of self-produced products	$ 392,456 (US$ 12,000 thousand)	b. (Seyi Technology (Samoa) Inc.)	$ 392,456 (US$ 12,000 thousand)	$ -	$ 327,047 (US$ 10,000 thousand)	$ 65,409 (US$ 2,000 thousand)	$ 42,661 (RMB 9,647 thousand)	100	$ 42,661 (RMB 9,647 thousand)	$ 623,489 (RMB 141,445 thousand)	$ 734,846 (RMB 166,180 thousand)	

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2022 (Note 4)	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 5)
$122,879 (US$3,979 thousand)	$122,879 (US$3,979 thousand)	$1,455,667

Note 1: The method of investment is divided into three categories as follows:

a. Direct investment.
b. Investments through a holding company registered in a third region.
c. Others.

Note 2: The amount was calculated using the average rate of USD and RMB to NTD from January to December 2022.

Note 3: The financial statement had been audited by the Company's auditors.

Note 4: It include the initial investment of Xie Yi Tech Machinery (China) Co., Ltd. which amounted to $65,409 thousand and the initial investment of Suzhou Yuming Metal Industry Co., Ltd. which amounted to $57,470 thousand; Suzhou Yuming was liquidated and dissolved in December 2020 and its related investment has been repatriated to Taiwan, and approved by the Investment Review Committee of the Ministry of Economic Affairs in February 2023.

Note 5: Calculated on 60% of the Company's net value on December 31, 2022 according to the letter of the Ministry of Economic Affairs No. 09704604680.

Note 6: Related transactions have been written off in the consolidated financial statements.

TABLE 8

SHIEH YIH MACHINERY INDUSTRY CO., LTD. AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2022

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Xuan-Rong Trading Co., Ltd.	13,000,000	8.20
Kaotai Machinery Co., Ltd.	9,239,000	5.83
Far Union Investment Limited	8,061,547	5.08

Note: The main shareholder information in this table is based on the last business day of the quarter at the end of the quarter, and the shareholders hold more than 5% of the company's ordinary shares and special shares that have completed unregistered delivery (including treasury shares). The share capital recorded in the company's consolidated financial report and the actual number of shares delivered without physical registration may be different due to different or different calculation bases.

SHIEH YIH MACHINERY INDUSTRY CO.,LTD.

Chairman Ya-Hui Kuo