ETRON TECHNOLOGY, INC.

PARENT COMPANY ONLY FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2022 AND 2021

For the convenience of readers and for information purpose only, the 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. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of Etron Technology, Inc.

Opinion

We have audited the accompanying parent company only balance sheets of Etron Technology, Inc. (the "Company") as at December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the report of other auditors (please refer to the *Other matter* section), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2022 and 2021, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2022 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2022 parent company only financial statements of the current period are stated as follows:

Key audit matters - Valuation of accounts receivable

Description

Please refer to Note 4(9) for accounting policies on valuation of accounts receivable, Note 5 for the uncertainty of accounting estimates and assumptions related to valuation of accounts receivable, and Note 6(5) for details of accounts receivable. As of December 31, 2022, the total amount of accounts receivable and allowance for uncollectible accounts were NT$907,144 thousand and NT$82,017 thousand, respectively.

The Company assesses the allowance for uncollectible accounts receivable by each individual counterparty when there are significant past due accounts receivable arising from each individual counterparty. The valuation of allowance for uncollectible accounts receivable for the remaining counterparties is based on the default risk and expected loss rate. The amount of accounts receivable is material to the parent company only financial statements and the valuation involves subjective judgment made by management. Thus, we consider the valuation of accounts receivable a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter, these procedures included obtaining an understanding and evaluating the design and operating effectiveness of internal controls related to revenue and receivable business process, obtaining the aging report of accounts receivable and validating the accuracy, obtaining and validating the assessment made by management in identifying significant expected credit loss for each individual counterparty and respective supporting documents, obtaining and validating the expected credit loss ratios calculated by management based on the Company's historical data of similar credit risk and forward-looking information, and testing subsequent collection in order to assess the reasonableness of allowance for uncollectable accounts.

Key audit matters - Valuation of inventories

Description

Refer to Note 4(13) for accounting policies on valuation of inventories, Note 5 for the uncertainty of accounting estimates and assumptions related to valuation of inventories, and Note 6(6) for details of inventories. As of December 31, 2022, the total amount of inventories and allowance for inventory valuation loss were NT$4,006,796 thousand and NT$514,872 thousand, respectively.

The Company is primarily engaged in the design, manufacturing and sale of niche memory chips. Due to rapidly technology changing and market demand, there is a higher risk of decline in market values of inventories or obsolescence. The Company's inventories are measured at the lower of cost and net realizable value. The estimation of net realizable value for inventories aged over a certain period of time and individually identified as obsolete involves management's subjective judgment and the amount of inventories is material to the Company's financial statements. Thus, we consider the valuation of inventories a key audit matter.

How our audit addressed the matter

Our key audit procedures performed in respect of the above matter in order to ascertain the adequacy of allowance for inventory valuation losses include assessing the reasonableness of the provision policies on allowance for inventory valuation losses, checking whether the inventory quantities and amounts at the end of the year on the inventory aging report were consistent with those on the inventory subsidiary ledger, selecting samples to verify the accuracy of the inventory aging report, as well as assessing and verifying the reasonableness of the estimation of the net realisable value by sampling and testing the individual inventory items.

Other matter – Reference to the audits of other auditors

We did not audit the financial statements of certain investments accounted for under the equity method recognized by the Company's investee accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these associates, is based solely on the reports of the other auditors. The balances of these investments accounted for under the equity method amounted to NT$336,110 thousand and

NT$313,775 thousand, constituting 4.17% and 4.46% of the parent company only total assets as at December 31, 2022 and 2021, and the comprehensive income recognized from investments accounted for under the equity method amounted to NT($41,365) thousand and NT$34,364 thousand, constituting (31.66%) and 2.95% of the parent company only total comprehensive income for the years then ended, respectively.

Responsibilities of management and those charged with governance for the parent company only financial statements

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

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

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

Auditors' responsibilities for the audit of the parent company only financial statements

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit.

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

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

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

Chiang, Tsai-Yen	Hsu, Sheng-Chung

For and on Behalf of PricewaterhouseCoopers, Taiwan
March 13, 2023

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.
As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ETRON TECHNOLOGY INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%
Current assets					
Cash and cash equivalents	6(1)	$ 558,543	7	$ 928,016	13
Financial assets at fair value through profit or loss - current	6(2)	56,919	1	4,396	-
Financial assets at amortised cost, current	6(4) and 8	2,000	-	2,000	-
Notes receivable, net	6(5)	41,759	1	10,000	-
Notes receivable - related parties	6(5) and 7	31,756	-	-	-
Accounts receivable, net	6(5)	788,167	10	1,241,920	18
Accounts receivable - related parties	6(5) and 7	36,960	-	139,119	2
Other receivables		9,516	-	40,084	1
Other receivables - related parties	7	38,323	1	31,611	-
Inventories	6(6)	3,491,924	43	1,725,535	24
Prepayments		92,485	1	48,029	1
Other current assets		1,661	-	610	-
Total current assets		5,150,013	64	4,171,320	59
Non-current assets					
Financial assets at fair value through other comprehensive income-non-current	6(3)	-	-	39,308	1
Financial assets at amortised cost-non-current	6(4) and 8	5,941	-	5,941	-
Investments accounted for using equity method	6(7)	1,372,581	17	1,383,210	20
Property, plant and equipment	6(8)(13) and 8	652,242	8	611,154	9
Right-of-use assets	6(9)	210,702	3	140,784	2
Intangible assets	6(11)	16,742	-	16,927	-
Deferred income tax assets	6(33)	216,766	3	241,501	3
Other non-current assets	6(12)	426,936	5	423,213	6
Total non-current assets		2,901,910	36	2,862,038	41
Total assets		$ 8,051,923	100	$ 7,033,358	100

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ETRON TECHNOLOGY INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%
Current liabilities					
Short-term borrowings	6(14)	$ 1,083,088	14	$ 140,720	2
Financial liabilities at fair value through profit or loss-current	6(15)	8,662	-	-	-
Notes payable		752	-	1	-
Accounts payable		676,746	8	928,058	13
Other payables	6(16) and 7	240,461	3	323,895	5
Current tax liabilities		5,240	-	324	-
Current lease liabilities		21,828	-	21,791	-
Long-term liabilities, current portion	6(18)	197,439	3	766,766	11
Other current liabilities, other	6(10)(25) and 7	10,098	-	32,023	-
Total current liabilities		2,244,314	28	2,213,578	31
Non-current liabilities					
Bonds payable	6(17)	739,984	9	-	-
Long-term borrowings	6(18)	572,241	7	502,142	7
Deferred income tax liabilities	6(33)	3,444	-	483	-
Non-current lease liabilities		193,311	2	122,619	2
Other non-current liabilities	6(19) and 7	116,325	2	54,893	1
Total non-current liabilities		1,625,305	20	680,137	10
Total Liabilities		3,869,619	48	2,893,715	41
Equity					
Share capital	6(20)				
Common stock		2,840,618	35	2,698,693	38
Capital collected in advance		3,585	-	1,530	-
Capital surplus	6(21)				
Capital surplus		687,164	9	568,222	8
Retained earnings	6(22)				
Legal reserve		78,407	1	-	-
Unappropriated retained earings		539,784	7	784,069	11
Other equity interest	6(21)	32,746	-	87,129	2
Total equity		4,182,304	52	4,139,643	59
Significant contingent liabilities and unrecognised contract commitments	9				
Significant events after the balance sheet date	11				
Total liabilities and equity		$ 8,051,923	100	$ 7,033,358	100

The accompanying notes are an integral part of these parent company only financial statements.

ETRON TECHNOLOGY INC.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Items	Notes	2022 AMOUNT	2022 %	2021 AMOUNT	2021 %
Operating revenue	6(25) and 7	$ 4,502,838	100	$ 5,847,407	100
Operating costs	6(6)(30)(31)	(3,433,770)	(76)	(3,914,271)	(67)
Gross profit, net		1,069,068	24	1,933,136	33
Operating expenses	6(30)(31) and 7				
Selling expenses		(172,580)	(4)	(169,725)	(3)
General and administrative expenses		(241,335)	(5)	(253,758)	(4)
Research and development expenses		(392,528)	(9)	(395,905)	(7)
Expected credit impairment gain	12(2)	-	-	40,028	1
Total operating expenses		(806,443)	(18)	(779,360)	(13)
Other operating income and expenses - net	6(26) and 7	60,796	1	64,250	1
Operating profit		323,421	7	1,218,026	21
Non-operating income and expenses					
Interest income	6(27)	1,273	-	3,640	-
Other income	6(28) and 7	50,612	1	1,870	-
Other gains and losses	6(29)	(41,854)	(1)	21,208	-
Finance costs	6(32)	(34,248)	-	(39,847)	(1)
Expected credit impairment loss	6(4) and 12(2)	-	-	(63,000)	(1)
Share of loss of associates and joint ventures accounted for using equity method	6(7)	(124,197)	(3)	(22,116)	-
Total non-operating income and expenses		(148,414)	(3)	(98,245)	(2)
Profit before income tax		175,007	4	1,119,781	19
Income tax expense	6(33)	(33,112)	(1)	(68,710)	(1)
Net income for the year		$ 141,895	3	$ 1,051,071	18
Other comprehensive income (loss)					
Items that will not be reclassified to profit or loss					
Loss on remeasurements of defined benefit plans	6(19)	($ 821)	-	($ 5,181)	-
Unrealized gain on valuation of equity instruments at fair value through other comprehensive income	6(3)(23)	35,449	1	29,444	-
Share of other comprehensive (loss) income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(23)	(79,170)	(2)	92,743	2
Items that will be reclassified to profit or loss					
Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	6(23)	33,294	1	(4,569)	-
Other comprehensive (loss) income for the year		($ 11,248)	-	$ 112,437	2
Total comprehensive income for the year		$ 130,647	3	$ 1,163,508	20
Basic earnings per share	6(34)	$	0.50	$	3.73
Diluted earnings per share	6(34)	$	0.50	$	3.69

The accompanying notes are an integral part of these parent company only financial statements.

ETRON TECHNOLOGY INC.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

		Capital			Retained Earnings			
	Notes	Common stock	Capital collected in advance	Capital surplus	Legal reserve	Unappropriated retained earnings (accumulated deficit)	Other equity interest	Total equity
Year 2021								
Balance at January 1, 2021		$ 2,677,073	$ -	$ 496,457	$ -	($ 260,481)	($ 31,829)	$ 2,881,220
Net income for the year		-	-	-	-	1,051,071	-	1,051,071
Other comprehensive income (loss) for the year	6(7)(19)(23)	-	-	-	-	(5,181)	117,618	112,437
Total comprehensive income for the year		-	-	-	-	1,045,890	117,618	1,163,508
Exercise of employee share options	6(20)(21)(24)	21,620	1,530	33,511	-	-	-	56,661
Conversion of subsidiaries' convertible bonds	6(21)	-	-	30,845	-	-	-	30,845
Net change in equity of associates	6(21)	-	-	(20,354)	-	-	-	(20,354)
Share-based compensation	6(21)(24)	-	-	16,652	-	-	-	16,652
Capital contribution from non-controlling interests	6(21)	-	-	48,488	-	-	-	48,488
Changes in ownership interests in subsidiaries	6(21)	-	-	(37,377)	-	-	-	(37,377)
Disposal of investments in equity instruments designed at fair value through other comprehensive income or loss	6(3)(22)	-	-	-	-	(1,340)	1,340	-
Balance at December 31, 2021		$ 2,698,693	$ 1,530	$ 568,222	$ -	$ 784,069	$ 87,129	$ 4,139,643
Year 2022								
Balance at January 1, 2022		$ 2,698,693	$ 1,530	$ 568,222	$ -	$ 784,069	$ 87,129	$ 4,139,643
Net income for the year		-	-	-	-	141,895	-	141,895
Other comprehensive loss for the year	6(7)(19)(23)	-	-	-	-	(821)	(10,427)	(11,248)
Total comprehensive income		-	-	-	-	141,074	(10,427)	130,647
Appropriation and distribution of 2021 retained earnings:	6(22)							
Legal reserve appropriated		-	-	-	78,407	(78,407)	-	-
Stock dividend		134,965	-	-	-	(134,965)	-	-
Cash dividends		-	-	-	-	(215,943)	-	(215,943)
Exercise of employee share options	6(20)(21)(24)	6,960	2,055	10,788	-	-	-	19,803
Net change in equity of associates	6(21)	-	-	30,939	-	-	-	30,939
Share-based compensation	6(21)(24)	-	-	38,527	-	-	-	38,527
Capital contribution from non-controlling interests	6(21)	-	-	2,613	-	-	-	2,613
Changes in ownership interests in subsidiaries	6(7)(22)	-	-	(24,549)	-	-	-	(24,549)
Disposal of investments in equity instruments designed at fair value through other comprehensive income or loss	6(3)(22)	-	-	-	-	43,956	(43,956)	-
Issuance of convertible bonds	6(17)(21)	-	-	60,648	-	-	-	60,648
Repurchase of convertible bonds	6(21)	-	-	(24)	-	-	-	(24)
Balance at December 31, 2022		$ 2,840,618	$ 3,585	$ 687,164	$ 78,407	$ 539,784	$ 32,746	$ 4,182,304

The accompanying notes are an integral part of these parent company only financial statements.

ETRON TECHNOLOGY INC.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 175,007	$ 1,119,781
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit impairment loss	12(2)	-	22,972
Depreciation	6(8)(9)(30)	148,832	167,022
Amortization	6(11)(30)	48,029	39,110
Loss (gain) on financial assets at fair value through profit or loss	6(29)	45,707	(7,433)
Interest expense	6(32)	31,014	36,688
Interest expense from lease liabilities	6(9)(32)	3,234	3,159
Interest income	6(27)	(1,273)	(3,640)
Dividend income	6(28)	(1,230)	-
Share-based compensation	6(24)	38,527	16,652
Share of loss of associates accounted for using the equity method	6(7)	124,197	22,116
Gain on disposals of property, plant and equipment	6(29)	-	(34,500)
Gains arising from lease modifications	6(29)	(55)	(5)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		(31,759)	(10,000)
Notes receivable - related parties		(31,756)	20
Inventories		(1,766,389)	(117,722)
Accounts receivable		453,753	(428,931)
Accounts receivable - related parties		102,159	(103,987)
Other receivables		40,687	(24,552)
Other receivables - related parties		(6,712)	28,571
Prepayments		(44,456)	(24,415)
Other current assets		(1,051)	191
Changes in operating liabilities			
Contract liability		(2,192)	(1,028)
Financial liabilities at fair value through profit or loss		1,955	-
Notes payable		751	(109)
Accounts payable		(251,312)	346,775
Other payables		(110,510)	189,351
Other current liabilities		(19,733)	(35,935)
Provisions for liabilities		(1,151)	(1,167)
Other non-current liabilities		-	(22,782)
Cash (outflow) inflow generated from operations		(1,055,727)	1,176,202
Interest received		1,271	3,643
Dividends received		1,230	-
Interest paid		(24,677)	(40,457)
Income tax refunded		-	137
Net cash flows (used in) from operating activities		(1,077,903)	1,139,525

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ETRON TECHNOLOGY INC.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through profit or loss		($ 91,523)	($ 42,000)
Proceeds from disposal of financial assets at fair value through profit or lost		-	45,446
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(3)	70,358	30,580
Acquisition of investments accounted for using equity method	6(7) and 7	(150,451)	(209,706)
Proceeds from capital reduction of investment accounted for using equity method	6(7)	-	106,458
Dividends received from investments accounted for using equity method	6(7)	-	4,614
Proceeds from disposal of investments		-	337
Acquisition of property, plant and equipment	6(35)	(151,373)	(89,523)
Proceeds from disposal of property, plant and equipment		-	34,500
Acquisition of intangible assets	6(35)	(46,347)	(36,348)
Increase in refundable deposits		(10)	(410,725)
Increase in other non-current assets		(3,713)	(2,091)
Net cash flows used in investing activities		(373,059)	(568,458)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term loans	6(36)	3,203,595	1,067,454
Decrease in short-term loans	6(36)	(2,261,227)	(1,070,369)
Increase in long-term loans	6(36)	776,000	-
Decrease in long-term loans	6(36)	(1,275,228)	(693,815)
Increase in guarantee deposits	6(36)	61,762	219
Payment of lease principal	6(36)	(21,673)	(21,791)
Issuance of convertible bonds payable	6(17)(36)	800,000	-
Repurchase of convertible bonds	6(17)(36)	(5,600)	-
Exercise of employee stock options	6(20)	19,803	56,661
Cash dividends paid	6(22)	(215,943)	-
Net cash flows from (used in) financing activities		1,081,489	(661,641)
Net decrease in cash and cash equivalents		(369,473)	(90,574)
Cash and cash equivalents at beginning of year		928,016	1,018,590
Cash and cash equivalents at end of year		$ 558,543	$ 928,016

The accompanying notes are an integral part of these parent company only financial statements.

ETRON TECHNOLOGY INC.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organization

Etron Technology, Inc. (the "Company") was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.). The Company is primarily engaged in the manufacturing and design of various integrated circuits.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These parent company only financial statements were authorised for issuance by the Board of Directors on March 13, 2023.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS") that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC and became effective from 2022 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

4. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

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

(2) Basis of preparation

A. Except for the following items, the parent company only financial statements have been prepared under the historical cost convention:

(a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(b) Financial assets at fair value through other comprehensive income.

(c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financing Reporting Standards, International Accounting Standards, IFRIC International, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

The parent company only financial statements are presented in New Taiwan dollars, which is the Company's functional currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, nonmonetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within other gains and losses.

B. Translation of foreign operations

(a) The operating results and financial position of all the company entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognised in other comprehensive income.

(b) When the foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Company retains partial interest in the former foreign associate after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in these foreign operations.

(c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Company retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(4) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realised within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(5) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(6) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

D. The Company recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(7) <u>Financial assets at fair value through other comprehensive income</u>

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:

(a) The objective of the Company's business model is achieved both by collecting contractual cash flows and selling financial assets; and

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value:

The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(8) <u>Financial assets at amortised cost</u>

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Company's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

D. The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(9) <u>Accounts and notes receivable</u>

A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(10) Impairment of financial assets

A. For financial assets at amortised cost, at each reporting date, the Company recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts.

B. For accounts receivable that do not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

The Company derecognises a financial asset when one of the following conditions is met:

A. The contractual rights to receive the cash flows from the financial asset expire.

B. The contractual rights to receive cash flows of the financial asset have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial asset.

C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Company has not retained control of the financial asset.

(12) Leasing arrangements (lessor) - operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(13) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and selling expenses.

(14) Investments accounted for using the equity method / subsidiaries and associates

A. Subsidiaries are all entities controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

B. Unrealised gains or losses on transactions between the Company and subsidiaries have been eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

C. The Company’s share of its subsidiaries’ post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company’s share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognise losses proportionate to its ownership.

D. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

E. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.

F. The Company's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income.

G. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Company's ownership percentage of the associate, the Company recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.

H. Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

I. In the case that an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Company's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

J. Upon loss of significant influence over an associate, the Company remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.

K. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

L. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.

M. Pursuant to the Rules Governing the Preparation of Financial Statements by Securities Issuers, profit (loss) of the current period and other comprehensive income in the parent company only financial statements shall equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners' equity in the parent company only financial statements shall equal to equity attributable to owners of the parent in the consolidated financial statements.

(15) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change.

The estimated useful lives of the main property, plant and equipment are as follows:

Buildings and structures	3~50 years
Machinery and equipment	2~10 years
Other equipment	2~10 years

(16) Leasing arrangements (lessee) - right-of-use asset / lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable. The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost. Cost recognised is the amount of the initial measurement of lease liability. The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(17) Intangible assets

A. Patents and special technology

Separately acquired patents and special technology are stated at historical cost. Patents and special technology have a finite useful life and are amortized on a straight-line basis over their economic benefits.

B. Computer software

Computer software is stated at cost and amortised on a straight-line basis over its contract period.

(18) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(19) Borrowings

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

(20) Accounts and notes payable

Accounts and notes payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. However, short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(21) Financial liabilities at fair value through profit or loss

Mandatory convertible bonds

A. Mandatory convertible bonds issued by the Company are initially recognized at fair value. The bonds will be settled by exchanging a fixed amount for an unfixed number of shares, which does not meet the definition of an equity component, and therefore are classified as liabilities. The bonds are subsequently remeasured at the present value of the redemption amount over the period of circulation.

B. The mandatory convertible bonds are transferred from liabilities to equity when the bonds are converted at maturity.

(22) Convertible bonds payable

Convertible bonds issued by the Company contain conversion options (that is, the bondholders have the right to convert the bonds into the Company's common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options and put options. The Company classifies the bonds payable upon issuance as a financial asset, a financial liability or an equity instrument in accordance with the contract terms. They are accounted for as follows:

A. The embedded call options and put options are recognised initially at net fair value as 'financial assets or financial liabilities at fair value through profit or loss'. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognised as 'gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss'.

B. The host contracts of bonds are initially recognised at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortised in profit or loss as an adjustment to 'finance costs' over the period of circulation using the effective interest method.

C. The embedded conversion options which meet the definition of an equity instrument are initially recognised in 'capital surplus—share options' at the residual amount of total issue price less the amount of financial assets or financial liabilities at fair value through profit or loss and bonds payable as stated above. Conversion options are not subsequently remeasured.

D. Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.

E. When bondholders exercise conversion options, the liability component of the bonds (including bonds payable and 'financial assets or financial liabilities at fair value through profit or loss') shall be remeasured on the conversion date. The issuance cost of converted common shares is the total book value of the abovementioned liability component and 'capital surplus—share options'.

(23) <u>Derecognition of financial liabilities</u>

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(24) <u>Employee benefits</u>

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Company uses interest rates of government bonds (at the balance sheet date) instead and conducts an actuarial valuation at the end of the year.

ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(25) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(26) Income tax

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

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

(27) Share capital

A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(28) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(29) Revenue recognition

A. Sales of goods

The Company designs, manufactures and sells integrated circuits. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. As the time interval between the transfer of committed goods and the payment of customer does not exceed one year, the Company does not adjust the transaction price to reflect the time value of money.

B. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(30) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Company will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises expenses for the related costs for which the grants are intended to compensate.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Company's accounting policies

None.

(2) Critical accounting estimates and assumptions

A. Valuation of accounts receivable

The Company evaluates the allowance for uncollectible accounts receivable by individual counterparties when there are significant past due accounts receivable arising from those individual counterparties. The evaluation of allowance for uncollectible accounts and notes receivable for the remaining counterparties is based on the default risk and expected loss rate. The Company considers the historical experience in determining the assumptions adopted and the inputs used when calculating the impairment. Such valuation of accounts receivable is estimated based on the reasonable expectation about expected credit losses on the basis of conditions existing at the balance sheet date although the estimation may differ from the actual result. Therefore, there might be material changes to the evaluation.

As of December 31, 2022, the carrying amount of accounts receivable was $825,127.

B. Valuation of inventories

As inventories are stated at the lower of cost and net realisable value, the Company must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Company evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such valuation of inventories is valuated based on the current market conditions and historical sales experience. Any changes in the market conditions may have material impact on the results of valuation. Therefore, there might be material changes to the evaluation.

As of December 31, 2022, the carrying amount of inventories was $3,491,924.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand and revolving funds	$ 2,271	$ 2,166
Checking accounts and demand deposits	555,467	923,520
Deposits in transit	805	2,330
	$ 558,543	$ 928,016

A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Company’s cash and cash equivalents shown on the balance sheet were not pledged to others as collateral. Details of the Company’s cash and cash equivalents (shown as current and non-current financial assets at amortised cost) pledged to others as collateral are provided in Note 8.

(2) Financial assets and liabilities at fair value through profit or loss

	December 31, 2022	December 31, 2021
Assets		
Current items:		
Listed stocks	$ 91,523	$ -
Valuation adjustment		
Foreign exchange swap contracts	-	3,838
Forward exchange contracts	-	558
Equity instruments	(34,604)	-
	$ 56,919	$ 4,396

A. The Company recognized net (loss) profit amounting to ($39,000) and $7,433 on financial assets and liabilities at fair value through profit or loss for the years ended December 31, 2022 and 2021, respectively.

B. The Company entered into contracts relating to derivative financial assets which were not accounted for under hedge accounting. The information is listed below:

December 31, 2022: None.

	December 31, 2021		
Financial instruments		Contract amount (Notional principal)	Contract period
Assets - current items:			
Forward exchange contracts	USD	$ 4,000 (thousands)	2021.9.28~2022.3.16
Foreign exchange swap contracts	USD	$ 18,000 (thousands)	2021.9.17~2022.3.28

C. The Company entered into forward exchange contracts and foreign exchange swap contracts to hedge exchange rate risk of export proceeds. However, these contracts are not accounted for under hedge accounting.

D. The Company has no financial assets at fair value through profit or loss pledged to others as collateral.

(3) Financial assets at fair value through other comprehensive income

Items	December 31, 2022	December 31, 2021
Non-current items:		
Unlisted stocks	$ -	$ 32,370
Valuation adjustment	-	6,938
	$ -	$ 39,308

A. The Company has elected to classify equity investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to $0 and $39,308 as at December 31, 2022 and 2021, respectively.

B. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Year ended December 31	
	2022	2021
Equity instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income - the Company	$ 35,449	$ 29,444
Fair value change recognised in other comprehensive income - subsidiaries	(82,331)	89,269
	($ 46,882)	$ 118,713
Cumulative gains reclassified to retained earnings due to derecognition - disposal of financial assets by the Company	($ 42,387)	$ 920
Cumulative gains reclassified to retained earnings due to derecognition - disposal of financial assets by subsidiaries	(1,569)	420
	($ 43,956)	$ 1,340

C. For the years ended December 31, 2022, the Company disposed the investee, UNRE AI Ltd., for proceeds of $30,580, and transferred cumulative valuation loss of $920 to retained earnings.

D. For the year ended December 31, 2022, the Company disposed the investee, PLSense Ltd., for proceeds of $78,263, and transferred cumulative valuation gain of $42,387 to retained earnings.

E. The Company has no financial assets at fair value through other comprehensive income pledged to others as collateral.

(4) Financial assets at amortised cost

	December 31, 2022	December 31, 2021
Current items		
Restricted time deposits and performance guarantee	$ 2,000	$ 2,000
Non-current items		
Preference share	$ 63,000	$ 63,000
Restricted time deposits	5,941	5,941
	$ 68,941	$ 68,941
Less: Accumulated impairment	(63,000)	(63,000)
	$ 5,941	$ 5,941

A. Amounts recognized in profit or loss in relation to financial assets at amortized cost are listed below:

	Year ended December 31	
	2022	2021
Interest income	$ 23	$ 20
Impairment loss	$ -	$ 63,000

B. The preference shares are invested for a period of 7 years from May 6, 2017 to May 5, 2024 and cannot be converted into ordinary shares. The issue company may redeem the shares at the actual issue price at the maturity. The investors have no right to ask for early redemption of preference shares. The dividends are cumulative at the rate of 5% per annum. If the dividends are undistributed or are not distributed in full, it will be accumulated for deferred payment in the subsequent years where there are earnings.

C. Information relating to credit risk of financial assets at amortized cost is provided in Note 12(2). The counterparties of the Company's investments in certificates of deposits are financial institutions with high credit quality, so the Company expects that the probability of counterparty default is remote.

(5) Notes and accounts receivable

	December 31, 2022	December 31, 2021
Notes receivable (including related parties)	$ 73,515	$ 10,000
Accounts receivable (including related parties)	907,144	1,463,056
Less: Allowance for uncollectible accounts	(82,017)	(82,017)
	$ 898,642	$ 1,391,039

A. The ageing analysis of accounts and notes receivable that were past due but not impaired is as follows:

	December 31, 2022		December 31, 2021	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	$ 644,147	$ 73,515	$ 1,461,644	$ 10,000
Up to 30 days	131,463	-	1,412	-
31 to 90 days	130,874	-	-	-
91 to 120 days	-	-	-	-
Over 181 days	660	-	-	-
	$ 907,144	$ 73,515	$ 1,463,056	$ 10,000

The above aging schedule for ageing analysis was calculated based on expected payment date.

B. As of December 31, 2022 and 2021, and January 1, 2021, the balances of receivables (including notes receivable) from contracts with customers amounted to $980,659, $1,473,056 and $930,158 respectively.

C. As at December 31, 2022 and 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's accounts and notes receivable were $898,642 and $1,391,039, respectively.

D. Information relating to credit risk is provided in Note 12(2).

(6) Inventories

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 1,684,516	($ 41,428)	$ 1,643,088
Work in progress	1,424,977	(264,541)	1,160,436
Finished goods	897,303	(208,903)	688,400
	$ 4,006,796	($ 514,872)	$ 3,491,924

	December 31, 2021		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 183,482	($ 26,487)	$ 156,995
Work in progress	1,210,831	(234,341)	976,490
Finished goods	782,232	(190,182)	592,050
	$ 2,176,545	($ 451,010)	$ 1,725,535

The cost of inventories recognised as expense for the year:

	Year ended December 31	
	2022	2021
Cost of goods sold	$ 3,369,908	$ 3,824,238
Loss on decline in market value	63,862	90,033
Transferred to expenses	12,779	13,525
	$ 3,446,549	$ 3,927,796

(7) Investments accounted for using the equity method

A. The information on investments accounted for using the equity method is as follows:

	December 31, 2022		December 31, 2021	
	Carrying amount	Shareholding ratio	Carrying amount	Shareholding ratio
Investees				
Subsidiaries				
Eutrend Technology Inc.	$ 333	93.57%	$ 397	93.57%
Kinglord Corp.	412,666	100%	409,180	100%
Plusway Corp.	184,619	100%	168,831	100%
Kingwell Investment Corp.	336,369	100%	366,446	100%
Kingcharm Investment Corp.	30,555	100%	41,270	100%
Intercosmos Group Limited	226,458	100%	212,136	100%
Creative Ally Limited	11,144	100%	12,470	100%
eCapture Ltd. Co.	2,337	100%	2,370	100%
Insignis Technology, Inc.	23,881	100%	11,503	100%
eEver Technology Limited	41,252	50.42%	70,040	50.42%
eYs3D Microelectronics, Inc.	91,312	61.98%	80,293	58.66%
DeCloak Intelligences Co.	10,873	80.31%	8,274	77.75%
T-Era Architecture Technology, Inc.	436	4.71%	-	-
TAT Technology, Inc.	346	5.01%	-	-
	1,372,581		1,383,210	
Associates				
NetVinci, Inc. (Note)	-	-	-	4.58%
	$ 1,372,581		$ 1,383,210	

Note: For the years ended December 31, 2021, the comprehensive shareholding ratio held by the Company in NetVinci, Inc. was 57.75%. The investee's total assets are 0.01% of the consolidated assets as of December 31, 2021, and the Company and the subsidiaries could not obtain more than half seats on the Board, which indicated that the Company and the subsidiaries have no right to direct the operating decisions. Thus, the investee was accounted for using the equity method.

B. The information on the Company's subsidiaries is provided in Note 4(3) in the consolidated financial statements for the year ended December 31, 2022.

C. The Company's subsidiary - Kingwell Investment Corp. distributed 900,000 shares of stock dividends in July 2022, and distributed cash dividends of $4,614 in June 2021.

D. The Company's subsidiary, Intercosmos Group Limited, reduced its capital and repurchased its shares from the Company in the number of 2,770 shares totaling $106,458 in May 2021 and October 2021.

E. The Company increased the capital of its subsidiaries, DeCloak Intelligences Co. and eYs3D Microelectronics, Inc. during 2022. In total share capital of $139,412. The shareholding ratio in Decloak Intelligences Co. increased to 80.31% and in eYs3D Microelectronics Inc. increased to 61.98%. For the year ended December 31, 2022, the Company acquired 4.71% and 5.01% of ownership interests in subsidiaries, T-Era Architecture Technology, Inc. and TAT Technology, Inc., respectively, and the total investment amounted to $11,039.

F. The Company increased the capital of its subsidiaries, Decloak Intelligences Co., Plusway Crop. and eYs3D Microelectronics Inc. during 2021. In total share capital of $209,706. The shareholding ratio in Decloak Intelligences Co. increased to 77.75% and in eYs3D Microelectronics Inc. decreased to 58.66%.

G. The associate, NetVinci, Inc., has completed the liquidation process in the fourth quarter of 2022.

H. The investment loss and other comprehensive (loss) gain recognised for the investments accounted for using the equity method for the years ended December 31, 2022 and 2021 amounted to $124,197 and $22,116, ($45,876) and $88,174, respectively.

(8) Property, plant and equipment

	Buildings and structures	Machinery and equipment	Others	Total
At January 1, 2022				
Cost	$ 536,498	$ 544,880	$ 2,845,162	$ 3,926,540
Accumulated depreciation and impairment	(235,943)	(512,632)	(2,566,811)	(3,315,386)
	$ 300,555	$ 32,248	$ 278,351	$ 611,154
2022				
Opening net book amount as at January 1	$ 300,555	$ 32,248	$ 278,351	$ 611,154
Additions	5,744	1,458	160,179	167,381
Depreciation charge for the year	(11,627)	(17,636)	(97,030)	(126,293)
Closing net book amount as at December 31	$ 294,672	$ 16,070	$ 341,500	$ 652,242
December 31, 2022				
Cost	$ 542,242	$ 546,339	$ 3,001,895	$ 4,090,476
Accumulated depreciation and impairment	(247,570)	(530,269)	(2,660,395)	(3,438,234)
	$ 294,672	$ 16,070	$ 341,500	$ 652,242

	Buildings and structures	Machinery and equipment	Others	Total
At January 1, 2021				
Cost	$ 544,147	$ 818,013	$ 2,795,338	$ 4,157,498
Accumulated depreciation and impairment	(231,824)	(767,579)	(2,481,592)	(3,480,995)
	$ 312,323	$ 50,434	$ 313,746	$ 676,503
2021				
Opening net book amount as at January 1	$ 312,323	$ 50,434	$ 313,746	$ 676,503
Additions	-	803	78,295	79,098
Depreciation charge for the year	(11,768)	(18,989)	(113,690)	(144,447)
Closing net book amount as at December 31	$ 300,555	$ 32,248	$ 278,351	$ 611,154
December 31, 2021				
Cost	$ 536,498	$ 544,880	$ 2,845,162	$ 3,926,540
Accumulated depreciation and impairment	(235,943)	(512,632)	(2,566,811)	(3,315,386)
	$ 300,555	$ 32,248	$ 278,351	$ 611,154

A. Impairment information about the property, plant and equipment is provided in Note 6(13).

B. Information about the property and plant that were pledged to others as collateral is provided in Note 8.

(9) Leasing arrangements—lessee

A. The Company leases various assets including land, buildings and business vehicles. Rental contracts are typically made for periods of 3 to 30 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants.

B. Short-term leases with a lease term of 12 months or less comprise parking spaces.

C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	Carrying amount	
	December 31, 2022	December 31, 2021
Land	$ 120,485	$ 122,751
Buildings	83,990	15,762
Transportation equipment (Business vehicles)	6,227	2,271
	$ 210,702	$ 140,784

	Depreciation charge	
	Year ended December 31	
	2022	2021
Land	$ 4,430	$ 4,384
Buildings	16,060	15,796
Transportation equipment (Business vehicles)	2,049	2,395
	$ 22,539	$ 22,575

D. For the years ended December 31, 2022 and 2021, the additions to right-of-use assets amounted to $96,001 and $0, respectively.

E. The information on profit and loss accounts relating to lease contracts is as follows:

	Year ended December 31	
	2022	2021
Items affecting profit or loss		
Interest expense on lease liabilities	$ 3,234	$ 3,159
Expense on short-term lease contracts	$ 1,099	$ 911
Gain on lease modification	$ 55	$ 5

F. For the years ended December 31, 2022 and 2021, the Company's total cash outflow for leases were $26,006 and $25,861, respectively.

(10) Leasing arrangements – lessor

A. The Company leases various assets including buildings and machinery and equipment. Rental contracts are typically made for periods of 2 to 5 years.

B. For the years ended December 31, 2022 and 2021, the Company recognised rent income in the amounts of $97,382 and $102,825 respectively, based on the operating lease agreement, which does not include variable lease payments.

C. The maturity analysis of the lease payments under the operating leases is as follows:

	December 31, 2022	December 31, 2021
2022	$ -	$ 93,605
2023	103,657	65,896
2024	69,135	65,775
2025	69,128	65,775
2026	67,527	64,179
2027	34,395	32,089
	$ 343,842	$ 387,319

For the years ended December 31, 2022 and 2021, The amounts include the advance rent of $1,117 and $22,794, respectively, (shown as 'other current liabilities'). Refer to Note 7 for advance rent made by the related parties.

(11) Intangible assets

	Patent and special technology	Computer software	Total
At January 1, 2022			
Cost	$ 113,885	$ 137,880	$ 251,765
Accumulated amortisation and impairment	(107,760)	(127,078)	(234,838)
	$ 6,125	$ 10,802	$ 16,927
2022			
Opening net book amount as at January 1	$ 6,125	$ 10,802	$ 16,927
Additions	555	47,289	47,844
Amortisation charge for the year	(2,509)	(45,520)	(48,029)
Closing net book amount as at December 31	$ 4,171	$ 12,571	$ 16,742
At December 31, 2022			
Cost	$ 114,440	$ 185,169	$ 299,609
Accumulated amortisation and impairment	(110,269)	(172,598)	(282,867)
	$ 4,171	$ 12,571	$ 16,742

	Patent and special technology	Computer software	Total
At January 1, 2021			
Cost	$ 113,885	$ 175,025	$ 288,910
Accumulated amortisation and impairment	(105,355)	(163,738)	(269,093)
	$ 8,530	$ 11,287	$ 19,817
2021			
Opening net book amount as at January 1	$ 8,530	$ 11,287	$ 19,817
Additions	-	36,220	36,220
Amortisation charge for the year	(2,405)	(36,705)	(39,110)
Closing net book amount as at December 31	$ 6,125	$ 10,802	$ 16,927
At December 31, 2021			
Cost	$ 113,885	$ 137,880	$ 251,765
Accumulated amortisation and impairment	(107,760)	(127,078)	(234,838)
	$ 6,125	$ 10,802	$ 16,927

Details of amortisation on intangible assets are as follows:

	Year ended December 31	
	2022	2021
Operating costs	$ 412	$ 243
Operating expenses	47,617	38,867
	$ 48,029	$ 39,110

(12) Other non-current assets

	December 31, 2022	December 31, 2021
Guarantee deposits paid	$ 418,966	$ 418,956
Prepayments for business facilities	7,970	4,257
	$ 426,936	$ 423,213

(13) Impairment of non-financial assets

	December 31, 2022	December 31, 2021
Idle assets (shown as machinery and equipment)	$ 43,144	$ 43,144
Less: Accumulated depreciation	(43,144)	(43,144)
Net realisable value	$ -	$ -

(14) Short-term borrowings

Type of borrowings	December 31, 2022	December 31, 2021
Bank unsecured borrowings	$ 1,083,088	$ 140,720

The interest rate ranges as of December 31, 2022 and 2021 were 1.66%~6.31% and 0.82%~1.13%, respectively.

(15) Financial liabilities at fair value through profit or loss

Items	December 31, 2022	December 31, 2021
Current items:		
Financial liabilities designated at fair value through profit or loss		
Call and put options of convertible bonds	$ 1,955	$ -
Valuation adjustment	6,707	-
	$ 8,662	$ -

A. The Company recognised net (loss) gain amounting to ($6,707) and $2 on financial liabilities at fair value through profit or loss for the years ended December 31, 2022 and 2021, respectively.

B. The Company designated this convertible bond as a financial liability measured at fair value through profit or loss. The main reason is that the number of convertible shares in the future will change due to change in the conversion price. Therefore, the Company intends to use fair value as measurement of the liability in the future. Change are recognized in the current profit and loss.

(16) Other payables

	December 31, 2022	December 31, 2021
Wages and salaries payable	$ 74,549	$ 78,032
Employees' compensation payable	24,510	119,001
Directors' remuneration payable	4,070	19,833
Payable on equipment	25,268	7,763
Others	112,064	99,266
	$ 240,461	$ 323,895

(17) Bonds payable

	December 31, 2022
Bonds payable	$ 794,400
Less: Discount on bonds payable	(54,416)
	$ 739,984

December 31, 2021: None.

A. Domestic convertible bonds issued by the Company

(a) The terms of the third domestic unsecured convertible bonds issued by the Company are as follows:

i. The Company issued $800,000 at 100.8% of face value, the third domestic unsecured convertible bonds, as approved by the regulatory authority. The bonds mature 5 years from the issue date (May 24, 2022 ~ May 24, 2027) and will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on May 24, 2022.

ii. The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after three months of the bonds issue to the maturity date, except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.

iii. The effective date for the conversion price of the convertible bonds was set on May 16, 2022. The conversion price was set up based on multiplying a benchmark price which was the closing price of the Company's common share calculated at simple arithmetic mean of one of 1, 3, 5 trading days before the effective date (effective date is excluded) by convertible premium rate of 106%. If there is an ex-right or ex-dividend before the pricing effective date, the closing price adopted to calculate conversion price shall be imputed with ex-right or ex-dividend; if there is an ex-right or ex-dividend during the period that the conversion price was set up but prior to share issuance, the conversion price shall be adjusted based on the conversion price adjustment formula. The conversion price was NT$63.9 (in dollars) per share based on the aforementioned method. After the effective date of the ex-right and ex-dividend, September 20, 2022, the conversion price was adjusted from NT$63.9 (in dollars) to NT$59.9 (in dollars).

iv. The Company may repurchase the bonds held by bondholders in cash at the bonds' face value at any time after the following events occur: (i) the closing price of the Company's common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after three months of the bonds issue to 40 days before the maturity date, or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period within 30 days after three months of the bonds issue to 40 days before the maturity date.

v. Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.

B. Regarding the issuance of convertible bonds, the equity conversion options amounting to $60,648 were separated from the liability component and were recognised in 'capital surplus—share options' in accordance with IAS 32. The call and put options and put options embedded in bonds payable were separated from their host contracts and were recognised in 'financial assets or liabilities at fair value through profit or loss' in net amount in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts.

C. As of December 31, 2022, the Company's the third domestic unsecured convertible bonds have not been exercised.

D. For the year ended December 31, 2022, the amount of convertible bonds repurchased by the Company (including repurchased from Taipei Exchange) was $5,600.

(18) Long-term borrowings

Type of borrowings	Repayment term	December 31, 2022	December 31, 2021
Secured syndicated loan - Land Bank of Taiwan and five other banks	Installment repayments before 2023.2.16 (Refer to Note D for details)	$ -	$ 1,238,929
Secured borrowings - Land Bank of Taiwan	Installment repayments before 2031.2.17	10,436	11,609
Secured borrowings - Sunny Bank	Installment repayments before 2024.9.27	-	18,370
Secured borrowings Sunny Bank	Installment repayments before 2027.9.23	26,000	-
Long-term secured borrowings - KGI Bank	Installment repayments before 2024.8.8	300,000	-
Long-term secured borrowings - Taichung Commercial Bank Co., Ltd	Installment repayments before 2025.8.30	89,185	-
Long-term secured borrowings - Frist Commercial Bank	Installment repayments before 2025.9.8	18,379	-
Long-term secured borrowings - Taiwan Cooperative Bank	Installment repayments before 2025.9.15	200,000	-
Long-term secured borrowings - Frist Commercial Bank	Installment repayments before 2025.10.4	75,680	-

Type of borrowings	Repayment term	December 31, 2022	December 31, 2021
Long-term secured borrowings - Mega International Commercial Bank	Installment repayments before 2025.10.14	50,000	-
		769,680	1,268,908
Less: Current portion		(197,439)	(766,766)
		$ 572,241	$ 502,142

A. Interest rate ranges as of December 31, 2022 and 2021 for the above borrowings were 1.95%~2.14% and 1.59%~1.89%, respectively.

B. Information about the collateral pledged for the aforementioned secured borrowings is provided in Note 8.

C. On August 13, 2020, the Company entered into the second supplemental agreement with the Land Bank of Taiwan and five other banks, the maturity date of borrowing was February 16, 2023, and the borrowings were repaid in the full amount in June 2022.

(19) Pensions

A. (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee.

(b) The amounts recognised in the balance sheet are as follows:

	December 31, 2022	December 31, 2021
Present value of defined benefit obligations	($ 102,167)	($ 95,745)
Fair value of plan assets	64,829	58,077
Net defined benefit liability (shown as other non - current liabilities)	($ 37,338)	($ 37,668)

(c) Movements in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2022			
At January 1	($ 95,745)	$ 58,077	($ 37,668)
Current service cost	(490)	-	(490)
Interest(expense) income	(663)	405	(258)
	(96,898)	58,482	(38,416)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	4,448	4,448
Change in demographic assumptions	(176)	-	(176)
Change in financial assumptions	4,769	-	4,769
Experience adjustments	(9,862)	-	(9,862)
	(5,269)	4,448	(821)
Pension fund contribution	-	1,899	1,899
At December 31	($ 102,167)	$ 64,829	($ 37,338)

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2021			
At January 1	($ 89,006)	$ 55,352	($ 33,654)
Current service cost	(462)	-	(462)
Interest(expense) income	(255)	157	(98)
	(89,723)	55,509	(34,214)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	841	841
Change in demographic assumptions	(388)	-	(388)
Change in financial assumptions	3,563	-	3,563
Experience adjustments	(9,197)	-	(9,197)
	(6,022)	841	(5,181)
Pension fund contribution	-	1,727	1,727
At December 31	($ 95,745)	$ 58,077	($ 37,668)

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitisation products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2022 and 2021 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	Year ended December 31	
	2022	2021
Discount rate	1.25%	0.70%
Future salary increases	2.50%	2.50%

Assumption regarding future mortality rate are set based on the 6th and 5th Taiwan Standard Ordinary Experience Morality Table for the years ended December 31, 2022 and 2021, respectively.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2022				
Effect on present value of defined benefit obligation	($ 2,070)	$ 2,134	$ 2,102	($ 2,050)
December 31, 2021				
Effect on present value of defined benefit obligation	($ 2,166)	$ 2,238	$ 2,193	($ 2,134)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(f) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2023 amount to $1,955.

(g) As of December 31, 2022, the weighted average duration of the retirement plan is 8 years. The analysis of timing of the future pension payment was as follows:

		Amount
Within 1 year	$	2,503
1-2 year(s)		8,532
2-5 years		29,415
Over 5 years		72,659
	$	113,109

B. (a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) The pension costs under defined contribution pension plans of the Company for the years ended December 31, 2022 and 2021, were $17,020 and $15,576, respectively.

(20) Share capital

A. As of December 31, 2022, the Company's authorised capital was $6,500,000, consisting of 650 million shares of ordinary stock (including 65 million shares reserved for employee stock options), and the paid-in capital was $2,840,618 with a par value of $10 (in dollars) per share. All roceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares outstanding are as follows (excluding treasury shares):

Expressed in thousands of shares

		2022		2021
January 1	$	269,869	$	267,707
Capitalisation of earnings		13,497		-
Employee stock options exercised		696		2,162
December 31		284,062		269,869

B. For the year ended December 31, 2022, the employees exercised 786 thousand shares of stock options in accordance with the terms of stock options. 696 thousand shares have been registered (including 60 thousand shares paid but yet to be registered at the beginning of the period). Proceeds from the remaining 150 thousand shares amounting to $3,585 have been collected as of December 31, 2022 and the effective date of the capital increase for conversion was set on March 15, 2023 as resolved by the Board of Directors on March 13, 2023.

C. For the year ended December 31, 2021, the employees exercised 2,222 thousand shares of stock options in accordance with the terms of stock options. On December 31, 2021, the shares paid but yet to be registered amounted to $1,530.

D. Pursuant to the paragraph 7 of Article 43-6 of the Securities and Exchange Act, private placement securities may be carried out by installments within one year of the date of resolution of the shareholders' meeting. On May 12, 2021, it will have been a year since the private placement was approved at the shareholders' meeting on May 13, 2020. Considering the market conditions and the needs of the Company, the Board of Directors resolved on March 24, 2021 to discontinue the private placement and has reported it at the shareholders' meeting on July 2, 2021.

(21) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

Items	Share premium	Net change in equity of associates	Changes in ownership interests in subsidiaries	Employee stock options	Convertible bonds	Treasury share transactions	Others
At January 1, 2022	$ 281,014	$ 57,214	$ 189,347	$ 37,105	$ -	$ 372	$ 3,170
Employee stock options exercised	10,788	-	-	-	-	-	-
Capital contribution from non-controlling interests	-	-	2,613	-	-	-	-
Issuance of convertible bonds	-	-	-	-	60,648	-	-
Net change in equity of associates	-	30,939	-	-	-	-	-
Change in ownership interests in subsidiaries	-	-	(24,549)	-	-	-	-
Share-based payments	-	-	-	38,527	-	-	-
Repurchase of convertible bonds	-	-	-	-	-	(24)	-
December 31, 2022	$ 291,802	$ 88,153	$ 167,411	$ 75,632	$ 60,648	$ 348	$ 3,170

Items	Share premium	Net change in equity of associates	Changes in ownership interests in subsidiaries	Employee stock options	Treasury share transactions	Others
At January 1, 2021	$ 247,503	$ 77,568	$ 147,391	$ 20,453	$ 372	$ 3,170
Employee stock options exercised	33,511	-	-	-	-	-
Conversion of subsidiaries' convertible bonds	-	-	30,845	-	-	-
Capital contribution from non-controlling interests	-	-	48,488	-	-	-
Net change in equity of associates	-	(20,354)	-	-	-	-
Change in ownership interests in subsidiaries	-	-	(37,377)	-	-	-
Share-based payments	-	-	-	16,652	-	-
December 31, 2021	$ 281,014	$ 57,214	$ 189,347	$ 37,105	$ 372	$ 3,170

(22) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset operating losses and then 10% of the remaining amount shall be set aside as legal reserve. Also, the Company shall set aside or reverse special reserve as resolved by the stockholders, or by order of the competent authority. The appropriation of remaining earnings along with accumulated unappropriated earnings from prior years shall be proposed by the Board of Directors and approved by the shareholders.

B. The Company's dividend policy is set out by the Board of Directors according to the Company's medium- and long-term operational plan, investment plans, capital budget as well as internal and external situations, while considering the interests of stockholders. Except for the aforementioned regulations, cash dividends shall not be less than 5% of total dividends when appropriating the dividends to stockholders.

C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

E. Information about the loss make-up proposal as resolved by the stockholders on July 2, 2021 will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

F. The appropriation of 2021 earnings as proposed by the stockholders on June 8, 2022 is as follows:

	Year ended December 31, 2021	
	Amount	Dividend per share (in dollars)
Legal reserve	$ 78,407	
Cash dividends	215,943	$ 0.8
Stock dividends	134,965	0.5
	$ 429,315	

(23) Other equity interest

	Currency translation	Financial assets at fair value through other comprehensive income	Total
At January 1, 2022	($ 101,165)	$ 188,294	$ 87,129
Revaluation - the parent company	-	35,449	35,449
Revaluation - Subsidiaries	-	(82,331)	(82,331)
Revaluation - Associates	-	3,161	3,161
Revaluation transferred to retained earnings – disposal of financial assets	-	(42,387)	(42,387)
Revaluation transferred to retained earnings – disposal of financial assets-subsidiaries	-	(1,569)	(1,569)
Currency translation differences:			
-Subsidiaries	89,324	-	89,324
-Associates	(56,030)	-	(56,030)
At December 31, 2022	($ 67,871)	$ 100,617	$ 32,746

	Currency translation	Financial assets at fair value through other comprehensive income	Total
At January 1, 2021	($ 96,596)	$ 64,767	($ 31,829)
Revaluation - the parent company	-	29,444	29,444
Revaluation - Subsidiaries	-	89,269	89,269
Revaluation - Associates	-	3,474	3,474
Revaluation transferred to retained earnings – disposal of financial assets	-	920	920
Revaluation transferred to retained earnings – disposal of financial assets-subsidiaries	-	420	420
Currency translation differences:			
-Subsidiaries	(23,859)	-	(23,859)
-Associates	19,290	-	19,290
At December 31, 2021	($ 101,165)	$ 188,294	$ 87,129

(24) Share-based payment

A. (a) For the years ended December 31, 2022 and 2021, the Company's share-based payment arrangements are as follows:

Type of arrangement	Grant date	Quantity granted (share in thousands)	Contract period	Vesting conditions
The 4th employee stock options plan	2016.03.23	7,300	8 years	40% vested after two years of issuance; 70% after three years; 100% after four years
The 4th employee stock options plan	2016.08.10	300	8 years	40% vested after two years of issuance; 70% after three years; 100% after four years
The 4th employee stock options plan	2016.11.10	400	8 years	40% vested after two years of issuance; 70% after three years; 100% after four years
Employee stock options plan in 2021	2021.08.09	8,000	6 years	50% vested after two years of issuance; 75% after three years; 100% after four years

The share-based payment arrangements above are settled by equity.

(b) For the years ended December 31, 2022 and 2021, details of the share-based payment arrangements are as follows:

Options	December 31, 2022 No. of options (share in thousands)	December 31, 2022 Weighted-average exercise price (in dollars)	December 31, 2021 No. of options (share in thousands)	December 31, 2021 Weighted-average exercise price (in dollars)
Outstanding at the beginning of the year	10,818	$ 41.10	5,600	$ 25.50
Options granted	-	-	8,000	46.75
Options exercised	(786)	25.20	(2,222)	25.50
Options forfeited due to resignations	(488)	-	(560)	-
Outstanding at the end of the year	9,544	39.44	10,818	41.10
Exercisable at the end of the year	2,092	23.90	2,878	25.50

(c) Details of stock options outstanding are as follows:

Date	Weighted-average period remaining contractual life	Range of exercise prices (in dollars)
December 31, 2022	3.87 years	$23.9~43.80
December 31, 2021	4.71 years	$25.5~46.75

(d) The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

	Grant date March 23, 2016	Grant date August 10, 2016	Grant date November 10, 2016
Dividend yield	0.00%	0.00%	0.00%
Expected price volatility	44.51%~44.71%	43.38%~45.60%	41.80%~44.32%
Risk-free interest rate	0.375%~0.400%	0.375%~0.500%	0.375%~0.625%
Expected option lifetime	8 years	8 years	8 years
Fair value (dollar/share)	3.73 ~ 4.92 (in dollars)	3.45~4.64 (in dollars)	3.02~4.18 (in dollars)

	Grant date
	August 9, 2021
Dividend yield	0.00%
Expected price volatility	51.78%~59.71%
Risk-free interest rate	0.125%
Expected option lifetime	6 years
Fair value (dollar/share)	16.03 ~ 18.77
	(in dollars)

B. For the years ended December 31, 2022 and 2021, expenses incurred on equity-settled share-based payment transactions amounted to $38,527 and $16,652, respectively.

(25) Operating revenue

	Year ended December 31	
	2022	2021
Revenue from contracts with customers	$ 4,502,838	$ 5,847,407

A. Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods at a point in time as follows:

	Year ended December 31	
	2022	2021
Integrated circuits	$ 4,474,833	$ 5,845,794
Others	28,005	1,613
	$ 4,502,838	$ 5,847,407

B. Contract liabilities

The Company has recognised the following revenue-related contract liabilities:

	December 31, 2022	December 31, 2021	January 1, 2021
Contract liabilities	$ 2,051	$ 4,243	$ 5,271

	Year ended December 31	
	2022	2021
Revenue recognised that was included in the contract liability balance at the beginning of the year	$ 4,239	$ 5,271

(26) Other income and expenses – net

	Year ended December 31	
	2022	2021
Rent income, net	$ 60,796	$ 64,250

(27) Interest income

	Year ended December 31	
	2022	2021
Interest income from bank deposits	$ 1,273	$ 3,640

(28) Other income

	Year ended December 31	
	2022	2021
Dividend income	$ 1,230	$ -
Miscellaneous income	49,382	1,870
	$ 50,612	$ 1,870

(29) Other gains and losses

	Year ended December 31	
	2022	2021
(Losses) gains on financial assets at fair value through profit or loss	($ 45,707)	$ 7,433
Foreign exchange gains (losses)	3,808	(20,730)
Losses on disposals of investments	(10)	-
Gains arising from lease modifications	55	5
Gains on disposal of property, plant and equipment	-	34,500
	($ 41,854)	$ 21,208

(30) Expenses by nature

	Years ended December 31,	
	2022	2021
Employee benefit expense	$ 582,499	$ 614,410
Depreciation charges on property, plant and equipment (Note)	$ 148,832	$ 167,022
Amortisation charges on intangible assets	$ 48,029	$ 39,110

Note: Including the depreciation charges presented as a deduction item to rent income under other income.

(31) Employee benefit expense

	Year ended December 31	
	2022	2021
Post-employment benefits		
Defined contribution plans	$ 17,020	$ 15,576
Defined benefit plans	748	560
	17,768	16,136
Other personnel expenses	564,731	598,274
	$ 582,499	$ 614,410

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 12% for employees' compensation and shall not be higher than 2% for directors' remuneration. The employees' compensation can be distributed in the form of shares or cash. Including the employees of subsidiaries of the company meeting certain specific requirements, are entitled to receive aforementioned shares or cash.

B. For the years ended December 31, 2022 and 2021, employees' compensation was accrued at $24,420 and $119,001, respectively; while directors' remuneration was accrued at $4,070 and $19,833, respectively. The aforementioned amounts were recognised in salary expenses. Employees' compensation of $119,001 and directors' remuneration of $19,833 for the year ended December 31, 2021 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2021 financial statements.

C. Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(32) Finance costs

	Year ended December 31	
	2022	2021
Interest expense on bank loan	$ 24,093	$ 36,688
Interest expense on bonds payable	6,921	-
Interest expense on lease liabilities	3,234	3,159
	$ 34,248	$ 39,847

(33) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Year ended December 31	
	2022	2021
Current tax:		
Current tax on profits for the year	$ -	$ 354
Tax on undistributed surplus earnings	5,416	-
Total current tax	5,416	354
Deferred tax:		
Origination and reversal of temporary differences	21,269	167,695
Change in tax losses	6,427	(99,339)
Total deferred tax	27,696	68,356
Income tax expense	$ 33,112	$ 68,710

(b) Reconciliation between income tax expense and accounting profit:

	Year ended December 31	
	2022	2021
Tax calculated based on profit before tax and statutory tax rate	$ 35,001	$ 223,956
Effects from items disallowed by tax regulation	3,702	11,282
Temporary difference not recognised as deferred tax assets	33,665	6,252
Change in assessment of realisation of deferred tax assets	(44,672)	(173,134)
Tax on undistributed surplus earnings	5,416	-
Effect from alternative minimum tax	-	354
Income tax expense	$ 33,112	$ 68,710

B. Amounts of deferred tax assets or liabilities as a result of temporary differences and tax losses are as follows:

	2022		
	January 1	Recognised in profit or loss	December 31
Temporary differences:			
—Deferred tax assets:			
Unrealised allowance for inventory valuation losses	$ 90,202	$ -	$ 90,202
Unrealised investment losses	27,473	(27,473)	-
Others	16,168	9,165	25,333
Tax losses	107,658	(6,427)	101,231
	$ 241,501	($ 24,735)	$ 216,766
—Deferred tax liabilities:			
Unrealised exchange gain	($ 483)	($ 2,961)	($ 3,444)
Total	$ 241,018	($ 27,696)	$ 213,322

	2021		
	January 1	Recognised in profit or loss	December 31
Temporary differences:			
—Deferred tax assets:			
Unrealised allowance for inventory valuation losses	$ 93,120	($ 2,918)	$ 90,202
Unrealised investment losses	171,603	(144,130)	27,473
Others	36,332	(20,164)	16,168
Tax losses	8,319	99,339	107,658
	$ 309,374	($ 67,873)	$ 241,501
—Deferred tax liabilities:			
Unrealised exchange gain	$ -	($ 483)	($ 483)
Total	$ 309,374	($ 68,356)	$ 241,018

C. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

December 31, 2022				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2015	$ 52,485	$ 46,960	$ 46,960	2025
2016	65,732	65,732	65,732	2026
2017	258,459	258,459	258,459	2027
2018	353,228	353,228	353,228	2028
2019	593,449	593,449	338,177	2029
2020	250,883	250,883	-	2030
	$ 1,574,236	$ 1,568,711	$ 1,062,556	

December 31, 2021				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2012	$ 461,037	$ 380,698	$ 380,698	2022
2015	52,485	52,485	52,485	2025
2016	65,732	65,732	65,732	2026
2017	258,459	258,459	258,459	2027
2018	353,228	353,228	353,228	2028
2019	593,449	593,449	306,042	2029
2020	250,883	250,883	-	2030
	$ 2,035,273	$ 1,954,934	$ 1,416,644	

D. The Company’s income tax returns through 2020 have been assessed and approved by the Tax Authority.

(34) Earnings per share

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit for the year	$ 141,895	283,868	$ 0.50
Diluted earnings per share			
Profit for the year	$ 141,895	283,868	$ 0.50
Assumed conversion of all dilutive potential ordinary shares			
- Employee share option	-	1,214	
- Employees' compensation	-	618	
Diluted earnings per share	$ 141,895	285,700	$ 0.50

	Year ended December 31, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit for the year	$ 1,051,071	282,032	$ 3.73
Diluted earnings per share			
Profit for the year	$ 1,051,071	282,032	$ 3.73
Assumed conversion of all dilutive potential ordinary shares			
- Employee share option	-	1,143	
- Employees' compensation	-	1,382	
Diluted earnings per share	$ 1,051,071	284,557	$ 3.69

Note 1: For the year ended December 31, 2022, if the convertible bonds were accrued, there would be anti-dilutive effect, thus, it would not be included in the calculation of dilutive number of shares.

Note 2: For the years ended December 31, 2022 and 2021, the weighted average numbers of outstanding shares were retrospectively adjusted in proportion to 105% of the capitalised amount of unappropriated earnings in September 2022.

(35) Supplemental cash flow information

Investing activities with partial cash payments

	December 31, 2022	December 31, 2021
Purchase of property, plant, equipment and intangible assets	$ 215,225	$ 115,318
Add: Opening balance of payable	7,763	18,316
Less: Ending balance of payable	(25,268)	(7,763)
Cash paid during the year	$ 197,720	$ 125,871

(36) Changes in liabilities from financing activities

	Short-term borrowings	Bonds payable	Long-term borrowings (Note)	Lease liability	Guarantee deposits received
At January 1, 2022	$ 140,720	$ -	$ 1,268,908	$ 144,410	$ 17,225
Changes in cash flow from financing activities	942,368	794,400	(499,228)	(21,673)	61,762
Discount on bonds payable	-	(61,337)	-	-	-
Amortisation of discount on bonds payable	-	6,921	-	-	-
Increased leases	-	-	-	96,001	-
Modification of lease contract	-	-	-	(3,599)	-
December 31, 2022	$1,083,088	$ 739,984	$ 769,680	$ 215,139	$ 78,987

	Short-term borrowings	Long-term borrowings (Note)	Lease liability	Guarantee deposits received
At January 1, 2021	$ 143,635	$ 1,962,723	$ 166,451	$ 17,006
Changes in cash flow from financing activities	(2,915)	(693,815)	(21,791)	219
Modification of lease contract	-	-	(250)	-
December 31, 2021	$ 140,720	$ 1,268,908	$ 144,410	$ 17,225

Note: Including current portion.

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Eutrend Technology, Inc.	A subsidiary directly owned by the Company
Kinglord Corp.	A subsidiary directly owned by the Company
Plusway Corp.	A subsidiary directly owned by the Company
Kingwell Investment Corp.	A subsidiary directly owned by the Company
Kingcharm Investment Corp.	A subsidiary directly owned by the Company
Invention and Collaboration Laboratory, Inc.	A subsidiary indirectly owned by the Company
eEver Technology, Inc.	A subsidiary indirectly owned by the Company
nD-HI Technologies Lab, Inc.	A subsidiary indirectly owned by the Company
eYs3D Microelectronics, Co.	A subsidiary indirectly owned by the Company
eEver Technology Limited	A subsidiary directly owned by the Company
eYs3D Microelectronics, Inc.	A subsidiary directly owned by the Company
Etron Technology America, Inc.	A subsidiary indirectly owned by the Company
Etron Technology (HK) Limited	A subsidiary indirectly owned by the Company
Anzon Corporation	A subsidiary indirectly owned by the Company
Insignis Technology, Inc.	A subsidiary directly owned by the Company
Fullboom Electronics (Shenzhen) Co., Ltd.	A subsidiary indirectly owned by the Company
DeCloak Intelligences Co.	A subsidiary directly owned by the Company
T-Era Architecture Technology, Inc.	A subsidiary directly owned by the Company
TAT Technology, Inc.	A subsidiary directly owned by the Company
Giga Solution Tech. Co., Ltd.	The chairman of the investee and the chairman of the Company are relatives within the second degree of kinship
eCapture Co., Limited Taiwan Branch (Hong Kong)	A subsidiary indirectly owned by the Company
Kai Chun Investment Corp.	The Company’s corporate director
T-Era Architecture Technology Corp.	A subsidiary indirectly owned by the Company
TAT Technology Corp.	A subsidiary indirectly owned by the Company

(2) Significant related party transactions

A. Operating revenue

	Year ended December 31	
	2022	2021
Sales of goods:		
-Subsidiaries	$ 173,851	$ 237,897

Goods sold to related parties are based on normal commercial terms and conditions.

B. Receivables from related parties

	December 31, 2022	December 31, 2021
Notes receivable:		
-Subsidiaries		
Etron Technology (HK) Limited	$ 31,756	$ -
Accounts receivable:		
-Subsidiaries	36,960	139,119
Other receivables:		
-Subsidiaries		
eYs3D Microelectronics, Co.	28,104	22,282
eEver Technology, Inc.	3,847	4,911
Others	43	-
-Other related parties	6,329	4,418
	38,323	31,611
	$ 107,039	$ 170,730

The receivables from related parties arise mainly from sales transactions. The receivables are due 30 to 90 days after the shipment. The receivables are unsecured in nature and bear no interest. Other receivables refer to rent income and service revenue.

C. Payables to related parties

	December 31, 2022	December 31, 2021
Other payables:		
-Subsidiaries	$ 5,483	$ 8,699

Accounts payable to related parties arise mainly commissions and service fees, etc.

D. Advance receipts

	December 31, 2022	December 31, 2021
Subsidiaries	$ 1,117	$ 12
Other related parties		
Giga Solution Tech. Co., Ltd.		
-Current	-	22,782
	$ 1,117	$ 22,794

E. Guarantee deposits received

	December 31, 2022	December 31, 2021
Subsidiaries	$ 180	$ 129
Other related parties		
Giga Solution Tech. Co., Ltd.	16,487	16,487
Others	3	3
	$ 16,670	$ 16,619

It refers to lease deposits.

F. Other transactions

	Year ended December 31	
	2022	2021
Commissions expense and service expense		
-Subsidiaries	$ 69,113	$ 61,887
Others expenses:		
- Subsidiaries	-	38
Support service income (Note):		
- Subsidiaries	8,298	7,425
Rent income:		
- Subsidiaries		
eEver Technology, Inc.	13,999	18,341
eYs3D Microelectronics, Co.	17,643	21,320
Other subsidiaries	627	464

	Year ended December 31	
	2022	2021
- Other related parties		
Giga Solution Tech. Co., Ltd.	65,929	57,524
Others	11	11
Other income:		
- Subsidiaries	232	163

Note: Shown as the deduction of expense.

G. Capital investment to related parties

Subsidiaries	Accounts	No. of shares	Year ended December 31, 2022 Consideration
eYs3D Microlelctronics Inc.	Investments accounted for using the equity method	9,079,366	$ 122,434
DeCloak Intelligences Co.	Investments accounted for using the equity method	1,131,844	16,978
T-Era Architecture Technology,Inc.	Investments accounted for using the equity method	1,689,600	6,309
TAT Technology,Inc.	Investments accounted for using the equity method	1,267,200	4,730
			$ 150,451

Subsidiaries	Accounts	No. of shares	Year ended December 31, 2021 Consideration
Plusway Corp.	Investments accounted for using the equity method	1,000	$ 27,870
eYs3D Microlelctronics, Inc.	Investments accounted for using the equity method	14,285,712	167,714
DeCloak Intelligences Co.	Investments accounted for using the equity method	1,412,209	14,122
			$ 209,706

(3) Key management compensation

	Year ended December 31	
	2022	2021
Salaries and other short-term employee benefits	$ 49,863	$ 71,539
Post-employment benefits	863	743
Service expenses	1,387	790
Share-based payments	7,615	2,884
	$ 59,728	$ 75,956

8. Pledged Assets

The Company's assets pledged as collateral are as follows:

	Book value		
Pledged asset	December 31, 2022	December 31, 2021	Purpose
Time deposits (shown as current financial assets at amortised cost)	$ 2,000	$ 2,000	Customs duty guarantee
Time deposits (shown as non-current financial assets at amortised cost)	5,941	5,941	Land lease agreement guarantee
Buildings and structures	45,093	296,095	Long-term borrowings
	$ 53,034	$ 304,036	

9. Significant Contingent Liabilities and Unrecognised Contract Commitments Contingencies

In February 2017, Securities and Futures Investors Protection Center (the "SFIPC") filed a civil lawsuit against the Company, the former subsidiary, TM Technology, Inc. and other defendants, claiming that they are jointly liable for compensation, on behalf of the investors of the former subsidiary, TM Technology, Inc., as the company's former director Mr. Wu was sued for violating the Securities and Exchange Act in January 2016. On March 18, 2019, Taiwan HsinChu District Court dismissed the lawsuit. However, the SFIPC filed an appeal with Taiwan High Court, which was dismissed on February 26, 2021. On March 24, 2021, SFIPC disagreed with the ruling rendered by the Taiwan High Court and filed an application for an appeal.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

On March 13, 2023, the Board of Directors of the Company resolved the effective date of capital increase for exercise of employee stock option. Refer to Note 6(20) for details.

12. Others

(1) Capital management

The Company must maintain adequate capital to expand product lines and that sales could achieve economic of scale. The Company's objectives when managing capital are to secure necessary financial resources to meet the needs of operating funds for the next year, capital expenditure, research and development activities expenditures and debt repayment.

(2) Financial instruments

A. Financial instruments by category

	December 31, 2022	December 31, 2021
Financial assets		
Financial assets at fair value through profit or loss		
Financial assets at madandatorily measured at fair value through profit or loss	$ 56,919	$ 4,396
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	$ -	$ 39,308
Financial assets at amortised cost/Loans and receivables		
Cash and cash equivalents	$ 558,543	$ 928,016
Financial assets at amortised cost	7,941	7,941
Notes receivable (including related parties)	73,515	10,000
Accounts receivable (including related parties)	825,127	1,381,039
Other receivables (including related parties)	47,839	71,695
Guarantee deposits paid (shown as other non-current assets)	418,966	418,956
	$ 1,931,931	$ 2,817,647
Financial liabilities		
Financial liabilities at fair value through profit or loss		
Financial liabilities designated as at fair value through profit or loss	$ 8,662	$ -
Financial liabilities at amortised cost		
Short-term borrowings	$ 1,083,088	$ 140,720
Notes payable	752	1
Accounts payable (including related parties)	676,746	928,058
Other payables (including related parties)	240,461	323,895
Convertible bonds payable	739,984	-
Long-term borrowings (including current portion)	769,680	1,268,908
Guarantee deposits received(shown as other non - current liabilities)	78,987	17,225
	$ 3,589,698	$ 2,678,807
Lease liability	$ 215,139	$ 144,410

B. Financial risk management policies

(a) The Company’s activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company’s entire risk management policies focus on unpredictable matters in financial market and reducing the potential negative effects on the Company’s financial condition and financial performance.

(b) Risk management is carried out by a central treasury department (the Company treasury) under policies approved by the Board of Directors. During the implementation of financial plans, the central treasury department complied with certain treasury procedures that provide guiding principles for overall financial risk management and segregation of duties.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Exchange rate risk

i. The Company is exposed to the exchange rate risk arising from operating activities which were denominated in non-functional currency. Those transactions were mainly denominated in New Taiwan dollars, US Dollars and RMB. In addition, the Company implements natural hedge in accordance with the capital needs of each currency and the net position of assets and liabilities denominated in foreign currencies, and implements hedge on the risk exposures in accordance with the foreign exchange market conditions.

ii. The Company employs foreign currency derivative financial instruments, including forward exchange contracts or foreign exchange swap contracts to hedge exchange rate risk arising from monetary financial assets and liabilities and forecast transactions that are not denominated in NTD. These hedges can minimize the effects of changes in foreign exchange rates on assets and liabilities, but the risk cannot be eliminated entirely.

iii. The Company’s businesses involve some non-functional currency operations (the Company’s functional currency: New Taiwan dollars). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2022		
(Foreign currency: functional currency)	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
Financial assets			
Monetary items			
USD:NTD	$ 36,659	30.710	$ 1,125,798
Non-monetary items			
USD:NTD	32,382	30.710	994,451
Financial liabilities			
Monetary items			
USD:NTD	27,092	30.710	$ 831,995

(Foreign currency: functional currency)	December 31, 2021 Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
Financial assets			
Monetary items			
USD:NTD	$ 58,654	27.680	$ 1,623,543
Non-monetary items			
USD:NTD	34,929	27.680	966,823
Financial liabilities			
Monetary items			
USD:NTD	26,577	27.680	$ 735,651

iv. The unrealised exchange gain (loss) arising from the monetary items with significant influence held by the Company for the years ended December 31, 2022 and 2021, amounted to $16,531 and ($1,532), respectively.

Analysis of foreign currency market risk arising from significant foreign exchange variation:

(Foreign currency: functional currency)	Year ended December 31, 2022 Sensitivity analysis Degree of variation	Effects on profit or loss	Effect on other comprehensive income
Financial assets			
Monetary items			
USD:NTD	1%	$ 11,258	$ -
Non-monetary items			
USD:NTD	1%	-	9,945
Financial liabilities			
Monetary items			
USD:NTD	1%	8,320	-

(Foreign currency: functional currency)	Year ended December 31, 2021 Sensitivity analysis Degree of variation	Effects on profit or loss	Effect on other comprehensive income
Financial assets			
Monetary items			
USD:NTD	1%	$ 16,235	$ -
Non-monetary items			
USD:NTD	1%	-	9,668
Financial liabilities			
Monetary items			
USD:NTD	1%	7,357	-

Price risk

i. The Company's equity securities, which are exposed to price risk, are the financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio.

ii. The Company invested in domestic and foreign listed and unlisted equity securities. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 5% with all other variables held constant, profit before tax for the years ended December 31, 2022 and 2021 would have increased/decreased by $2,846 and $0, respectively, as a result of gains/losses on financial assets at fair value through profit or loss. On December 31, 2022 and 2021, other components of equity would have increased/decreased by $0 and $1,965, respectively, as a result of other comprehensive income classified as equity investment of financial assets at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

(i) The Company's interest rate risk arises from time deposits, restricted time deposits and long-term borrowings at variable rates. Borrowings issued at variable rates expose the Company to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. During the years ended December 31, 2022 and 2021, the Company's borrowings were denominated in New Taiwan dollars and US Dollars.

(ii) On December 31, 2022 and 2021, if the borrowing interest rate had increased/decreased by 0.25% with all other variables held constant, profit, net of tax for the years ended December 31, 2022 and 2021 would have decreased / increased by $1,539 and $2,538, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(iii) On December 31, 2022 and 2021, if the borrowing interest rate of New Taiwan dollars time deposits (shown as financial assets at amortised cost) had increased/decreased by 0.25% with all other variables held constant, the impact to profit, net of tax for the years ended December 31, 2022 and 2021 would be immaterial. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Company arising from default by the counterparties on the contract obligations. Policy for credit risk management of the Company is as follows:

(i) The Company sets the relevant procedures to monitor, manage and reduce the credit risk of accounts receivable; however, it is not guaranteed that the procedures can effectively exclude the credit risk and avoid losses. The exposure of such credit risk will increase in the deteriorating economic environment.

(ii) The Company periodically monitors, reviews and adjusts the credit limits based on the market conditions and credit status of counterparties to timely manage the credit risk. The Company only transacts with banks and financial institutions with high credit quality, and therefore does not expect to assume the credit risk.

(iii) The main credit risks arise from deposits with bank and financial institutions, financial assets at amortized cost and receivables.

ii. The situation that the Company regards as breach of contract specified in the contract are as follows: when the contract payments may not be recovered and have to be transferred to overdue receivables, the default has occurred.

iii. The Company classifies customers' accounts receivable in accordance with credit rating of customer. The Company applies loss rate methodology to estimate expected credit loss under the provision matrix basis.

iv. The Company adopts following assumptions to assess whether there has been a significant increase in credit risk on that instrument since initial recognition: If the contract payments were past due over 90 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

v. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

(i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;

(ii) The disappearance of an active market for that financial asset because of financial difficulties;

(iii) Default or delinquency in interest or principal repayments.

vi. The Company used the historical information and the forecastability of Taiwan Institute of Economic Research boom observation report to assess the default possibility of accounts receivable.

vii. The Company wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, The Company will continue executing the recourse procedures to secure their rights.

viii. The Company used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2022 and 2021, the loss rate methodology is as follows:

	Accounts and notes receivable		
December 31, 2022	Individual	Group	Total
Expected loss rate		5.55%~7.89%	
Total book value	$ -	$ 907,144	$ 907,144
Loss allowance	$ -	$ 82,017	$ 82,017

December 31, 2021	Accounts and notes receivable Individual	Group	Total
Expected loss rate		5.55%~7.89%	
Total book value	$ -	$ 1,463,056	$ 1,463,056
Loss allowance	$ -	$ 82,017	$ 82,017

ix. Movements in relation to the Company applying the modified approach to provide loss allowance for accounts receivable are as follows:

	2022	2021
	Accounts receivable	Accounts receivable
At January 1	$ 82,017	$ 122,045
Gain on reversal of expected credit loss	-	(40,028)
At December 31	$ 82,017	$ 82,017

x. As of December 31, 2022 and 2021, the collateral held by the Company as security for accounts receivable was letters of credit, promissory note and cheques with book value amounting to $778,776 and $707,060, respectively.

xi. Movements in loss allowance for investments in debt instruments carried at amortized cost are as follows:

	2022 12 months	Significant increase in credit	Impairment of credit
January 1 (December 31)	$ -	$ 63,000	$ -

	2021 12 months	Significant increase in credit	Impairment of credit
At January 1	$ -	$ -	$ -
Transfer and measurement stages	-	-	-
Provision for impairment	-	63,000	-
At December 31	$ -	$ 63,000	$ -

(c) Liquidity risk

i. The objective of liquidity risk management is to ensure sufficient liquidity to meet operating requirements for the coming year.

ii. The table below analyses the Company’s non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities.

Non-derivative financial liabilities	Less than 1 year	Between 1 and 5 years	Over 5 years
December 31, 2022			
Short-term borrowings	$ 1,088,285	$ -	$ -
Notes payable	752	-	-
Accounts payable (including related parties)	676,746	-	-
Other payables	240,461	-	-
Lease liability	11,773	28,685	131,176
Long-term liabilities, current portion	210,943	-	-
Bonds payable	-	794,400	-
Long-term borrowings	-	578,316	4,284
Guarantee deposits received	-	78,987	-

Non-derivative financial liabilities	Less than 1 year	Between 1 and 5 years	Over 5 years
December 31, 2021			
Short-term borrowings	$ 140,926	$ -	$ -
Notes payable	1	-	-
Accounts payable (including related parties)	928,058	-	-
Other payables	323,895	-	-
Lease liability	24,821	23,745	136,534
Long-term liabilities, current portion	781,347	-	-
Long-term borrowings	-	498,485	5,679
Guarantee deposits received	-	17,225	-

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Company's investment in listed stocks classified as financial assets at fair value through profit or loss is included to Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Company's investment in derivatives is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Company's investment in equity investment without active market is included in Level 3.

B. The carrying amounts of financial instruments not measured at fair value including cash and cash equivalents, notes receivable, accounts receivable, other receivables, short-term borrowings, notes payable, accounts payable, other payables, lease liabilities and long-term borrowings are approximate to their fair values.

C. The related information of financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2022 and 2021 are as follows:

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 56,919	$ -	$ -	$ 56,919
Liabilities:				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Call and put options of convertible bonds	$ -	$ -	$ 8,662	$ 8,662

December 31, 2021	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Forward exchange contracts and foreign exchange swao contracts	$ -	$ 4,396	$ -	$ 4,396
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	39,308	39,308
	$ -	$ 4,396	$ 39,308	$ 43,704

D. The methods and assumptions the Company used to measure fair value are as follows:

(a) The instruments the Company used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed share
Market quoted price	Closing price

(b) When assessing non-standard and low-complexity financial instruments, the Company adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

(c) The valuation of derivative financial instruments is based on valuation model widely accepted by market participants. Forward exchange contracts and foreign exchange swap contracts are usually valued based on the current forward exchange rate.

(d) The Company takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Company's credit quality.

E. For the years ended December 31, 2022 and 2021, there was no transfer between Level 1 and Level 2.

F. If one or more of the significant inputs are not based on observable market data, such financial instrument is included in level 3.

G. The following chart is the movement of Level 3 for the years ended December 31, 2022 and 2021:

	Equity securities	
	2022	2021
At January 1	$ 39,308	$ 40,444
Gain or loss recognised in other comprehensive	35,449	29,444
Disposal in the year	(74,757)	(30,580)
At December 31	$ -	$ 39,308

H. For the years ended December 31, 2022 and 2021, there was no transfer into or out from Level 3.

I. Investment segment is in charge of valuation procedures for fair value measurements being adopted within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

J. The following is the qualitative information of significant unobservable inputs and sensitivity analysis to valuation model used in Level 3 fair value measurement:

December 31, 2022: None.

	Fair value at December 31, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 39,308	Market price method	Discount for lack of marketability	20%	Discount for lack of marketability

K. The Company has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

December 31, 2022: None.

			December 31, 2021			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Discount for lack of marketability	±1%	$ -	$ -	$ 393	($ 393)

(4) The impact of the COVID-19 pandemic to the Company's operations

Based on the Company's assessment, the entire supply chain and industry in 2022 have adjusted and adapted to the pandemic. The Company has taken the relevant countermeasures and will continue to monitor the development of pandemic and adjust its strategies in time.

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: None

B. Provision of endorsements and guarantees to others: None

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 1.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: None.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Table 2.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: None.

I. Trading in derivative instruments undertaken during the reporting periods: Note 6 (2).

J. Significant inter-company transactions during the reporting periods: Please refer to table 3.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 4.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 5.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: The details of commissions expense and service expense paid by the Company to Fullboom Electronics (Shenzhen) Co., Ltd. for the years ended December 31, 2022 and 2021, and their outstanding balances (shown as 'other payables') as of December 31, 2022 and 2021 are as follows:

	Year ended December 31, 2022	Year ended December 31, 2021
Commissions expense	$ 15,382	$ 14,629
Service expense	$ 4,667	$ 3,055
	December 31, 2022	December 31, 2021
Other payables	$ 2,222	$ 3,985

(4) Information on major shareholders

None.

ETRON TECHNOLOGY INC.
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Item	Description	Amount
Cash		
Cash on hand		$ 1,823
Petty cash		448
Cash in transit		805
		3,076
Bank deposits		
Checking accounts - NTD		22
- Foreign currency	USD 21 thousand at exchange rate of 30.71	640
	SGD 14 thousand at exchange rate of 22.88	311
Demand deposits - NTD		399,741
- Foreign currency	USD 4,543 thousand at exchange rate of 30.71	139,517
	CNY 34 thousand at exchange rate of 4.408	149
	JPY 58,620 thousand at exchange rate of 0.2324	13,623
	HKD 31 thousand at exchange rate of 3.938	121
	SGD 44 thousand at exchange rate of 22.88	1,010
	EUR 10 thousand at exchange rate of 32.72	333
		555,467
		$ 558,543

ETRON TECHNOLOGY INC.
STATEMENT OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Client Name	Amount	Note
General clients:		
ALM	$ 127,463	
TLW	122,707	
SUN	78,983	
MIT	60,995	
LEN	52,879	
HAP	49,324	
Others	377,833	The amount of individual customers included in others does not exceed 5% of the account balance.
	870,184	
Less: Allowances for uncollectible accounts	(82,017)	
	788,167	
Related parties:		
Etron Technology (HK) Limited	26,359	
Insignis Technology Corporation	9,915	
eEver Technology, Inc.	516	
eYs3D Microelectronics, Co.	121	
Etron Technology America Inc.	49	
	36,960	
	$ 825,127	

ETRON TECHNOLOGY INC.
STATEMENT OF INVENTORIES
DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Item	Amount		Note
	Cost	Net realizable Value	
Raw materials	$ 1,684,516	$ 1,952,107	Note
Work in progress	1,424,977	1,617,186	Note
Finished goods	897,303	837,408	Note
	4,006,796	$ 4,406,701	
Less: Allowance for inventory valuation and obsolescence losses	(514,872)		
	$ 3,491,924		

Note: Refer to Note 4(13) for determination of the method of net realisable value.

ETRON TECHNOLOGY INC.
STANTMENT OF INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Beginning Balance		Addition (Decrease)			Ending Balance			Net Assets Value		
Name	Shares	Amount	Shares	Amount (Note)	Investment Income (Loss)	Shares	Percentage of Ownership	Amount	Unit Price (in dollars)	Total Amount	Collateral
Eutrend Technology, Inc.	2,702,522	$ 397	-	$ -	($ 64)	2,702,522	93.57%	$ 333	$ 0.12	$ 333	None
Kinglord Corp.	25,458	409,180	-	7,958	(4,472)	25,458	100.00%	412,666	16,209.68	412,666	None
Plusway Corp.	10,485	168,831	-	14,580	1,208	10,485	100.00%	184,619	17,607.92	184,619	None
Kingwell Investment Corp.	13,183,000	366,446	900,000	(38,205)	8,128	14,083,000	100.00%	336,369	23.88	336,369	None
Kingcharm Investment Corp.	18,000,000	41,270	-	3,653	(14,368)	18,000,000	100.00%	30,555	1.70	30,555	None
Intercosmos Group Limited	5,292	212,136	-	6,437	7,885	5,292	100.00%	226,458	42,792.52	226,458	None
Creative Ally Limited	3,720	12,470	-	8,620	(9,946)	3,720	100.00%	11,144	2,995.70	11,144	None
NetVinci, Inc.	761,206	-	(761,206)	-	-	-	-	-	-	-	None
eCapture Ltd. Co.	11,666,667	2,370	-	247	(280)	11,666,667	100.00%	2,337	0.20	2,337	None
Insignis Technology, Inc.	24,500,000	11,503	-	2,027	10,351	24,500,000	100.00%	23,881	0.97	23,881	None
eEver Technology Limited	14,250,001	70,040	-	265	(29,053)	14,250,001	50.42%	41,252	2.89	41,252	None
eYs3D Microelectrionics, Inc.	40,050,984	80,293	9,079,366	90,872	(79,853)	49,130,350	61.98%	91,312	1.86	91,312	None
DeCloak Intelligences Co.	1,862,209	8,274	1,131,844	16,037	(13,438)	2,994,053	80.31%	10,873	3.63	10,873	None
T-Era Architecture Technology, Inc.	-	-	1,689,600	633	(197)	1,689,600	4.71%	436	0.26	436	None
TAT Technology, Inc.	-	-	1,267,200	444	(98)	1,267,200	5.01%	346	0.27	346	None
		$ 1,383,210		$ 113,568	($ 124,197)			$ 1,372,581		$ 1,372,581	

Note: It includes capital decrease and increase of subsidiaries, accumulated translation adjustments and shareholders' equity adjustments of subsidiaries recognised proportionally to their interest.

ETRON TECHNOLOGY INC.
STATEMENT OF SHORT-TERM BORROWINGS
DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Creditor	Nature	Ending Balance	Contract Period	Interest Rate	Credit Line	Collateral	Note
Frist Commercial Bank	Credit loan	$ 30,000	2022.12.05~2023.03.03	Note	TWD 30,000 thousand	None	
Frist Commercial Bank	Credit loan	30,000	2022.12.29~2023.03.29	Note	TWD 30,000 thousand	None	
Yuanta Commercial Bank Co., Ltd.	Credit loan	50,000	2022.10.14~2023.01.14	Note	TWD 50,000 thousand	None	
Taishin International Bank	Credit loan	150,000	2022.12.02~2023.03.02	Note	TWD 150,000 thousand	None	
Taiwan Cooperative Bank	Credit loan	100,000	2022.10.04~2023.10.04	Note	TWD 100,000 thousand	None	
Land Bank of Taiwan	Credit loan	250,000	2022.11.03~2023.02.01	Note	TWD 250,000 thousand	None	
Shin Kong Commercial Bank Co., Ltd.	Credit loan	80,000	2022.12.07~2023.01.07	Note	TWD 80,000 thousand	None	
CTBC Bank	Credit loan	46,065	2022.12.01~2023.03.01	Note	TWD 46,065 thousand	None	
Mega International	Credit loan	19,040	2022.12.01~2023.02.01	Note	TWD 19,040 thousand	None	
Mega International	Credit loan	97,658	2022.12.01~2023.03.01	Note	TWD 97,658 thousand	None	
Taiwan Cooperative Bank	Credit loan	46,065	2022.10.25~2023.01.18	Note	TWD 46,065 thousand	None	
Chang Hwa Commercial Bank	Credit loan	46,065	2022.10.04~2023.01.04	Note	TWD 46,065 thousand	None	
Chang Hwa Commercial Bank	Credit loan	24,568	2022.10.28~2023.01.26	Note	TWD 24,568 thousand	None	
Chang Hwa Commercial Bank	Credit loan	21,497	2022.11.01~2023.01.26	Note	TWD 21,497 thousand	None	
Panhsin Bank	Credit loan	15,355	2022.11.02~2023.01.31	Note	TWD 15,355 thousand	None	
Panhsin Bank	Credit loan	61,420	2022.11.17~2023.02.15	Note	TWD 61,420 thousand	None	
Panhsin Bank	Credit loan	15,355	2022.12.26~2023.02.24	Note	TWD 15,355 thousand	None	
		$ 1,083,088					

Note: Interest rate between 1.66%~6.31%.

ETRON TECHNOLOGY INC.
STATEMENT OF ACCOUNTS PAYABLE
DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Supplier Name	Amount	Note
General supplier：		
PERIP	$ 398,050	
FOSATC	77,816	
CMOS	40,500	
Others	160,380	The amount of individual supplier included in others does not exceed 5% of the account balance.
	$ 676,746	

ETRON TECHNOLOGY INC.
STATEMENT OF LONG-TERM BORROWINGS
DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Creditor	Description	Amount	Contract Period	Intereast rate	Collateral	Note
Land Bank of Taiwan	Long-term secured borrowings	$ 10,436	2011.02.17-2031.02.17	Note	Buildings and structures	
Sunny Bank	Long-term secured borrowings	26,000	2022.09.23-2027.09.23	Note	Buildings and structures	
KGI Bank	Long-term credit borrowings	300,000	2022.08.08-2024.08.08	Note	–	
Taichung Commercial Bank Co., Ltd	Long-term credit borrowings	89,185	2022.08.30-2025.08.30	Note	–	
Frist Commercial Bank	Long-term credit borrowings	18,379	2022.09.08-2025.09.08	Note	–	
Taiwan Cooperative Bank	Long-term credit borrowings	200,000	2022.09.15-2025.09.15	Note	–	
Frist Commercial Bank	Long-term credit borrowings	75,680	2022.10.04-2025.10.04	Note	–	
Mega International	Long-term credit borrowings	50,000	2022.10.14-2025.10.14	Note	–	
Subtotal		769,680				
Less: current portion		(197,439)				
		$ 572,241				

Note: Interest rate between 1.95% to 2.14%.

ETRON TECHNOLOGY INC.
STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Item	Volume	Amount	Note
Integrated circuits	206,928 thousand pieces	$ 4,474,833	
Others		28,005	
Total		$ 4,502,838	

ETRON TECHNOLOGY INC.
STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Item	Description	Amount
Beginning raw materials		$ 183,482
Add: Raw materials purchased		3,704,110
Less: Ending raw materials		(1,684,516)
Raw materials sold		(37,200)
Transfers to expenses		(561)
Raw materials transfer out		(4,681)
Raw materials used for the year		2,160,634
Direct labor		8,686
Manufacturing expense		905,161
Manufacturing cost		3,074,481
Add: Beginning work in progress and semi-finished goods		1,210,831
Semi-finished goods purchased		610,994
Finished goods and raw materials transferred		10,875
Less: Ending work in progress and semi-finished goods		(1,424,977)
Transfers to expenses		(8,437)
Cost of finished goods		3,473,767
Add: Beginning finished goods		782,232
Finished goods purchased		12,755
Less: Ending finished goods		(897,303)
Transfers out of finished goods		(6,194)
Transfers to expenses		(3,781)
Cost of goods manufactured and sold		3,361,476
Raw materials sold		37,200
Loss on decline in market value		63,862
Others		(28,768)
Operating cost		$ 3,433,770

ETRON TECHNOLOGY INC.
STATEMENT OF MANUFACTURING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Item	Description	Amount	Note
Processing fees		$ 718,961	
Depreciation expenses		86,792	
Wage and salaries		73,394	
Other expenses		26,014	The amount of individual item included in other expenses does not exceed 5% of the account balance.
		$ 905,161	

ETRON TECHNOLOGY INC.
STATEMENT OF SELLING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Item	Description	Amount	Note
Wage and salaries		$ 58,482	
Commission expense		53,659	
Service expense		19,887	
Import and export expense		13,224	
Other expenses		27,328	The amount of individual item included in other expenses does not exceed 5% of the account balance.
		$ 172,580	

ETRON TECHNOLOGY INC.
STATEMENT OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Item	Description	Amount	Note
Wages and salaries		$ 145,984	
Depreciation expenses		13,583	
Directors' remuneration		4,070	
Other expenses		77,698	The amount of individual item included in other expenses does not exceed 5% of the account balance.
		$ 241,335	

ETRON TECHNOLOGY INC.
STATEMENT OF DEVELOPMENT EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Item	Description	Amount	Note
Wages and salaries		$ 223,064	
Depreciation expenses		27,869	
Amortisation expenses		25,085	
Service expense		21,930	
Other expenses		94,580	The amount of individual item included in other expenses does not exceed 5% of the account balance.
		$ 392,528	

ETRON TECHNOLOGY INC.
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION EXPENSES BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2022

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Function / Nature	Year ended December 31, 2022			Year ended December 31, 2021		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee Benefit Expense						
Wages and salaries	$ 78,747	$ 390,236	$ 468,983	$ 55,724	$ 463,597	$ 519,321
Share-based payment	3,397	35,130	38,527	1,342	15,310	16,652
Labour and health insurance fees	5,597	29,356	34,953	4,784	24,007	28,791
Pension costs	2,660	15,108	17,768	2,455	13,681	16,136
Directors' remuneration	-	6,234	6,234	-	21,344	21,344
Other personnel expenses	3,304	12,731	16,035	2,156	10,010	12,166
Depreciation Expense	86,792	62,040	148,832	88,176	78,846	167,022
Amortisation Expense	412	47,617	48,029	243	38,867	39,110

Note:

1. As at December 31, 2022 and 2021, the Company had 305 and 300 employees, both including 6 non-employee directors.
2. A company whose stock is listed for trading on the stock exchange or over-the-counter securities exchange shall additionally disclose the following information：

(1) Average employee benefit expense in current year was $1,927 ((Total employee benefit expense in current year - Total directors' remuneration in current year) / (Number of employees in current year - Number of non-employee directors in current year)).
Average employee benefit expense in previous year was $2,017 ((Total employee benefit expense in previous year - Total directors' remuneration in previous year) /(Number of employees in previous year - Number of non-employee directors in previous year)).

(2) Average employee salaries in current year were $1,569 thousand (Total employee salaries in current year / (Number of employees in current year - Number of non-employee directors in current year)).Average employee salaries in previous year was $1,766 thousand (Total employee salaries in previous year / (Number of employees in previous year -Number of non-employee directors in previous year)).

(3) Adjustment of average employee salaries was an increase of 11.20%. ((Average employee salaries in current year -Average employee salaries in previous year) / Average employee salaries in previous year).

(4)There was no remuneration for supervisors in this year and last year. (The Company has an Audit Committee, thus there was no remuneration forsupervisors.)

ETRON TECHNOLOGY INC.

SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION EXPENSES BY FUNCTION (Cont.)

FOR THE YEAR ENDED DECEMBER 31, 2022

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

(5)The Company’s remuneration policy is as follows:

i. The Company has formulated the Articles of Incorporation and ‘Regulations Governing Directors’ Remuneration’ to regulate the payment standard and structure on directors’ remuneration, and has established a Remuneration Committee to be in charge of formulating and assessing the policy, system, standard and structure on directors’ remuneration, and submitting the proposal to the Board of Directors for discussion. Other than transportation allowances, independent directors are entitled to receive monthly fixed salaries for performing their duties independently and participating in corporate governance; remuneration from profit, if any, based on the profit distribution ratio for independent directors as stipulated in the regulations. The remuneration distributed to each director will then be calculated using the weighted proportion method based on the length of each director’s tenure during the year and the weights assigned to each director depending on their standing. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year shall be distributed as directors’ remuneration, and the ratio shall be no higher than 2%.

ii. The company’s have contracted with the company’s articles of incorporation, "Manager performance evaluation and managerial position management methods", etc., based on the most common standard remuneration and payment Performing duties of the company’s managers’ performance evaluation and remuneration management system and setting up remuneration standards.

iii. The company’s employee remuneration is determined based on academic background, performance and work contribution, and continuously reviews the external market salary competitiveness and salary portfolio of all employees, and makes salary adjustments in a timely manner. There are three additional bonus payment methods and According to the company's operating conditions, employees are paid not less than 12% of the current year's profit status to attract, motivate and retain outstanding talents.

Etron Technology, Inc.
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
December 31, 2022

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by	Type of marketable securities	Name of marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2022				Footnote
					Number of shares	Book value	Ownership (%)	Fair value	
Kingwell Investment Corp.	Stock	Macronix International Co., Ltd	The general manager of the investee and the chairman of the Company are relatives within second degree of kinship	Current financial assets at fair value through profit or loss	15,840	$ 534	-	$ 534	
Kingcharm Investment Corp.	Stock	Walton Advanced Engineering, Inc	None	Current financial assets at fair value through profit or loss	10,000	114	-	114	
Kingcharm Investment Corp.	Stock	ProMos Technology, Inc.	None	Current financial assets at fair value through profit or loss	6	-	-	-	
Etron Technology, Inc.	Stock	Taiwan Semiconductor Manufacturing Company	None	Current financial assets at fair value through profit or loss	110,000	49,335	-	49,335	
Etron Technology, Inc.	Stock	uPI semiconductor corp.	None	Current financial assets at fair value through profit or loss	32,000	7,584	-	7,584	
Plusway Corp.	Convertible bonds	Cognito Health International, Inc.	None	Current financial assets at fair value through profit or loss	-	3,327	-	3,327	
Creative Ally Limited	Stock	Cognito Health International, Inc.	None	Non-current financial assets at fair value through other comprehensive income	1,010,101	-	1.26%	-	
Etron Technology (HK) Limited	Equity investment	Shanghai Walden Venture Capital Enterprise	None	Non-current financial assets at fair value through other comprehensive income	-	150,843	1.52%	150,843	
Etron Technology (HK) Limited	Equity investment	Walden Technology Ventures II, L.P.	None	Non-current financial assets at fair value through other comprehensive income	-	152,716	2.64%	152,716	
Etron Technology (HK) Limited	Equity investment	Arm IoT Fund, L.P	None	Non-current financial assets at fair value through other comprehensive income	-	27,950	4.65%	27,950	
Etron Technology (HK) Limited	Equity investment	WI Harper Fund IX, L.P.	None	Non-current financial assets at fair value through other comprehensive income	-	13,110	1.10%	13,110	
Kinglord Corp.	Stock	Senti Bioscience, Inc.	The chairman of the investee and the chairman of the Company are relatives within second degree of kinship	Non-current financial assets at fair value through other comprehensive income	41,475	1,796	0.09%	1,796	
Kinglord Corp.	Stock	Personal Genomics, Inc.	None	Non-current financial assets at fair value through other comprehensive income	741,926	15,095	1.34%	15,095	
Plusway Corp.	Stock	Personal Genomics, Inc.	None	Non-current financial assets at fair value through other comprehensive income	1,261,456	30,217	2.28%	30,217	
Plusway Corp.	Equity investment	WI Harper Fund IX, L.P.	None	Non-current financial assets at fair value through other comprehensive income	-	19,547	1.64%	19,547	

Etron Technology, Inc.
Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)
December 31, 2022

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by	Type of marketable securities	Name of marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2022				Footnote
					Number of shares	Book value	Ownership (%)	Fair value	
Plusway Corp.	Equity investment	IT-Farm J-Tech Fund Investment Limited Partnership	None	Non-current financial assets at fair value through other comprehensive income	-	$ 5,355	7.09%	$ 5,355	
Kingwell Investment Corp.	Stock	Foho Technology Corp.	None	Non-current financial assets at fair value through other comprehensive income	3,872,234	-	19.54%	-	
Kingwell Investment Corp.	Stock	Bridge Semiconductor Corporation	None	Non-current financial assets at fair value through other comprehensive income	1,375,000	-	5.75%	-	
Kingwell Investment Corp.	Stock	Innorich Venture Capital Corp.	None	Non-current financial assets at fair value through other comprehensive income	6,000,000	32,618	11.19%	32,618	
Kingwell Investment Corp.	Stock	Raytek Semiconductor, Inc.	None	Non-current financial assets at fair value through other comprehensive income	1,852,000	21,416	1.54%	21,416	
Kingwell Investment Corp.	Stock	Ardentec Corporation	The chairman of the investee and the chairman of the Company are relatives within second degree of kinship	Non-current financial assets at fair value through other comprehensive income	3,712,457	184,137	0.76%	184,137	
Kingwell Investment Corp.	Stock	Anqing Innovation Investment Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	2,000,000	13,642	4.33%	13,642	
Kingwell Investment Corp.	Stock	Mosa Industrial Corporation	None	Non-current financial assets at fair value through other comprehensive income	38,000	923	0.02%	923	
Kingwell Investment Corp.	Equity investment	Arm IoT Fund L.P	None	Non-current financial assets at fair value through other comprehensive income	-	9,257	1.54%	9,257	
Kingwell Investment Corp.	Stock	IQE PLC	None	Non-current financial assets at fair value through other comprehensive income	55,916	1,029	0.01%	1,029	
Kingcharm Investment Corp.	Stock	Bridge Semiconductor Corporation	None	Non-current financial assets at fair value through other comprehensive income	1,988,970	-	8.32%	-	
Kingcharm Investment Corp.	Stock	Digitimes Inc.	None	Non-current financial assets at fair value through other comprehensive income	78,750	859	0.42%	859	
Etron Technology, Inc.	Preference share	Foho Technology Corp.	None	Non-current financial assets at amortised cost	4,200,000	-	-	-	

Etron Technology, Inc.
Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more
Year ended December 31, 2022

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Etron Technology, Inc.	Etron Technology(HK) Limited	An indirectly held subsidiary of the Company	Sales	($ 123,034)	2.73%	90 days end of month	Not applicable	Not applicable	$ 58,115	6.47%	

Etron Technology, Inc.
Significant inter-company transactions during the reporting periods
Year ended December 31, 2022

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction: General ledger account	Transaction: Amount	Transaction: Transaction terms (Note 4)	Transaction: Percentage of consolidated total operating revenues or total assets (Note 3)
0	Etron Technology, Inc.	Etron Technology America, Inc.	1	Service expense	$ 17,735	-	0.38%
0	Etron Technology, Inc.	Etron Technology America, Inc.	1	Commissions expense	28,263	-	0.60%
0	Etron Technology, Inc.	Etron Technology America, Inc.	1	Other accrued expense	2,246	-	0.03%
0	Etron Technology, Inc.	Anzon Corporation	1	Service expense	2,123	-	0.05%
0	Etron Technology, Inc.	Fullboom Electronic (Shenzhen) Co., Ltd.	1	Commissions expense	15,382	-	0.33%
0	Etron Technology, Inc.	Fullboom Electronic (Shenzhen) Co., Ltd.	1	Service expense	4,667	-	0.10%
0	Etron Technology, Inc.	Fullboom Electronic (Shenzhen) Co., Ltd.	1	Other accrued expense	2,222	-	0.03%
0	Etron Technology, Inc.	Etron Technology (HK) Limited	1	Sales revenue	123,034	-	2.62%
0	Etron Technology, Inc.	Etron Technology (HK) Limited	1	Notes receivable	31,756		0.39%
0	Etron Technology, Inc.	Etron Technology (HK) Limited	1	Accounts receivable	26,359	-	0.32%
0	Etron Technology, Inc.	eEver Technology, Inc.	1	Other receivables	3,847	-	0.05%
0	Etron Technology, Inc.	eEver Technology, Inc.	1	Other income	13,999	-	0.30%
0	Etron Technology, Inc.	eEver Technology, Inc.	1	Support service income	3,411	-	0.07%
0	Etron Technology, Inc.	eYs3D Microelectronics, Co.	1	Support service income	4,887	-	0.10%
0	Etron Technology, Inc.	eYs3D Microelectronics, Co.	1	Other receivables	28,104	-	0.34%
0	Etron Technology, Inc.	eYs3D Microelectronics, Co.	1	Other income	17,643	-	0.38%
0	Etron Technology, Inc.	Insignis Technology Corporation	1	Sales revenue	49,342	-	1.05%
0	Etron Technology, Inc.	Insignis Technology Corporation	1	Accounts receivable	9,915	-	0.12%
1	eYs3D Microelectronics, Co.	Fullboom Electronic (Shenzhen) Co., Ltd.	3	Service expense	9,679	-	0.21%
1	eYs3D Microelectronics, Co.	Fullboom Electronic (Shenzhen) Co., Ltd.	3	Other accrued expense	1,658	-	0.02%
1	eYs3D Microelectronics, Co.	AiYs3D Technology, Inc.	3	Service expense	6,481	-	0.14%
1	eYs3D Microelectronics, Co.	AiYs34D Technology, Inc.	3	Other accrued expense	1,704	-	0.02%
2	eEver Technology, Inc.	Fullboom Electronic (Shenzhen) Co., Ltd.	3	Service expense	2,832	-	0.06%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:
(1) Parent company is ‘0’.
(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):
(1) Parent company to subsidiary.
(2) Subsidiary to parent company.
(3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: The prices and credit terms for the transactions between parent company and subsidiaries would be available for third parties. The terms for incomparable transactions are negotiated by the both parties.

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at December 31, 2022	Initial investment amount: Balance as at December 31, 2021	Shares held as at December 31, 2022: Number of shares	Shares held as at December 31, 2022: Ownership (%)	Shares held as at December 31, 2022: Book value	Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
Etron Technology, Inc.	Eutrend Technology, Inc.	Taiwan	Testing service for high-frequency or high-power radio frequency, analog, digital, and mixed-signal components	$ 112,099	$ 112,099	2,702,522	93.57%	$ 333	$ 126	($ 64)	Subsidiary
Etron Technology, Inc.	Kinglord Corp.	British Virgin Islands	Investment holdings	853,849	853,849	25,458	100.00%	412,666	(4,472)	(4,472)	Subsidiary
Etron Technology, Inc.	Plusway Corp.	British Virgin Islands	Investment holdings	511,185	511,185	10,485	100.00%	184,619	1,208	1,208	Subsidiary
Etron Technology, Inc.	Kingwell Investment Corp.	Taiwan	Investment holdings	22,861	22,861	14,083,000	100.00%	336,369	8,128	8,128	Subsidiary
Etron Technology, Inc.	Kingcharm Investment Corp.	Taiwan	Investment holdings	188,512	188,512	18,000,000	100.00%	30,555	(14,368)	(14,368)	Subsidiary
Etron Technology, Inc.	Intercosmos Group Limited	British Virgin Islands	Investment holdings	142,188	142,188	5,292	100.00%	226,458	7,885	7,885	Subsidiary
Etron Technology, Inc.	Creative Ally Limited	British Virgin Islands	Investment holdings	111,921	111,921	3,720	100.00%	11,144	(9,946)	(9,946)	Subsidiary
Etron Technology, Inc.	NetVinci, Inc.	Cayman Islands	Investment holdings	-	38	-	-	-	(457)	-	Investee company(Note)
Etron Technology, Inc.	eCapture Ltd. Co.	Cayman Islands	Investment holdings	31,051	31,051	11,666,667	100.00%	2,337	(280)	(280)	Subsidiary
Etron Technology, Inc.	Insignis Technology, Inc.	Cayman Islands	Investment holdings	60,488	60,488	24,500,000	100.00%	23,881	10,351	10,351	Subsidiary
Etron Technology, Inc.	eEver Technology Limited	Cayman Islands	Investment holdings	44,857	44,857	14,250,001	50.42%	41,252	(52,256)	(29,053)	Subsidiary
Etron Technology, Inc.	eYs3D Microelectronics, Inc.	Cayman Islands	Investment holdings	429,195	306,761	49,130,350	61.98%	91,312	(135,040)	(79,853)	Subsidiary
Etron Technology, Inc.	DeCloak Intelligence Co.	Taiwan	Information and software services	35,600	18,622	2,994,053	80.31%	10,873	(17,102)	(13,438)	Subsidiary
Etron Technology, Inc.	T-Era Architecture Technology,Inc.	Cayman Islands	Investment holdings	6,309	-	1,689,600	4.71%	436	(4,046)	(197)	Third-tier subsidiary
Etron Technology, Inc.	TAT Technonogt,Inc	Cayman Islands	Investment holdings	4,730	-	1,267,200	5.01%	346	(1,892)	(98)	Third-tier subsidiary
Kingwell Investment Corp.	Pioneer Chip Technology Limited	Taiwan	Electronic components manufacturing, design, research, development, sales and marketing	2,000	2,000	200,000	100.00%	77	(24)	(24)	Second-tier subsidiary
Kingwell Investment Corp.	nD-HI Technologies Lab, Inc.	Taiwan	Electronic components manufacturing, design, research, development, sales and marketing	12,093	12,093	1,300,000	92.67%	728	(9,664)	(8,956)	Second-tier subsidiary
Kingwell Investment Corp.	Great Team Backend Foundry, Inc.	British Virgin Islands	Investment holdings	33,737	33,737	1,868,009	5.29%	37,546	20,943	1,470	Investee company of the subsidiary
Kingcharm Investment Corp.	eEver Technology Limited	Cayman Islands	Investment holdings	58,969	58,969	5,838,680	20.66%	18,132	(52,256)	(10,675)	Subsidiary
Kingcharm Investment Corp.	eYs3D Microelectronics, Inc.	Cayman Islands	Investment holdings	21,654	21,654	2,084,340	2.63%	3,920	(135,040)	(3,809)	Subsidiary
Kinglord Corp.	Etron Technology America,Inc.	U.S.A	Sales agent of electronic components	172,590	155,562	47,666,666	100.00%	28,064	(982)	(1,287)	Second-tier subsidiary
Kinglord Corp.	Anzon Technology, Inc.	British Virgin Islands	Investment holdings	11,086	9,992	1,681,000	70.85%	2,403	(99)	(72)	Second-tier subsidiary

Etron Technology, Inc.
Information on investees
Year ended December 31, 2022

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at December 31, 2022	Initial investment amount: Balance as at December 31, 2021	Shares held as at December 31, 2022: Number of shares	Shares held as at December 31, 2022: Ownership (%)	Shares held as at December 31, 2022: Book value	Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
Kinglord Corp.	Etron Technology (HK) Limited	Hong Kong	Electronic components manufacturing, design, research, development, sales and marketing	$ 147,408	$ 132,864	37,440,000	100.00%	$ 358,758	($ 1,176)	($ 1,176)	Second-tier subsidiary
Kinglord Corp.	eYs3D Microelectronics, Inc.	Cayman Islands	Investment holdings	8,609	7,760	785,273	0.99%	1,476	(135,040)	(1,443)	Subsidiary
Etron Technology (HK) Limited	eYs3D Microelectronics, Inc.	Cayman Islands	Investment holdings	25,544	23,024	2,329,918	2.94%	4,382	(135,040)	(4,274)	Subsidiary
Anzon Technology, Inc.	Anzon Corporation	Japan	Sales agent of electronic components	17,368	15,655	185	100.00%	3,312	(157)	(118)	Third-tier subsidiary
Intercosmos Group Limited	Grandsino Technology Limited	British Virgin Islands	Investment holdings	78,346	70,616	4,611	100.00%	210,760	7,641	7,641	Second-tier subsidiary
Intercosmos Group Limited	Fullboom International Limited	Samoa	Investment holdings	32,246	29,064	1,050,000	100.00%	14,246	354	657	Second-tier subsidiary
Grandsino Technology Limited	Great Team Backend Foundry, Inc.	British Virgin Islands	Investment holdings	75,186	67,767	9,583,909	27.15%	207,850	20,943	7,546	Investee company of the second-tier subsidiary
Plusway Corp.	Great Team Backend Foundry, Inc.	British Virgin Islands	Investment holdings	76,151	68,637	2,755,508	8.95%	90,714	20,943	2,488	Investee company of the subsidiary
Plusway Corp.	eYs3D Microelectronics, Inc.	Cayman Islands	Investment holdings	8,990	8,103	887,121	1.12%	1,669	(135,040)	(1,624)	Subsidiary
Creative Ally Limited	NetVinci, Inc.	Cayman Islands	Investment holdings	-	35,633	-	-	-	(457)	-	Investee company of the subsidiary(Note)
Creative Ally Limited	Invention and Collaboration Laboratory Pte. Ltd.	Singapore	Research and development, consulting and design services of semiconductor technology	15,362	13,846	5,214,000	81.11%	10,063	(14,181)	(11,502)	Second-tier subsidiary
eCapture Ltd. Co.	eCapture Co., Limited	Hong Kong	Marketing, sales and development of electronic products	29,175	26,296	950,000	100.00%	1,960	(108)	(108)	Second-tier subsidiary
Insignis Technology, Inc.	Insignis Technology Corporation	U.S.A	Electronic components manufacturing, design, research, development, sales and marketing	58,810	53,007	1,915,000	100.00%	23,752	10,096	10,782	Second-tier subsidiary
eEver Technology Limited	eEver Technology, Inc.	Taiwan	Electronic components manufacturing, design, research, development, sales and marketing	200,772	164,684	29,450,000	100.00%	96,596	(49,357)	(49,357)	Second-tier subsidiary
eYs3D Microelectrions, Inc.	eYs3D Microelectronics, Co.	Taiwan	Electronic components manufacturing, design, research, development, sales and marketing	779,718	571,876	85,800,000	100.00%	149,165	(132,698)	(132,698)	Second-tier subsidiary
eYs3D Microelectrions, Inc.	AiYs3D Technology, Inc	U.S.A	Marketing and customer services	307	277	10,000	100.00%	600	(375)	(375)	Second-tier subsidiary
Invention and Collaboration Laboratory Pte. Ltd.	Invention and Collaboration Laboratory, Inc.	Taiwan	Electronic components manufacturing, design, research, development, sales and marketing	1,477	1,331	134,000	100.00%	1,178	(58)	(58)	Third-tier subsidiary

Etron Technology, Inc.
Information on investees
Year ended December 31, 2022

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at December 31, 2022	Initial investment amount: Balance as at December 31, 2021	Shares held as at December 31, 2022: Number of shares	Shares held as at December 31, 2022: Ownership (%)	Shares held as at December 31, 2022: Book value	Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
Invention and Collaboration Laboratory Pte. Ltd.	T-Era Architecture Technology,Inc.	Cayman Islands	Investment holdings	$ 614	$ -	20,000,000	55.80%	$ 5,161	($ 4,046)	($ 2,258)	Third-tier subsidiary
Invention and Collaboration Laboratory Pte. Ltd.	TAT Technology,Inc.	Cayman Islands	Investment holdings	430	-	14,000,000	55.38%	3,829	(1,892)	(1,048)	Third-tier subsidiary
T-Era Architecture Technology,Inc.	T-Era Architecture Technology Corp.	Taiwan	Research and development, consulting and design services of semiconductor technology	10,281	-	1,000,000	100.00%	6,321	(3,679)	(3,679)	Third-tier subsidiary
T-Era Architecture Technology,Inc.	TAT Technology,Inc.	Cayman Islands	Investment holdings	2,211	-	576,000	2.28%	160	(1,892)	(41)	Third-tier subsidiary
TAT Technology,Inc.	TAT Technology Corp.	Taiwan	Research and development, consulting and design services of semiconductor technology	7,711	-	750,000	100.00%	5,987	(1,513)	(1,513)	Third-tier subsidiary
TAT Technology,Inc.	T-Era Architecture Technology,Inc.	Cayman Islands	Investment holdings	2,948	-	768,000	2.14%	199	(4,046)	(86)	Third-tier subsidiary

Note: Note: NetVinci, Inc. has completed the liquidation process in the fourth quarter of 2022.

Etron Technology, Inc.
Information on investments in Mainland China
Year ended December 31, 2022

Table 5 — Expressed in thousands of NTD (Except as otherwise indicated)

1. Basic information

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2022	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2022: Remitted to Mainland China	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2022: Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Net income of investee as of December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2022 (Note 2)	Book value of investments in Mainland China as of December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2022	Footnote
Great Team Backend Foundry (Dongguan), Ltd.	Other transistors	$ 2,706,061	(2)	$ 248,045	$ -	$ -	$ 248,045	$ 208,386	12.42%	$ 25,875	$ 253,893	$ -	Notes 3, 4 and 5
Fullboom Electronics (Shenzhen) Co., Ltd.	Wholesale and international trading of electronic components	30,710	(2)	32,285	-	-	32,285	436	100.00%	436	13,306	-	Note 6
Shanghai Walden Venture Capital Enterprise	Investment in new venture companies	39,640	(2)	572	34,582	-	35,154	-	1.52%	-	150,843	-	Note 7
Walden TechnologyVenture II, L.P.	Investment in new venture companies	3,177,944	(2)	95,442	226	-	95,668	-	2.64%	-	152,716	-	Note 7

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:
(1) Directly invest in a company in Mainland China.
(2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
(3) Others
Note 2: Investment income from Fullboom Electronics (Shenzhen) Co., Ltd. was recognized based on the financial statements that are audited and attested by R.O.C. parent company's CPA;
Investment income from Great Team Backend Foundry (Dongguan), Ltd. was recognized based on the financial statements that are audited and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.
Note 3: Investing through Great Team Backend Foundry, Inc., which is invested by Kingwell Investment Corp.
Note 4: Investing through Great Team Backend Foundry, Inc., which is invested by Grandsino Technology Limited and Grandsino Technology Limited is invested by Intercosmos Group Limited.
Note 5: Investing through Great Team Backend Foundry, Inc., which is invested by Plusway Corp.
Note 6: Investing through Fullboom International Limited, which is invested by Intercosmos Group Limited.
Note 7: Investing through Etron Technology (HK) Limited, which is invested Kinglord Corp.

2. Ceiling on reinvestements in Mainland China:

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Etron Technology, Inc.	$ 411,152 (USD 12,464 thousands)	$ 437,157 (USD 14,235 thousands)	$ 2,569,249