Wonderful Hi-Tech Co., Ltd. and Subsidiaries
Consolidated Financial Statements
and Independent Auditor's Report
For the Years Ended December 31, 2022 and 2021
(Stock Code: 6190)

Company Address: No. 17, Beiyuan Rd., Zhongli Dist., Taoyuan City

Tel: (03)452-7777

Wonderful Hi-Tech Co., Ltd. and Subsidiaries

Consolidated Financial Statements and Independent Auditor's Report

for the Years Ended December 31, 2022 and 2021

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Wonderful Hi-Tech Co., Ltd.

Affiliated Enterprise Consolidated Financial Statement Declaration

We hereby declare that we have confirmed the companies which shall be included in the consolidated financial statements of the affiliates and the ones which shall be included in the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) No. 10 are identical; the related information has been disclosed in consolidated financial statements and will hence not be included in consolidated financial statements of the affiliates for the year ended in 2022 (from January 1 to December 31, 2022), in accordance with "Criteria Governing Preparation of Affiliation Reports" and "Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises."

Declared by

Company name: Wonderful Hi-Tech Co., Ltd.

Responsible Person: Ming-Lieh Chang

March 17, 2023

Independent Auditors' Report

(2023) Cai-Shen-Bao-Zi No. 22004788

To the Board of Directors and Shareholders of Wonderful Hi-Tech Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Wonderful Hi-Tech Co., Ltd. and its subsidiaries (the "Group"), which comprise the consolidated balance sheets for the years ended December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for January 1 to December 31, 2022 and 2021, and notes to the consolidated financial statements (including a summary of significant accounting policies).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for January 1 to December 31, 2022 and 2021 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations Committee Interpretations (IFRIC), and Standard Interpretations Committee Interpretations (SIC) endorsed by the Financial Supervisory Commission of the Republic of China (R.O.C.).

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements of Financial Institutions by Certified Public Accountants and auditing standards generally accepted in the Republic of China (R.O.C.). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. The auditors of the firm, subject to the independence regulations, have maintained independence from the Group in accordance with the Code of Ethics of R.O.C. and perform other obligations of such Code. In view of the audit result concluded by our independent 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 consolidated financial statements of the Group for the year 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements for the year 2022 are stated as follows:

Existence of New Top 10 Sales Accounts Revenue

Description

For description of the accounting policy and accounting Item for income recognition, please refer to Notes 4(32) and 6(19) of the consolidated financial statements.

The Group's main business refers to the manufacturing, purchase and sales, and import/export of various types of wires and cables. The Group's customers include well-known international companies having long-term and stable cooperation relationship with the Group. In addition, to secure the market share, the Group continues to develop new customers. The comparison with the list of top 10 sales customers in 2022 and 2021 indicates that there have been changes to the increase/decrease of sales amount of the main customers in the current period from the amounts in the same period of last year, such that a portion of the customers in the top 10 main sales customers becoming the new top 10 sales customers in the current period, thus having positive impact on the increase of the consolidated operating revenue. We consider that for the new top 10 main sales customers, the issue of whether relevant sales transactions exist has material impact on the consolidated financial statements. Accordingly, the existence of the new top 10 sales account revenue of the Group is listed as one of the key audit matters.

Corresponding Audit Procedures

We summarize the audit procedures executed in the following:

1. Evaluate and test the execution of sales transaction internal system and actual process, including the credit extension evaluation of the new top 10 sales accounts.

2. Review the relevant industrial background information of the new top 10 sales accounts.
3. Obtain the operating revenue transaction statement of the new top 10 sales accounts of the current period, and randomly test relevant certificates of the customer orders, shipping orders and payment slips, in order to verify the existence of transactions.

Inventory Valuation

Description

For the description of the accounting policy, accounting estimation and assumption of inventory and allowance for inventory write-down, please refer to Notes 4(13), 5(2) and 6(5).

The main business of the Group refers to the manufacturing, purchase and sales, and import/export of various types of wires and cables. The inventory is measured based on the cost and net realizable value whichever is lower. In addition, the usable condition of individual old and obsolete inventory is further identified, in order to recognize the inventory write-down. Since there are a lot of competitors from the Mainland China, and the raw material price fluctuation is great, the product price is likely to be affected or the product sales may not be as expected. Furthermore, the allowance of inventory write-down of individual identification of old and obsolete inventories involves the subjective judgment of the management. Accordingly, we consider that the accounting estimation has material impact on the inventory valuation, and it is listed as one of the key audit matters.

Corresponding Audit Procedures

We summarize the audit procedures executed in the following:

1. Understand the company operation and the nature of industry. Assess the policy adopted for the allowance for inventory write-down.
2. Obtain the obsolete inventory statement individually identified by the management. Review relevant documents and verify account records.
3. Randomly examine whether the basis of net realizable value is consistent with the policy established by the Company, and review whether the calculation of the net realizable value of individual inventory material number is correct.

Other Matters - Relevant audits by other independent auditors

For some of the subsidiaries and investees under equity method listed in the Group's consolidated financial statements, their financial statements were not audited by our representatives, but was audited by other independent auditors. Accordingly, regarding our opinion on the aforementioned consolidated financial statements, relevant amounts listed in the financial statements of these companies were based on the audit report by other independent auditors. As of December 31, 2022 and 2021, the total asset balances (including investments under the equity method) for the aforementioned companies were NT$913,814 thousand and NT$819,626 thousand respectively, accounting for 14% and 13% of the total consolidated assets respectively. The net operating income for January 1 to December 31, 2022 and 2021 were NT$1,369,595 thousand and NT$1,188,235 thousand respectively, accounting for 15% and 16% of the consolidated net operating income respectively.

Other Matters – Parent Company Only Financial Statements

Wonderful Hi-Tech Co., Ltd. (the "Company") has prepared the parent company only financial statements for the years ended December 31, 2022 and 2021, to which we have also issued an independent auditor's report with unqualified opinion along with the section of other matters and provided for reference.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed by the Financial Supervisory Commission of the R.O.C., and for necessary internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. The term of “reasonable assurance” refers to the high level of assurance. Nevertheless, the audit performed according to the Generally Accepted Auditing Standards of R.O.C. cannot guarantee the discovery of material misstatements in the financial statements. Misstatements can arise from fraud or error, Misstatements 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 the consolidated financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the R.O.C., we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risk of material misstatement of the consolidated financial statements due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidence in order to be used as the basis for the 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 a necessary understanding of internal control concerning the inspection in order to design appropriate inspection procedures that are appropriate for the time being. The purpose, however, is not to effectively express opinions on the internal control of the Group.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management level.
4. According to the audit evidence obtained, evaluate the appropriateness of the continuous operation accounting basis and whether events or circumstances possibly generating material concerns on the continuous operation ability of the Group have significant uncertainty, and provide a conclusion thereto. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are

inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. Nevertheless, future events or circumstances may cause the Group to have no ability for continuous operation.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including relevant notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence for the financial information of individual entities of the Group and provide opinion on the consolidated financial statements. We handle the guidance, supervision and execution of the audit on the Group and are responsible for preparing the opinion for the Group.

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 the governance units with statements that we have complied with relevant independence declaration specified in the Code of Ethics for Professional Accountants of R.O.C. that may reasonably be thought to bear on our independence, and we have also communicated with the governance units on all relationships and other matters (including relevant protective measures) that may be considered to affect the independence of auditors.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Group's 2022 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's 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.

PwC Taiwan

Po-Chuan Lin
Certified Public Accountant
Shu-Chiung Chang

Former Securities and Futures Commission, Ministry of Finance
Approval Certificate Document No.: Jin-Guan-Zheng-Shen-Zi No. 1100350706
Financial Supervisory Commission
Approval Certificate Document No.: Jin-Guan-Zheng-Shen-Zi No. 0990042602

March 17, 2023

Wonderful Hi-Tech Co., Ltd. and Subsidiaries
Consolidated Balance Sheet
December 31, 2022 and 2021

Unit: NT$ thousand

	Assets	Note	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 717,008	12	$ 504,568	8
1110	Financial assets measured at fair value through profit or loss - current	6(2)	8,758	-	10,898	-
1150	Notes receivable, net	6(4)	106,776	2	106,439	2
1170	Accounts receivable, net	6(4)	1,491,009	24	1,728,069	27
1180	Accounts receivable from related parties, net	7	22,645	-	44,019	1
1200	Other receivables		70,158	1	152,011	2
1210	Other receivables - related Party	7	421	-	412	-
130X	Inventory	6(5)	1,659,575	26	1,803,329	28
1410	Prepayments		28,848	1	62,546	1
1476	Other financial assets - current	8	85,239	1	13,608	-
1479	Other current assets - others		13,543	-	2,054	-
11XX	**Total current assets**		4,203,980	67	4,427,953	69
	Non-current assets					
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	64,921	1	30,961	-
1550	Investment accounted for under the equity method	6(6), and 8	291,268	5	343,228	5
1600	Property, plant and equipment	6(7) and 8	1,177,505	19	1,048,570	16
1755	Right-of-use assets	6(8) and 7	184,605	3	185,095	3
1760	Investment property, net	6(9) and 8	158,319	2	154,441	2
1780	Intangible assets	6(10)	162,145	3	170,861	3
1840	Deferred income tax assets	6(25)	35,598	-	52,800	1
1990	Other non-current assets - others		29,118	-	42,411	1
15XX	**Total non-current assets**		2,103,479	33	2,028,367	31
1XXX	**Total assets**		$ 6,307,459	100	$ 6,456,320	100

(Continued)

Wonderful Hi-Tech Co., Ltd. and Subsidiaries
Consolidated Balance Sheet
December 31, 2022 and 2021

Unit: NT$ thousand

Code	Liabilities and Equity	Note	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current liabilities					
2100	Short-term borrowings	6(12)	$ 1,078,476	17	$ 2,339,578	36
2120	Financial liabilities measured at fair value through profit or loss - current	6(2)	2,256	-	-	-
2170	Accounts payable		462,850	7	805,711	13
2180	Accounts payable - related party	7	43,553	1	67,378	1
2200	Other payables		288,890	5	257,654	4
2220	Other accounts payable - related party	7	12,062	-	23,112	-
2230	Current income tax liabilities		108,578	2	26,199	1
2280	Lease liabilities - current	7	36,060	-	28,030	1
2320	Current portion of long-term borrowings	6(13)	42,076	1	23,464	-
2399	Other current liabilities - others		9,758	-	12,523	-
21XX	**Total current liabilities**		2,084,559	33	3,583,649	56
	Non-current liabilities					
2530	Bonds payable	6(11)	762,578	12	61,022	1
2540	Long-term borrowings	6(13)	79,320	1	25,667	-
2570	Deferred income tax liabilities	6(25)	182,393	3	132,931	2
2580	Lease liabilities - non-current	7	99,099	2	109,122	2
2640	Net defined benefit liabilities－non-current	6(14)	61,915	1	82,153	1
2670	Other non-current liabilities - others		3,290	-	3,535	-
25XX	**Total non-current liabilities**		1,188,595	19	414,430	6
2XXX	**Total liabilities**		3,273,154	52	3,998,079	62
	Equity					
	Equity attributable to owners of parent company					
	Share capital	6(16)				
3110	Common share capital		1,616,652	26	1,591,048	25
	Capital surplus	6(17)				
3200	Capital surplus		383,677	5	258,139	3
	Retained earnings	6(18)				
3310	Statutory reserves		91,626	2	70,060	1
3320	Special reserves		169,203	3	172,622	3
3350	Undistributed earnings		491,831	8	235,606	4
	Other equity					
3400	Other equity		(21,611)	(1)	(75,389)	(1)
3500	Treasury shares	6(16)	(128,532)	(2)	(156,301)	(3)
31XX	**Total equity attributable to the owners of the parent company**		2,602,846	41	2,095,785	32
36XX	**Non-controlling interests**		431,459	7	362,456	6
3XXX	**Total equity**		3,034,305	48	2,458,241	38
	Significant Contingent Liabilities and Unrecognized Commitments	9				
	Material subsequent events	11				
3X2X	**Total liabilities and equities**		$ 6,307,459	100	$ 6,456,320	100

The accompanying notes are an integral part of the consolidated financial statements; please refer to them altogether.

Chairman: Ming-Lieh Chang　　Managerial Officer: Cheng-Po Chang　　Accounting Officer: Yu-Hsiu Hsu

Wonderful Hi-Tech Co., Ltd. and Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to December 31, 2022 and 2021

Unit: NT$ thousand
(Except for earnings per share in NT$)

			2022		2021	
	Item	Note	Amount	%	Amount	%
4000	Operating revenue	6(19) and 7	$ 9,028,285	100	$ 7,538,001	100
5000	Operating costs	6(5) (24) and 7	(7,450,220)	(82)	(6,454,818)	(86)
5900	Gross profit		1,578,065	18	1,083,183	14
	Operating expenses	6(24)				
6100	Selling expenses		(448,712)	(5)	(406,925)	(5)
6200	Administrative expenses		(368,263)	(4)	(276,140)	(4)
6300	Research and development expenses		(47,230)	(1)	(38,950)	-
6450	Expected credit impairment losses		(5,555)	-	(1,808)	-
6000	Total operating expenses		(869,760)	(10)	(723,823)	(9)
6900	Operating profit		708,305	8	359,360	5
	Non-operating income and expenses					
7100	Interest income	6(20)	4,628	-	522	-
7010	Other income	6(21) and 7	23,627	-	25,564	-
7020	Other gains and losses	6(22)	99,859	1	42,080	1
7050	Finance costs	6(23) and 7	(61,266)	(1)	(47,100)	(1)
7060	Share of profits and losses of affiliated enterprises and joint ventures using the equity method	6(6)	(24,726)	-	11,587)	-
7000	Total non-operating incomes and expenses		42,122	-	(9,479	-
7900	**Net income before tax**		750,427	8	368,839	5
7950	Income tax expense	6(25)	(212,357)	(2)	(99,147)	(2)
8200	**Net income for the period**		$ 538,070	6	$ 269,692	3

(Continued)

Wonderful Hi-Tech Co., Ltd. and Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to December 31, 2022 and 2021

Unit: NT$ thousand
(Except for earnings per share in NT$)

Code	Item	Note	2022 Amount	2022 %	2021 Amount	2021 %
	Other comprehensive profit and loss (net)					
	Items not reclassified subsequently to profit or loss					
8311	Remeasurement of defined benefit programs	6(14)	$ 11,630	-	($ 11,500)	-
8316	Unrealized equity instrument profit or loss measured at fair value through other comprehensive income	6(3)	13,249	-	14,535	-
8320	Share of other comprehensive income of affiliated enterprises and joint ventures accounted for using equity method - Items not to be reclassified into profit or loss		(27,587)	-	50,002	1
8349	Income taxes related to the items not re-classified	6(25)	(2,326)	-	2,300	-
	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translation of the financial statements of foreign operations		129,173	1	(93,256)	(1)
8370	Share of other comprehensive income of affiliated enterprises and joint ventures accounted for using equity method - Items may be reclassified into profit or loss		2,381	-	(1,881)	-
8399	Income tax related to items may be reclassified into profit or loss	6(25)	(20,944)	-	14,397	-
8300	**Other comprehensive profit and loss (net)**		$ 105,576	1	($ 25,403)	-
8500	**Total comprehensive income for this period**		$ 643,646	7	$ 244,289	3
	Net income attributable to:					
8610	owners of the parent company		$ 465,854	5	$ 224,760	2
8620	Non-controlling interests		72,216	1	44,932	1
			$ 538,070	6	$ 269,692	3
	Total comprehensive income attributable to:					
8710	owners of the parent company		$ 542,817	6	$ 219,079	3
8720	Non-controlling interests		100,829	1	25,210	-
			$ 643,646	7	$ 244,289	3
	Earnings per share	6(26)				
9750	Basic earnings per share		$ 3.04		$ 1.68	
9850	Diluted earnings per share		$ 3.03		$ 1.42	

The accompanying notes are an integral part of the consolidated financial statements; please refer to them altogether.

Chairman: Ming-Lieh Chang　　Managerial Officer: Cheng-Po Chang　　Accounting Officer: Yu-Hsiu Hsu

Wonderful Hi-Tech Co., Ltd. and Subsidiaries
Consolidated Statement of Changes in Equity
January 1 to December 31, 2022 and 2021

Unit: NT$ thousand

	Note	Equity attributable to owners of parent company										
				Retained earnings			Other equity					
	Note	Common share capital	Capital surplus	Statutory reserves	Special reserves	Undistributed earnings	Exchange differences on translation of the financial statements of foreign operations	Unrealized financial assets profit or loss measured at fair value through other comprehensive income	Treasury shares	Total	Non-controlling interests	Total
2021												
Balance as of January 1, 2021		$ 1,403,685	$ 16,858	$ 56,417	$ 127,574	$ 210,761	($ 61,313)	($ 17,495)	($ 130,484)	$ 1,606,003	$ 347,824	$ 1,953,827
Net income for the period		-	-	-	-	224,760	-	-	-	224,760	44,932	269,692
Other comprehensive income/loss of the period	6(3)	-	-	-	-	(9,100)	(57,590)	61,009	-	(5,681)	(19,722)	(25,403)
Total comprehensive income for this period		-	-	-	-	215,660	(57,590)	61,009	-	219,079	25,210	244,289
2020 Appropriation and distribution of retained earnings:	6(18)											
Statutory reserves		-	-	13,643	-	(13,643)	-	-	-	-	-	-
Special reserves		-	-	-	45,048	(45,048)	-	-	-	-	-	-
Cash dividends		-	-	-	-	(132,124)	-	-	-	(132,124)	-	(132,124)
Issuance of convertible bonds	6(11)(17)	-	36,094	-	-	-	-	-	-	36,094	-	36,094
Conversion of convertible bonds	6(11) (17)	95,363	101,079	-	-	-	-	-	-	196,442	-	196,442
Changes in equity ownership of subsidiaries	6(17)	-	1,491	-	-	-	-	-	-	1,491	(1,491)	-
Cash capital increase	6(16)	92,000	99,360	-	-	-	-	-	-	191,360	-	191,360
Share-based payment transaction	6(15)	-	3,257	-	-	-	-	-	-	3,257	-	3,257
Repurchase of treasury shares	6(17)	-	-	-	-	-	-	-	(25,817)	(25,817)	-	(25,817)
Decrease in non-controlling interests		-	-	-	-	-	-	-	-	-	(9,087)	(9,087)
Balance as of December 31, 2021		$ 1,591,048	$ 258,139	$ 70,060	$ 172,622	$ 235,606	($ 118,903)	$ 43,514	($ 156,301)	$ 2,095,785	$ 362,456	$ 2,458,241
2022												
Balance as of January 1, 2022		$ 1,591,048	$ 258,139	$ 70,060	$ 172,622	$ 235,606	($ 118,903)	$ 43,514	($ 156,301)	$ 2,095,785	$ 362,456	$ 2,458,241
Net income for the period		-	-	-	-	465,854	-	-	-	465,854	72,216	538,070
Other comprehensive income/loss of the period	6(3)	-	-	-	-	8,885	84,445	(16,367)	-	76,963	28,613	105,576
Total comprehensive income for this period		-	-	-	-	474,739	84,445	(16,367)	-	542,817	100,829	643,646
2021 Appropriation and distribution of retained earnings:	6(18)											
Statutory reserves		-	-	21,566	-	(21,566)	-	-	-	-	-	-
Special reserves		-	-	-	(3,419)	3,419	-	-	-	-	-	-
Cash dividends		-	-	-	-	(214,667)	-	-	-	(214,667)	-	(214,667)
Issuance of convertible bonds	6(11)(17)	-	65,027	-	-	-	-	-	-	65,027	-	65,027
Conversion of convertible bonds	6(11)(17)	25,604	28,908	-	-	-	-	-	-	54,512	-	54,512
treasury stock transfer employee	6(16)	-	(4,459)	-	-	-	-	-	27,769	23,310	-	23,310
Disposal of investments by the equity method		-	-	-	-	2,090	-	(2,090)	-	-	-	-
Investment companies by the equity method dispose of equity instrument shares measured through fair value in other cases and profit and loss cases		-	-	-	-	12,210	-	(12,210)	-	-	-	-
Difference between actual price of subsidiary equity acquired and the book value	6(17)(27)	-	4,816	-	-	-	-	-	-	4,816	(15,611)	(10,795)
Net change in affiliated enterprises and joint ventures accounted for under equity method	6(17)	-	10,450	-	-	-	-	-	-	10,450	-	10,450
Changes in equity ownership of subsidiaries	6(17)	-	2,854	-	-	-	-	-	-	2,854	(2,854)	-
Decrease in non-controlling interests		-	-	-	-	-	-	-	-	-	(13,361)	(13,361)
Share-based payment transaction	6(15)	-	17,942	-	-	-	-	-	-	17,942	-	17,942
Balance as of December 31, 2022		$ 1,616,652	$ 383,677	$ 91,626	$ 169,203	$ 491,831	($ 34,458)	$ 12,847	($ 128,532)	$ 2,602,846	$ 431,459	$ 3,034,305

Opinion

The accompanying notes are an integral part of the consolidated financial statements; please refer to them altogether.

Chairman: Ming-Lieh Chang Managerial Officer: Cheng-Po Chang Accounting Officer: Yu-Hsiu Hsu

Wonderful Hi-Tech Co., Ltd. and Subsidiaries
Consolidated Statement of Cash Flow
January 1 to December 31, 2022 and 2021

Unit: NT$ thousand

	Note	January 1 to December 31, 2022	January 1 to December 31, 2021
Cash flows from operating activities			
Net income before income tax		$ 750,427	$ 368,839
Adjustments			
Income/expenses items			
Amortization expenses	6(10)(24)	15,927	14,943
Depreciation expenses	6(7)(8)(24)	170,257	133,460
Expected credit impairment losses		5,555	1,808
Interest income	6(20)	(4,628)	(522)
Dividend income	6(21)	(612)	(102)
Interest expenses	6(23)	61,266	47,100
Gains on disposal of property, plant and equipment	6(22)	(2,066)	(2,646)
Net gain on financial assets and liabilities at fair value through profit or loss	6(2) (22)	12,113	(29,646)
Losses from disposals of investments	6(22)	(11,611)	-
Investment real estate fair value adjustment benefits	6(9)(22)	(3,878)	-
Share of profits and losses of affiliated enterprises and joint ventures using the equity method	6(6)	24,726	11,587
Share-based payments	6(15)	17,942	3,257
Change in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Financial assets at fair value through profit or loss		33,110	2,624
Notes and accounts receivable		235,016	(639,196)
Accounts receivable - related party		21,376	990
Other receivables		83,140	(100,457)
Other receivables - related Party		287	1,795
Inventory		143,754	(586,242)
Prepayments		33,698	9,537
Other current assets		(8,107)	1,984
Net changes in liabilities relating to operations			
Financial liabilities measured at fair value through profit or loss		(27,165)	(6,941)
Accounts payable		(342,861)	335,043
Accounts payable - related party		(23,825)	19,226
Other payables		15,928	33,604
Other payables - related party		(11,434)	22,737
Other current liabilities		(2,765)	(3,799)
Other non-current liabilities		(245)	(2,078)
Cash inflow (outflow) from operating activities		1,185,275	(363,095)
Interest received		3,337	619
Dividends received		2,394	102
Interests paid		(42,046)	(30,270)
Income taxes paid		(100,158)	(59,303)
Net cash inflow (outflow) from operating activities		1,048,802	(451,947)

(Continued)

Wonderful Hi-Tech Co., Ltd. and Subsidiaries
Consolidated Statement of Cash Flow
January 1 to December 31, 2022 and 2021

Unit: NT$ thousand

	Note	January 1 to December 31, 2022	January 1 to December 31, 2021
Cash flows from investing activities			
Decrease (increase) in other financial assets		($ 71,631)	($ 5,546)
Acquisition of financial assets at fair value through other comprehensive income		(19,380)	-
Acquisition of investments by equity method		(5,135)	(17,608)
Proceeds from disposal of investments by equity method	6(6)	27,494	-
Acquisition of property, plant and equipment	6(28)	(199,281)	(315,050)
Proceeds from disposal of property, plant and equipment		4,065	7,234
Acquisition of Intangible assets	6(10)	(6,532)	(3,679)
Disposal of investment under equity method		(3,382)	-
Decrease (increase) in other non-current assets		124	8,619
Net cash outflow from investment activities		(273,658)	(326,030)
Cash flows from financing activities			
Increase in short-term borrowings		(1,261,102)	810,658
Increase in long-term borrowings		138,415	136,080
Repayments of long-term borrowings		(66,150)	(337,529)
Payments for buy-back of ordinary shares	6(16)	-	(25,817)
treasury stock transfer employee	6(16)	23,310	
Repaid principal of lease liabilities		(32,246)	(19,763)
Issuance of bonds		804,593	314,990
Cash dividends paid	6(18)	(214,667)	(132,124)
Changes in non-controlling interests	6(27)	(10,795)	(5,270)
Cash capital increase	6(16)	-	191,360
Payment of cash dividends to non-controlling interests		(5,220)	-
Net cash inflow from financing activities		(623,862)	932,585
Exchange rate effects		61,158	(83,645)
Increase in cash and cash equivalents for the period		212,440	70,963
Balance of cash and cash equivalents at beginning of period		504,568	433,605
Balance of cash and cash equivalents at end of period		$ 717,008	$ 504,568

The accompanying notes are an integral part of the consolidated financial statements; please refer to them altogether.

Chairman: Ming-Lieh Chang Managerial Officer: Cheng-Po Chang Accounting Officer: Yu-Hsiu Hsu

Wonderful Hi-Tech Co., Ltd. and Subsidiaries
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2022 and 2021

Unit: NT$ thousand
(Unless otherwise specified)

I. Company History

Wonderful Hi-Tech Co., Ltd. (the "Company") was established in June 1978 under the former company name of "Wonderful Wire Cable Co., Ltd.". The name of the Company was changed to "Wonderful Hi-Tech Co., Ltd." and approved by the competent authority in August 2002. The Company's shares were officially listed on Taipei Exchange (TPEx) for trading on February 4, 1998. The main business of the Company and subsidiaries ("the Group") refers to the manufacturing, purchase and sales, and import/export of various types of wires and cables.

II. Approval Date and Procedure of the Financial Statements

These consolidated financial statements were approved by the Board of Directors on March 17, 2023.

III. New Standards, Amendments and Interpretations Adopted

(I) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRSs") as endorsed by the Financial Supervisory Commission ("FSC")

The applicable new promulgated, amended and revised standards and interpretations of IFRSs endorsed by the FSC in 2022 are as follows:

New, Amended, or Revised Standards and Interpretations	Effective date announced
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 Cycle	January 1, 2022

The Group has assessed the aforementioned standards and interpretations, and concluded that the do not have significant effects on the Group's financial position and financial performance.

(II) Effect of not adopting new issuances or amendments to International Financial Reporting Standards ("IFRSs") endorsed by FSC

The applicable new promulgated, amended and revised standards and interpretations of IFRSs endorsed by the FSC in 2023 are as follows:

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

The Group has assessed the aforementioned standards and interpretations, and concluded that the do not have significant effects on the Group's financial position and financial performance.

(III) Effects of the IFRSs issued by IASB but not yet endorsed by the FSC

New standards and interpretations of and amendments to the IFRSs issued by IASB but not yet endorsed by the FSC are as follows:

New, Amended, or Revised Standards and Interpretations	Effective date announced by IASB
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
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 Group has assessed the aforementioned standards and interpretations, and concluded that the do not have significant effects on the Group's financial position and financial performance.

IV. Summary of Significant Accounting Polices

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

(I) Statement of Compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (referred to as the "Regulations") and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively referred to as the "IFRSs") endorsed by the FSC.

(II) Basis of Preparation

1. Except for the following significant accounts, the consolidated financial statements have been prepared under the historical cost convention:
   (1) Financial assets and liabilities (including derivatives) at fair value through profit or loss.
   (2) Financial assets at fair value through other comprehensive income.
   (3) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.
2. The preparation of financial statements in conformity with the IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(III) Basis of Consolidation

1. Principles for preparing the consolidated financial statements

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

   (2) Inter-company transactions, balances, and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

   (3) The composition portion of the profit/loss and other comprehensive income/loss are attributed to the owners and non-controlling interests of the parent company; the total comprehensive income/loss is also attributed to the owners and non-controlling interests of the parent company, and the same is true even when the non-controlling interests consequently become loss balance.

   (4) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control (and non-controlling equity transaction) of the subsidiary are equity transactions, and it is also considered as a transaction between owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

   (5) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss of the current period. For all of the amounts related to the subsidiary previously recognized in other comprehensive income, if its accounting handling basis is identical to the disposal of relevant assets or liabilities of the Group directly, i.e. such as the profit or loss recognized in the other comprehensive income it

is re-classified as profit or loss during the disposal of relevant assets or liabilities, then when the Group losses its control on the subsidiary, such profit or loss shall be re-classified as profit or loss from equity.

2. Subsidiaries included in the consolidated financial statements:

Name of investor	Subsidiary name	Business nature	Shareholding percentage (%) December 31, 2022	Shareholding percentage (%) December 31, 2021	Description
Wonderful Hi-Tech Co., Ltd. (Wonderful Hi-Tech)	Wonderful Holding (Cayman) Co., Ltd. (Wonderful Holding Cayman)	Holding company of investment	100	100	
Wonderful Hi-Tech	Le Hao International Co., Ltd. (Le Hao International)	"	74.23	71.87	Note 2
Wonderful Hi-Tech	Yi-Tai Technology Co., Ltd. (Yi-Tai Technology)	"	100	100	
Wonderful Hi-Tech	Wonderful Cabling Systems Corporation (Wonderful Cabling Systems)	Sales of wires and cables	80	80	
Wonderful Hi-Tech	Vietnam Wonderful Wire Cable Co., Ltd. (Vietnam Wonderful Wire Cable)	Sales and manufacturing of wires and cables	50	45	Note 1
Wonderful Hi-Tech	ABA Industry Inc. (ABA)	Sales of wires and cables	56.1	56.1	
Wonderful Holding Cayman	Wonderful International (Cayman) Co., Ltd. (Wonderful International Cayman)	Holding company of investment	100	100	
Wonderful International Cayman	Thai Wonderful Wire Cable Co., Ltd. (Thai Wonderful Wire Cable)	Sales and manufacturing of wires and cables	43.5	43.5	
Wonderful International Cayman	Wonderful Holding (Thailand) Co., Ltd. (Wonderful Holding Thailand)	Holding company of investment	100	100	
Wonderful International Cayman	ABA	Sales of wires and cables	43.9	43.9	
Wonderful Holding Thailand	Thai Wonderful Wire and Cable	Sales and manufacturing of wires and cables	30	30	
Thai Wonderful	Vietnam	"	50	55	Note 1

Name of investor	Subsidiary name	Business nature	Shareholding percentage (%) December 31, 2022	Shareholding percentage (%) December 31, 2021	Description
Wire and Cable	Wonderful Wire and Cable				
Le Hao International	Le Hao Co., Ltd. (Le Hao Hong Kong)	Sales of wires and cables	100	100	
Le Hao Hong Kong	Wonderful Photoelectricity (Dongguan) Co., Ltd.	Sales and manufacturing of wires and cables	100	100	
Yi-Tai Technology	(Wonderful Photoelectricity Dongguan) Shanghai Elitech Technology Co., Ltd. (Elitech Technology)	Computer software development, manufacturing and sales of own products and surveillance equipment	100	100	
Wonderful Hi-Tech	ACTife Hi-Tech Co., Ltd. (ACTife Hi-Tech)	Sales of non-woven fabric processing products	100	100	
Wonderful Hi-Tech	Leading LOHAS International Trading Company (Leading LOHAS International)	Sales of non-woven fabric processing products	100	100	

Note 1: Wonderful Hi-Tech and Thai Wonderful Wire and Cable participated in the cash capital increase of Vietnam Wonderful Wire and Cable in 2022 and 2021; therefore, there was change in the shareholding percentage.

Note 2: Wonderful Hi-Tech purchased 2.36% of equity of Le Hao International on April 29, 2022. Please refer to Note 6(27) for details..

3. Subsidiaries not included in the consolidated financial statements: None.
4. Adjustments for subsidiaries with different accounting periods: None.
5. Significant restrictions: None.
6. Subsidiaries with significant non-controlling interest for the Group

The total non-controlling interests of the Group as of December 31, 2022 and 2021 were NT$$431,459 NT$$362,456 respectively. The following provides information on the non-controlling interests and subsidiaries thereof having materiality on the Group:

Subsidiary name	Main operating location	Non-controlling interests December 31, 2022 Amount	Non-controlling interests December 31, 2022 Shareholding percentage	Non-controlling interests December 31, 2021 Amount	Non-controlling interests December 31, 2021 Shareholding percentage
Le Hao International	Hong Kong	$ 175,467	25.77	$ 163,510	28.13
Thai Wonderful Wire and Cable	Thailand	241,322	26.50	185,390	26.50

Summary of financial information of subsidiaries:

(1) Balance Sheet

	Le Hao International Co., Ltd.	
	December 31, 2022	December 31, 2021
Current assets	$ 654,874	$ 619,435
Non-current assets	172,275	161,993
Current liabilities	(144,433)	(198,408)
Non-current liabilities	(2,062)	(1,858)
Total net assets	$ 680,764	$ 581,162

	Thai Wonderful Wire Cable Co., Ltd.	
	December 31, 2022	December 31, 2021
Current assets	$ 1,146,783	$ 1,398,208
Non-current assets	791,381	642,896
Current liabilities	(928,301)	(1,267,925)
Non-current liabilities	(99,212)	(73,596)
Total net assets	$ 910,651	$ 699,583

(2) Statement of Comprehensive Income

	Le Hao International Co., Ltd.	
	2022	2021
Revenue	$ 1,572,199	$ 1,423,608
Net income before tax	$ 115,786	$ 104,349
Income tax expense	(25,475)	(7,817)
Net income for the period	90,311	96,532
Other comprehensive income (net, after tax)	40,874	(12,127)
Total comprehensive income for this period	$ 131,185	$ 84,405
Total comprehensive income attributable to non-controlling interests	$ 35,708	$ 23,748
Non-controlling interests dividends paid	$ (8,141)	$ -

	Thai Wonderful Wire Cable Co., Ltd.	
	2022	2021
Revenue	$ 2,477,779	$ 2,571,142
Net income before tax	$ 190,872	$ 57,943
Income tax expense	(26,677)	(3,857)
Net income for the period	164,195	54,086
Other comprehensive income (net, after tax)	61,179	(61,546)
Total comprehensive income for this period	$ 225,374	($ 7,460)

	2022	2021
Total comprehensive income attributable to non-controlling interests	$ 59,724	($ 1,977)
Non-controlling interests dividends paid	($ 2,220)	($ 2,252)

(3) Statement of Cash Flows

	Le Hao International Co., Ltd.	
	2022	2021
Net cash inflow (outflow) from operating activities	$ 233,337	($ 25,366)
Net cash inflow (outflow) from investment activities	(10,282)	(7,649)
Net cash inflow from financing activities	(60,226)	17,983
Effect of exchange rate changes on cash and cash equivalents	40,874	(12,127)
Increase (decrease) in cash and cash equivalents for the period	203,703	(27,159)
Balance of cash and cash equivalents at beginning of period	13,682	40,841
Balance of cash and cash equivalents at end of period	$ 217,385	$ 13,682

	Thai Wonderful Wire Cable Co., Ltd.	
	2022	2021
Net cash inflow (outflow) from operating activities	$ 203,156	($ 341,950)
Net cash inflow (outflow) from investment activities	(45,811)	(91,032)
Net cash inflow from financing activities	(162,599)	420,141
Effect of exchange rate changes on cash and cash equivalents	51,942	(74,481)
Increase (decrease) in cash and cash equivalents for the period	46,688	(87,322)
Balance of cash and cash equivalents at beginning of period	38,573	125,895
Balance of cash and cash equivalents at end of period	$ 85,261	$ 38,573

(IV) Foreign currency translation

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The consolidated financial statements are presented in New Taiwan Dollars, which is the Group’s functional currency.

1. Foreign currency transactions and balance

(1) Foreign currency derived from transactions was translated into the functional currency using the spot exchange rate prevailing on the measurement date or the trade date, with the resulting exchange difference recognized as gain or loss.

(2) The balance of monetary assets or liabilities denominated in foreign currency is adjusted by the exchange rate prevailing at the balance sheet date, with the resulting differences recognized as gain or loss.

(3) Non-monetary assets or liabilities denominated in foreign currency are adjusted by the spot exchange rate on the balance sheet date, with the resulting difference recognized in profit or loss if they are measured at fair value through profit or loss, or in other comprehensive income if they are measured at fair value through other comprehensive income. If they are not measured at fair value, they are measured by applying the historical exchange rate on the transaction date.

(4) 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”.

2. Translation of foreign operations

(1) The results and financial position of entities and associates within the Group whose functional currency is not the presentation currency are translated into the presentation currency using the following procedures:

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

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

C. All resulting exchange differences are recognized in other comprehensive income.

(2) When the foreign operation partially disposed of or sold is an associate cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred into part of the gain or loss on the sale or disposal thereof. In addition, even when the Group still retains partial interest in the former associate after losing its major influence on the former foreign operation associate such transactions shall be accounted for as disposal of all interest in the foreign operation.

(V) Classification of Current and Non-current Assets and Liabilities

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

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

(2) They are held primarily for trading.

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

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

Assets that do not meet the above criteria are classified as non-current assets by the Group.

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

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

   (2) They are held primarily for trading.

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

   (4) Liabilities for which the repayment date cannot be extended unconditionally to more than 12 months after balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its transactions by the issue of equity instruments do not affect its classification.

   Liabilities that do not meet the above criteria are classified as non-current liabilities by the Group.

(VI) Cash equivalents

Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits that fit the said definition and are intended to meet short-term operating cash commitments are classified as cash equivalents.

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

1. Financial assets not measured at cost after amortization or measured at fair value through other comprehensive income.
2. The Group adopts the trade date accounting to account for financial assets at fair value through profit or loss that are an arm’s length transaction.
3. At initial recognition, the Group measures financial assets at fair value plus relevant transaction costs, and subsequently, the Group measures the financial assets at fair value, and its gain or loss is recognized in profit or loss.
4. The Group recognizes dividend income in profit or loss when (a) the Group’s right to the dividends is established; (b) the economic benefits associated with dividends are probable to flow to the Group; and (c) such dividends can be reliably measured.

(VIII) Financial assets at fair value through other comprehensive income (FVOCI)

1. It means the Group made an irrevocable election upon initial recognition to recognize the fair value changes in equity instruments not held for trading at other comprehensive income.
2. The Group uses trade date accounting to account for financial assets at fair value through other comprehensive income that is an arm’s length transaction.
3. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:

   The fair value change of equity tool is recognized under the other comprehensive income, and during the derecognition, the cumulative profit or loss previously recognized under the other comprehensive income should not be re-categorized into income, but should be changed to list under the retained earnings. The Group recognizes dividend income in profit or loss when (a) the Group’s right to the dividends is established; (b) the economic benefits associated with dividends are probable to flow to the Group; and (c) such dividends can be reliably measured.

(IX) Accounts and Notes Receivables

1. Accounts and notes receivable denote that the Group has unconditional right to the consideration, in the form of receivables or notes, for the goods and services transferred.
2. The Group measures short-term accounts and notes receivables that do not bear an interest at the invoice value because they have insignificant discount effect.

(X) Impairment of Financial Assets

At the end of each reporting period, the Group considers financial assets at amortized cost and accounts receivable, including significant financial components, and takes into consideration all reasonable and supporting information (including the forward-looking information). For financial assets of which the credit risk does not significantly increase since initial recognition, the Group recognizes an allowance equal to 12-month expected credit losses; for financial assets of which the credit risk significantly increases since initial recognition, the Group recognizes an allowance equal to the lifetime expected credit loss; for accounts receivables that do not contain significant financial components, the Group recognizes an allowance equal to the lifetime expected credit loss.

(XI) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to receive cash flows from the financial asset expire.

(XII) Leasing arrangements (lessor) - operating leases

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

(XIII) Inventory

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs, and related production overheads (allocated based on normal operating capacity), excluding borrowing costs. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(XIV) Investment accounted for under the equity method -associates

1. An associate is an entity over which the Group has significant influence but without control power, and it generally refers to an entity that the Group directly or indirectly holds more than 20% of shares of voting rights. The Group uses the equity method to account for its investments in associates, and costs are recognized during the acquisition thereof.
2. The Group’s share of its associate’s post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive

income is recognized in other comprehensive income. When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any other unsecured accounts receivable), the Group discontinues recognizing its share of further losses; unless the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

3. When an associate is subject to equity change not for profit or loss or other comprehensive income and when the shareholding percentage of the associate held by the Group is not affected, the Group then recognizes all of the equity change as the "capital reserve" according to the shareholding percentage.

4. The unrealized profit or loss generated from the transactions between the Group and an associate has been eliminated according to the equity ratio of the associate. Unless there is evidence indicating that the asset transferred in such transaction has an impairment, the unrealized loss is also eliminated. The accounting policies of the associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

5. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group'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 Group'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.

6. When the Group disposes an associate, if the Group loses its significant influence on the associate, then for all of the amounts related to the associate previously recognized in other comprehensive income, if its accounting handling basis is identical to the disposal of relevant assets or liabilities directly, i.e. such as the profit or loss recognized in the other comprehensive income, it is re-classified as profit or loss during the disposal of relevant assets or liabilities, then when the Group losses its significant influence on the associate, such profit or loss shall be re-classified as profit or loss from equity. If the Group still has a significant influence on the associate, then the amount previously recognized in the other comprehensive income is transferred out proportionally according to the aforementioned method.

(XV) Property, plant and equipment

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

2. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repair and maintenance is recognized in profit or loss when accrued.

3. Property, plant, and equipment are subsequently measured at cost. 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. Property, plant, and equipment is depreciated individually if they contain any significant components.

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

Buildings and structures	5~55 years
Machinery and equipment	5~30 years
Office equipment	5~10 years
Other equipment	3~50 years

(XVI) Lease Transactions of a Lessee - Right-of-use Assets/Lease Liabilities

1. The Group recognizes right-of-use assets and lease liabilities for all leases at the date when they are available for the Group's use. Low-value asset and short-term leases are recognized as expenses on a straight-line basis over the lease period.

2. The Group measures its lease liability at commencement date by discounting future lease payments using its incremental borrowing interest rate. Lease payments include:

   Fixed payments, less any lease incentives receivable.

   Lease payments that are measured in subsequent periods using the effective interest rate method and amortized over the lease term. When a change in lease payments occurs not due to contract modification, lease liability will be remeasured, with such remeasurements adjusted to right-of-use assets.

3. Right-of-use assets are recognized at costs at the inception of the lease. Cost includes:

   Original measurement amount of lease liabilities.

   Right-of-use assets are subsequently measured at costs. Depreciation of right-of-use assets is recognized at the earlier of the end of the useful life and the end of the lease term. When a lease liability is remeasured, the Group adjusts the right-of-use asset for any remeasurements.

(XVII) Investment property

An investment property is stated initially at its cost and measured subsequently using the fair value model. Profit or loss arising from the change of investment property fair value is recognized as profit or loss during the period of the occurrence.

(XVIII) Intangible assets

1. Computer software

   Computer software is measured at the acquisition cost and amortized using the straight line method over its estimated useful life, which is 2-5 years.

2. Goodwill

Goodwill results from mergers or acquisition. Difference obtained by subtracting the fair value of the net identifiable assets obtained from the acquisition price is recognized as the goodwill.

3. Customer relation and competition clauses

Since customer relation and competition clauses are obtained due to corporate mergers, they are recognized according to the fair value at the acquisition date. The fair value entry is based on the valuation assessment and it is amortized for 2~7 years via the straight-line method.

(XIX) Impairment of Non-Financial Assets

1. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is 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. 【Except for goodwill】, 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.
2. The recoverable amounts of goodwill, intangible assets with an indefinite useful life and intangible assets that have not yet been available for use are evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.
3. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(XX) Borrowings

Borrowings mean short and long term loans borrowed from banks. Borrowings are initially recognized at the fair value less any transaction costs, and subsequently at amortized cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the borrowing period using the effective interest rate method.

(XXI) Accounts and Notes Payable

1. Accounts receivable and notes receivable are the debt incurred by credit purchase of raw materials, goods, or services and the notes receivables incurred by operating and non-operating activities.
2. The Group measures short-term accounts and notes payable that do not bear interest at

the invoice value because they have an insignificant discount effect.

(XXII) Financial liabilities measured at fair value through profit or loss

1. It refers to financial liabilities repurchased with respect to the primary objectives in the recent period and deviates other than those designated as hedging instruments according to the hedge accounting that is held for trading.
2. At initial recognition, the Group measures financial assets at fair value plus relevant transaction costs, and subsequently, the Group measures the financial assets at fair value, and its gain or loss is recognized in profit or loss.

(XXIII) Convertible bonds payable

The convertible bonds payable issued by the Group are embedded with the conversion right (i.e., the right of the holder to choose the conversion of common shares of the Group, and a fixed amount for conversion of a fixed quantity of shares) and right of redemption. During the initial issuance, the issuance price classified into financial assets, financial liabilities or equity according to the issuance criteria, and the handling is as follows:

1. Embedded redemption right: During the initial recognition, its net fair value is used for recognition under the "financial assets at fair value through profit or loss". For subsequent balance sheet date, valuation is made according to the fair value at that time, and the difference is recognized under the "gain or loss on financial assets at fair value through profit or loss".
2. Main contracts of bonds: It is measured at fair value during the initial recognition, and the difference from the redemption price is recognized under the discount on bonds payable. Subsequently, the effective interest method is adopted according to the amortization procedure for recognition under the profit or loss during the circulation period, which is also used as the adjustment of the "financial costs".
3. Embedded conversion right (complying with the definition of equity): During the initial recognition, after the aforementioned "financial assets at fair value through profit or loss" and "bonds payable" are deducted from the issuance amount, the remaining value is recognized under the "capital surplus - subscription right", and no remeasurement is further made subsequently.
4. Any transaction costs that can be attributed directly are amortized to the liability and equity component according to the initial carrying amount ratio of the aforementioned components.
5. During holder conversion, the liability components recognized (including "bonds payable" and "financial assets at fair value through profit or loss") are handled according to the subsequent measurement method classified, followed by adding the carrying value of the "capital surplus - subscription right" according to the carrying value of the liability component in order to be used as the issuance cost for the conversion of common shares.

(XXIV) Derecognition of financial liabilities

A financial liability is derecognized by the Group when the obligation specified in the contract is either discharged, canceled or expires.

(XXV) <u>Offsetting financial instruments</u>

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(XXVI) <u>Non-hedging derivatives</u>

During the initial recognition of non-hedging derivatives, it is measured at fair value on the contract signing date and is recognized under the financial assets or liabilities at fair value through profit or loss. Subsequently, it is measured at fair value and its gain or loss is recognized under profit or loss.

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

1. 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 recognized as expenses in that period when the employees render service.

2. Pension

(1) Defined contribution plans

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

(2) Defined benefit plans

A. 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 Group in current period or prior period. The liability recognized 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 defined benefit net 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 government bonds (at the balance sheet date).

B. Remeasurements arising from defined benefit plans are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Past service costs are recognized immediately in profit or loss.

3. Employee compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognized as expenses and liabilities, provided that such recognition is required under legal or constructive obligations and those amounts can be reliably estimated. Any difference between the amount accrued and the amount actually distributed is accounted for as a change in accounting estimate. When employee compensation is appropriated in shares, the basis for calculating the number of shares shall be the closing price at the date before the date the Board of Directors resolves on the appropriation.

(XXVIII) Employees share-based payments

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 recognized as compensation costs 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-market 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. And ultimately, the amount of compensation cost recognized is based on the number of equity instruments that eventually vest.

(XXIX) Income tax

1. The tax expense comprises current tax and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
2. The current income tax charge is calculated by applying the taxable income to the tax rate specified in the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. Where appropriate, management also estimates income tax liabilities based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the shareholders resolve to retain the earnings in a shareholders' meeting of the following year.
3. Deferred income tax is recognized, using the balance sheets liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheets. However, the deferred tax is not accounted for if it arises from the initial recognition of goodwill or of an asset or liability in a transaction (excluding corporate merger) that at the time of the transaction affects neither accounting nor taxable profit (loss). Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred 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 realized or the deferred tax liability is settled.
4. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be

utilized. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.

5. Current income tax assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

(XXX) Share capital

1. Common shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are recognized in equity as a deduction from the proceeds.
2. When the Company repurchased shares previously issued, the consideration paid includes any directly attributable additional costs and the net amount after tax is recognized as a deduction of the shareholders' equity. During the subsequent reissuance of repurchased shares, any directly attributable additional costs and income tax are deducted from the consideration received, and the difference from the carrying value is then recognized as an adjustment of shareholders' equity.

(XXXI) Dividends appropriation

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders. Cash dividends are recorded as liabilities. Dividends distributed are recognized as stock dividends to be distributed and are recognized as common stocks on the new stock issuance base date.

(XXXII) Revenue recognition

Sale of goods

1. The Group manufactures and sells wires and cables related products. The sales revenue is recognized when the control of products is transferred to clients, i.e. when products are delivered to clients via channels to be handled at their discretion and the Group has no further obligation not performed that may impact clients accepting the products. When goods are transported to the designated location, the obsolete and impairment risks have been transferred to the customer, and the customer also accepts goods according to the sales contract, or when there is objective evidence proofing that all acceptable standards have been satisfied, which occurs when the goods are delivered to the customer.
2. A receivable is recognized 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 payment is due.

(XXXIII) Operating segments

The information on operating segments is reported in a manner consistent with the way the internal management report is provided to management. The key operating decision-makers are responsible for allocating resources to operating segments and evaluating their performance. The Group identifies the Board of Directors as its key operating decision-makers.

V. Significant Accounting Assumptions and Judgments, and Major Sources of Estimation Uncertainty

The preparation of these consolidated financial statements requires management to make critical judgments in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. The significant accounting estimates and assumptions being made may deviate from the actual outcomes and will be consistently measured and adjusted in accordance with historical experience and other factors. Such estimates and assumptions may lead to the risk of significant adjustments being made to the carrying amount of the assets and liabilities on the balance sheet. Significant accounting judgments and the uncertainty in accounting estimates and assumptions are stated below:

(I) Significant Judgments in Applying Accounting Policies

None.

(II) Significant Accounting Estimates and Assumptions

Evaluation of inventories

Since inventory is measured at the lower of costs and the net realizable value, the Group needs to exercise judgment and estimates to determine the net realizable value of inventory at the balance sheet date. The Group evaluates the amount of the inventory due to normal loss or obsolete on the balance sheet date, and also offsets the inventory cost to the net realizable value. Such inventory valuation may have material change due to the net realizable value fluctuation of products in the future.

As of December 31, 2022, the carrying amount of the Group's inventory was NT$1,659,575.

VI. Description of Significant Accounts

(I) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand and revolving funds	$ 1,990	$ 1,861
Checking deposits and demand deposits	523,616	502,707
Time deposits	191,402	-
	$ 717,008	$ 504,568

1. Since the Group corresponds with multiple financial institutions with good credit quality to diversify credit risks, the risk of default is expected to be low.
2. The Group has classified the cash and cash equivalents provided for security under the "other financial assets - current". Please refer to Note 8 for details.
3. The Group has classified the restricted cash and cash equivalents to "other non-current assets - others".

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

Item	December 31, 2022	December 31, 2021
Current items:		

Financial assets at fair value through profit or loss - shares listed on the stock exchange or the OTC market	$ 3,669	$ 3,669
Derivatives		
- Forward exchange	807	695
- Forward commodity	-	-
- Convertible bond redemption right	20,368	1,734
	24,844	6,098
Adjustments for change in value	(16,086)	4,800
	$ 8,758	$ 10,898
Current items:		
Financial liabilities derivatives possessed for transaction		
- Forward exchange	($ 2,256)	$ -

1. Detail of the financial assets (liabilities) at fair value through profit or loss recognized under profit or loss is as follows:

	2022	2021
Financial assets and liabilities at fair values compulsorily through profit or loss		
Equity instruments	$ 66	$ 104
Derivatives	3,801	(1,376)
Convertible bond redemption right	(15,980)	30,918
	($ 12,113)	$ 29,646

2. The Group's handling of transactions and contracts of derivative financial assets (liabilities) to which hedge accounting is not applicable is described in the following:

	December 31, 2022		
Derivative financial assets/liabilities	Contract amount (Item principal) (NT$ thousand)		Contract period
Current items:			
Derivative financial liabilities			
Forward exchange agreement (FXA)			
-Sale of USD and purchase of NTD	USD	2,100	2022.09.27-2023.02.21
Forward exchange agreement (FXA)			
- Purchase of USD and sale of THB	USD	2,342	2022.11.15-2023.06.08

December 31, 2021

Derivative financial assets/liabilities	Contract amount (Item principal) (NT$ thousand)		Contract period
Current items:			
Derivative financial assets			
Forward exchange agreement (FXA)			
-Sale of USD and purchase of NTD	USD	2,800	2022.10.06-2023.03.09

3. The forward exchange and commodity contracts signed by the Group were to hedge the exchange rate risk of (import) export and to hedge the price fluctuation of current positions; however, the hedge accounting was not applied.

4. The Group has not pledged financial assets at fair value through profit or loss.

5. Please refer to Notes 12(2) for information relating to credit risk of financial assets (liabilities) at fair value through profit or loss.

(III) Financial assets at fair value through other comprehensive income (FVOCI)

Item	December 31, 2022	December 31, 2021
Non-current:		
Equity instruments		
Shares not traded on the stock exchange, the OTC market, or the emerging stock market	$ 55,923	$ 35,949
Adjustments for change in value	8,998	(4,988)
	$ 64,921	$ 30,961

1. The Group chose to classify its strategic investment equity instruments as the financial assets at fair value through other comprehensive income, and the fair value of such investment as of December 31, 2022 and 2021 were amounted to NT$64,921 and NT$30,961 respectively.

2. Financial assets at fair value through other comprehensive income recognized in profit and loss/comprehensive income are as follows:

	2022	2021
Equity instruments at fair value		
Changes in fair value recognized in other comprehensive income - the Group	$ 11,275	$ 11,107
Changes in fair value recognized in other comprehensive income - investment accounted for under the equity method	(27,642)	49,902
Changes in fair value recognized in other comprehensive income - non-controlling interests	1,974	3,428
Accumulated benefits transferred to retained earnings due to delisting	(14,300)	-

	($ 28,693)	$ 64,437

3. The Group has not pledged Financial assets at fair value through other comprehensive income.

4. Please refer to Notes 12(2) for information relating to credit risk of financial assets at fair value through other comprehensive income.

(IV) Notes and accounts receivable

	December 31, 2022	December 31, 2021
Notes receivable	$ 106,776	$ 106,439
Less: Allowance for bad debt	-	-
	$ 106,776	$ 106,439
Accounts receivable	$ 1,536,957	$ 1,772,030
Less: Allowance for bad debt	(45,948)	(43,961)
	$ 1,491,009	$ 1,728,069

1. The aging analysis of accounts receivable (including related party) and notes receivable is as follows:

	December 31, 2022		December 31, 2021	
	Accounts receivable (including related party)	Notes receivable	Accounts receivable (including related party)	Notes receivable
Not overdue	$ 1,356,729	$ 106,776	$ 1,685,421	$ 106,439
Within 30 days	116,371	-	63,435	-
31~90 days	52,987	-	29,546	-
Above 91 days	33,519	-	37,935	-
	$ 1,559,606	$ 106,776	$ 1,816,337	$ 106,439

The above aging schedules were based on the number of days past the due date.

2. As of December 31, 2022, December 31, 2021 and January 1, 2021, the balances of receivables (including notes receivable) from contracts of the Group with customers amounted to NT$1,666,382, NT$$1,922,776 and NT$1,287,701, respectively.

3. The Group does not hold any collateral

4.As at December 31, 2022 and December 31, 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 Group's notes and accounts receivable was $106,776 and $106,439, $1,491,009 and $1,728,069, respectively.

5. Credit risks associated with accounts receivable and notes receivable are stated in Note 12(2).

(V) Inventory

	December 31, 2022		
	Costs	Allowance for inventory valuation	Carrying amount
Raw materials	$ 487,163	($ 6,209)	$ 480,954

Work in process	314,739	(4,513)	310,226
Finished products	463,177	(26,015)	437,162
Merchandise inventory	452,954	(64,698)	388,256
Inventory in transit	42,977	-	42,977
	$ 1,761,010	($ 101,435)	$ 1,659,575

		December 31, 2021	
	Costs	Allowance for inventory valuation	Carrying amount
Raw materials	$ 384,384	($ 4,152)	$ 380,232
Work in process	391,585	(3,932)	387,653
Finished products	571,920	(14,230)	557,690
Merchandise inventory	501,281	(50,741)	450,540
Inventory in transit	27,214	-	27,214
	$ 1,876,384	($ 73,055)	$ 1,803,329

The inventory costs recognized as expenses by the Group in the current period:

	2022	2021
Cost of inventory sold	$ 7,533,353	$ 6,550,665
Income from sale of scrap and waste materials	(116,734)	(121,856)
Inventory valuation losses	28,380	20,041
Loss (gain) on physical inventory and loss of scrap	5,221	5,968
	$ 7,450,220	$ 6,454,818

(VI) Investment accounted for under the equity method

1. Detail is as follows:

	December 31, 2022	December 31, 2021
Associates:		
Wanshih Electronic Co., Ltd. (Wanshih Electronic)	$ 277,816	$ 332,441
Wan Shih (Hong Kong) Co., Ltd. (Wan Shih Hong Kong)	20,059	19,789
Suzhou Wanshih Optical Communication Co., Ltd. (Suzhou Wanshih)	11,380	11,380
Saga YesFamily Healthcare Co. (Saga YesFamily)	3,499	3.499
Inga Nano Technology Co., Ltd. (Inga Nano Technology) (Note 1)	32,428	35,543
ALPHA TREASURE INVESTMENTS LIMITED (ALPHA) (Note 2)	5,633	2,630
	350,815	405,282
Accumulated impairment loss	(59,547)	(62,054)
	$ 291,268	$ 343,228

Note 1: To expand the market in Indonesia, in 2022 and 2021, the Company participated in the cash capital increase of the newly established ALPHA company for NT$5,135 and $4,988, and the shareholding percentage was 35%.

Note 2: The company disposed of 1,000,000 shares of Wanshih Electronic, a material associates of the Group in 2022, the disposal price is $27,494 and its investment has not lost its significant influence, so it is prorated transfer the amount previously recognized in other comprehensive profit or loss and recognize it in "Other gains and losses Loss-disposal of investment interests" totaling $11,661.

Note 3: The investment under the equity method - Inga Nano Technology increased capital in June 2022, because of the company did not participate in the capital increase, so the shareholding ratio decreased.

2. Share of profit or loss of associates accounted for using equity method:

	2022	2021
Wanshih Electronic	($ 16,229)	($ 10,117)
Wan Shih Hong Kong	(737)	767
Inga Nano Technology	(5,358)	4
ALPHA	(2,402)	(2,241)
	($ 24,726)	($ 11,587)

3. The investment income (loss) recognized under equity method of the investee Inga Nano Technology for the years ended 2022 and 2021 was obtained from the financial statement valuation audited by other CPAs retained by the investee.

4. (1) The basic information of material associates of the Group is as follows:

		Shareholding percentage			
Company name	Main operating location	December 31, 2022	December 31, 2021	the Group	Measurement method
Wanshih Electronic	Taiwan	24.55%	25.92%	Strategic investment	Equity method

Wanshih Electronic executed capital deduction to cover accumulated loss in November 2021, and executed capital deduction with issuance of new shares in January 2022.

(2) The summary on the financial information of material associates of the Group is as follows:

Balance Sheet

	Wanshih Electronic	
	December 31, 2022	December 31, 2021
Current assets	$ 370,225	$ 439,088
Non-current assets	887,291	832,209
Current liabilities	(266,551)	(304,061)
Non-current liabilities	(248,584)	(74,315)
Total net assets	$ 742,381	$ 892,921
Proportion of net assets of associate held by the Group	$ 182,254	$ 231,445
Goodwill	50,894	53,821

	2022	2021
Associate carrying value	$ 233,148	$ 285,266

Statement of Comprehensive Income

	Wanshih Electronic	
	2022	2021
Revenue	$ 725,119	$ 765,003
Net income (loss) of current period	($ 66,109)	($ 39,032)
Other comprehensive income (net, after tax)	(110,824)	188,183
Total comprehensive income for this period	($ 176,933)	$ 149,151
Dividends received from associate	$ 1,782	$ -

(3) The summary on the share of individual non-material associate's carrying amount and operating result of the Group is as follows:
As of December 31, 2022 and 2021, the total of the carrying amount of individual non-material associate of the Group were NT$58,120 and NT$57,962 respectively.

	2022	2021
Net loss for the period	($ 8,497)	($ 1,470)
Other comprehensive income (net, after tax)	1,275	(657)
Total comprehensive income for this period	($ 7,222)	($ 2,127)

5. The Group's material associate Wanshih Electronic had the quoted price, and its fair value as of December 31, 2022 and 2021 was NT$$375,923 and NT$$634,108 respectively.
6. (1) Due to the operating loss of the investment under the equity method- Wanshih Electronic, for Wanshih Electronic and its subsidiary, the Group used the fixed asset useful value as the recoverable amount during the impairment test, and the impairment loss amount of NT$47,175 .In addition, due to the Group's disposal of Wanshih Electric's shares in 2022, the accumulated impairment was delisted. As of December 31, 2022, the cumulative amount of impairment was $44,668.
   (2) For the investment accounted for under the equity method - Suzhou Wanshih, held by the Group, due to the recoverable amount being lower than the carrying value, the impairment loss for the previous years were recognized in full at an amount of NT$$11,380.
   (3) For the investment accounted for under the equity method - Saga YesFamily, held by the Group, due to the recoverable amount being lower than the carrying value, the impairment loss for the previous years were recognized at an amount of NT$3,499.
7. The Company is the largest single shareholder of Wanshih Electronic and holds shares representing 24.55% of the voting rights. However, since the shareholding percentage of other top 10 major shareholders (non-related parties) is higher than that of the Company, and since there are no agreements for negotiation or group decision among the shareholders, the Company has no actual capability in directing material decisions. Accordingly, it is determined that the Company has no control power on the associate.
8. Please refer to Note 8 for information on collaterals provided for investments under equity

method.

(VII) Property, plant and equipment

	2022					
	Land	Buildings and structures	Machinery and equipment	Office equipment	Others	Total
January 1						
Costs	$ 130,358	$ 468,400	$ 1.737,836	$ 63.611	$ 470,612	$ 2,870,817
Accumulated depreciation and impairment	-	(238,256)	(1,252,320)	(50,423)	(281,248)	1,822,247
	$ 130,358	$ 230,144	$ 485,516	$ 13,188	$ 189,364	$ 1,048,570
January 1	$ 130,358	$ 230,144	$ 485,516	$ 13,188	$ 189,364	$ 1,048,570
Addition	42,065	16,584	88,212	4,774	61,953	213,588
Disposal	-	-	(1,843)	(11)	(145)	(1,999)
Transfer	4,027	56,391	50,400	3,887	(111,129)	3,576
Depreciation expenses	-	(18,736)	(89,188)	(4,366)	(25,115)	(137,405)
Net exchange differences	5,942	15,703	20,860	685	7,985	51,175
December 31	$ 182,392	$ 300,086	$ 553,957	$ 18,157	$ 122,913	$ 1,177,505
December 31						
Costs	$ 182,392	$ 572,218	$ 1,834,813	$ 70,022	$ 432,880	$ 3,092,325
Accumulated depreciation and impairment	-	(272,132)	(1,280,856)	(51,865)	(309,967)	(1,914,820)
	$ 182,392	$ 300,086	$ 553,957	$ 18,157	$ 122,913	$ 1,177,505

	2021					
	Land	Buildings and structures	Machinery and equipment	Office equipment	Others	Total
January 1						
Costs	$ 140,612	$ 470,342	$ 1.624.610	$ 67,822	$ 400,248	$ 2,703,634
Accumulated depreciation and impairment	-	(244,819)	(1.245.891)	(58,094)	(282,206)	1,831,010
	$ 140,612	$ 225,523	$ 378,719	9,728	$ 118,042	$ 872,624
January 1	$ 140,612	$ 225,523	$ 378,719	$ 9,728	$ 118,042	$ 872,624
Addition	473	6,928	141,595	6,739	150,940	306,675
Transfer	844	18,030	59,240	842	(42,092)	36,864
Disposal	-	-	(3.949)	(8)	(631)	(4,588)
Depreciation expenses	-	(13,357)	(73,431)	(3,322)	(22,999)	(113,109)
Net exchange differences	(11,571)	(6,980)	(16,658)	(791)	(13,896)	(49,896)
December 31	$ 130,358	$ 230,144	$ 485,516	$ 13,188	$ 189,364	$ 1,048,570
December 31						
Costs	$ 130,358	$ 468,400	$ 1.737,836	$ 63.611	$ 470,612	$ 2,870,817
Accumulated depreciation and impairment	-	(238,256)	1,252,320	(50,423)	(281,248)	1,822,247
	$ 130,358	$ 230,144	$ 485,516	$ 13,188	$ 189,364	$ 1,048,570

For information on the pledge of property, plant and equipment, please refer to Note 8 for details.

(VIII) Lease transactions - lessee

1. The underlying assets of the Group's lease include lands, buildings, machinery equipment and company vehicles. The lease contract durations are typically for 3 to 8 years. Lease contracts are agreed upon individually and contain different terms and conditions. Except for leased assets shall not be used as collaterals, and are not restricted in any way.

2. The information on the carrying amount of the right-of-use asset and the recognized depreciation expense is as follows:

	Carrying amount	
	December 31, 2022	December 31, 2021
Land	$ 48,367	$ 46,523
Buildings	130,714	133,853
Transportation equipment (company vehicles)	5,524	4,719
	$ 184,605	$ 185,095

	Depreciation expenses	
	2022	2021
Land	$ 1,704	$ 1,628
Buildings	28,288	15,565
Machinery and equipment	-	1,022
Transportation equipment (company vehicles)	2,860	2,136
	$ 32,852	$ 20,351

3. The Group's right-of-use asset increased by NT$16,927 and NT$118,392 for years ended 2022 and 2021, respectively.

4. Profit or loss items in relation to lease contracts are as follows:

	2022	2021
Items that affect profit or loss		
Interest expense of lease liabilities	$ 1,825	$ 647
Expenses attributable to short-term lease contracts	4,811	4,220

5. The Group's total cash used in lease contracts were NT$$38,882 and $24,630 for the years ended 2022 and 2021, respectively.

6. Option of lease extension and option of lease termination

(1) The lease subject matters classified as the building lease among the lease contracts of the Group is approximately 15%, including the option of extension that can be executed by the Group. The signing of such clause in the lease contract is to enhance the flexible operational management of the Group.

(2) During the determination of lease period, the Group considers all of the facts and conditions related to economic incentives that may be generated due to exercise of the option of extension. When material event is assessed to occur due to exercise of the option of extension or non-exercise of the option of termination, the lease period will be re-evaluated.

(IX) Investment property

	2022	2021
January 1	$ 154,441	$ 154,441
Fair value adjustment benefit	3,878	-
December 31	$ 158,319	$ 154,441

1. Rental income from investment property and direct operating expenses arising from the

investment property:

	2022	2021
Rental income from investment property	$ 7,764	$ 7,751
Direct operating expenses arising from the investment property generating rental income in the current period	$ 217	$ 208
Direct operating expenses arising from the investment property without generating rental income in the current period	$ -	$ -

2. Investment property fair value basis

The investment properties held by the Group are mainly located at Wugu District, New Taipei City. Fair price refers to the valuation result of independent valuation expert, and the valuation uses the equity method in order to perform assessment based on the rent of similar real properties at the relevant neighborhood areas of the assets. The main appraisal report information used is as follows:

(1) The locations of investment properties of the Group and the income approach used are summarized in the following:

Year	Subject property	Location	Appraisal method	Appraiser	Appraiser firm	Appraisal base date
December 31, 2022	Wugu Building	Wugu District, New Taipei City	Income approach	Wei-Han Sun	Xianjian	December 31, 2022
December 31, 2021	Wugu Building	Wugu District, New Taipei City	Income approach	Wei-Han Sun	Xianjian	December 31, 2021

(2) For the individual case using the income approach, the income value estimation adopts the discounting cash flow analysis method. The cash inflow refers to the annual rent income, and the cash outflow includes land value tax, house tax, insurance fee, management and maintenance fee, replacement allowance and other relevant operating expenses. The main parameters used are as follows:

Year	Subject property	Period	Discount rate (Note 1)	Income capitalization rate (Note 2)
December 31, 2022	Wugu District, New Taipei City	10 years	2.720%	3.720%
December 31, 2021	Wugu District, New Taipei City	10 years	2.595%	3.595%

Note 1: For the discount rate, based on the consideration of the product type and risk factors of this case, the risk premium approach is used to determine the discount rate.

Note 2: The Income capitalization rate uses the investment return plus the risk premium of 1% of the real property value after 10 years.

Year	Cash inflow item	Local rent status	Similar comparable subject property in the market
December 31, 2022	Rental income (NT$/ping/month)	Approximately NT$$669-NT$815	Approximately NT$669-NT$809
December 31, 2021	Rental income (NT$/ping/month)	Approximately NT$$676-NT$744	Approximately NT$688-NT$739

3. Please refer to Note 12(3) for information on investment property fair value.

4. Please refer to Note 8 for Information on the restricted assets that were pledged to others as collateral.

(X) Intangible assets

	2022			
	Goodwill	Customer relations	Computer software	Total
January 1				
Costs	$ 129,108	$ 75,629	$ 40,851	$ 245,588
Accumulated amortization and losses	-	(43,216)	(31,511)	(74,727)
	$ 129,108	$ 32,413	$ 9,340	$ 170,861
January 1	$ 129,108	$ 32,413	$ 9,340	$ 170,861
Addition-acquired independently	-	-	6,532	6,532
Amortization expenses	-	(10,804)	(5,123)	(15,927)
Net exchange differences	-	-	679	679
December 31	129,108	$ 21,609	$ 11,428	$ 162,145
December 31	-			
Costs	$ 129,108	$ 75,630	$ 47,743	$ 252,481
Accumulated amortization and losses	-	(54,021)	(36,315)	(90,336)
	$ 129,108	$ 21,609	$ 11,428	$ 162,145

	2021			
	Goodwill	Customer relations	Computer software	Total
January 1				
Costs	$ 129,108	$ 75,629	$ 39,508	$ 244,245
Accumulated amortization and losses	-	(32,412)	(28,523)	(60,935)
	$ 129,108	$ 43,217	$ 10,985	$ 183,310
January 1	$ 129,108	$ 43,217	$ 10,985	$ 183,310
Addition-acquired independently	-	-	3,679	3,679
Amortization expenses	-	(10,804)	(4,139)	(14,943)

Net exchange differences		-		-		(1,185)		(1,185)
December 31	$	129,108	$	32,413	$	9,340	$	170,861
December 31		-						
Costs	$	129,108	$	75,629	$	40,851	$	245,588
Accumulated amortization and losses		-		(43,216)		(31,511)		(74,727)
	$	129,108	$	32,413	$	9,340	$	170,861

1. Details of the intangible assets amortization were as follows:

	2022	2021
Operating costs	$ 3,333	$ 2,952
Selling expenses	10,816	10,943
Administrative expenses	1,681	951
Research and development expenses	97	97
	$ 15,927	$ 14,943

2. Goodwill is allocated to the Group's cash generating unit identified according to the operating segments:

	December 31, 2022	December 31, 2021
U.S.A.	$ 129,108	$ 129,108

3. Good will is allocated to the cash-generating unit identified by the Group, and the recoverable amount is evaluated according to the use value, which is estimated and calculated according to the five-year cash flow before tax.

4. The recoverable amount calculated by the Group according to the use value exceeded the carrying amount; therefore, there was no goodwill loss. The main assumption used for the calculation of the use value is as follows:

	U.S.A.	
	2022	2021
Profit margin	17.00%	18.00%
Growth rate	5.00%	5.00%
Discount rate	16.30%	16.08%

The management determines the budgeted margin according to the past performance and the market development expectation. The weighted average growth rate used is determined based on the prediction of historical result and the future estimated operating scale of the cash generating unit. The discount rate used refers to the pre-tax rate and reflects the specific risk of relevant operating segments.

(XI) Bonds payable

	December 31, 2022	December 31, 2021
Bonds payable	$ 800,000	$ 63,500
Less: Bonds payable discount	(37,422)	(2,478)
	$ 762,578	$ 61,022

1. The Company issued the fifth time of domestic unsecured convertible bonds (referred to as "domestic fifth convertible bonds) on September 17, 2021, with the issuance total amount of NT$300,000, and issued at 106% of par value. The main issuance criteria are as follows:

(1) Issuance period: 3 years, from September 17, 2021 to September 17, 2024 for maturity.

(2) Coupon rate: fixed annual interest rate of 0%

(3) Redemption method:

Unless the Company has redeemed early, repurchased and written off or the holders of the fifth convertible bonds has exercised the conversion right or put right, during the maturity date of the fifth convertible bonds, the Company will redeem the fifth convertible bonds based on the par value of the fifth convertible bonds plus the earning rate of annual interest rate of 0.0%.

(4) Conversion period:

Except that the fifth convertible bonds have been redeemed or repurchased early, or the suspension of transfer period prescribed in the law and specified in the trust contract, up to the end of the next day when the issuance of the fifth convertible bonds has reached three full months, the holders of the fifth convertible bonds may request the Company to convert the fifth convertible bonds into common shares newly issued by the Company.

(5) Conversion price:

The conversion price of the fifth convertible bonds is 101.83% of the reference price, i.e. NT$25. The reference price is determined based on the closing price of NT$24.55 of the common shares price listed at TPEx on the business day one day before the base date specified by the Company. Since the Company has executed the cash capital increase, and according to Article 11 of the Regulations for Issuance and Conversion of Bonds, the conversion price shall be adjusted, the conversion price is adjusted to NT$24.8 from NT$25 starting from October 22, 2021, when the share payments are made in full.

(6) Callable right:

Under the following conditions, the Company may redeem the fifth convertible bonds early:

a. From the next day when the issuance has reached three full months to the date of 40 days before the maturity of the issuance period, if the closing price of the common shares of the Company in Taiwan continues to reach more than 30% of the conversion price at that time for thirty business days, the Company may redeem all of the fifth convertible bonds early based on the early redemption amount.

b. From the next day when the issuance has reached three full months to the date of 40 days before the maturity of the issuance period, if the balance of the outstanding fifth convertible bonds is lower than 10% of the original total issuance amount, the Company may redeem all of the fifth convertible bonds early based on the early redemption amount.

2. The Company issued the fifth time of domestic unsecured convertible bonds (referred to as “domestic sixth convertible bonds) on October 31, 2022, with the issuance total amount of NT$800,000, and issued at 101% of par value. The main issuance criteria are as follows:

(1) Issuance period: 3 years, from October 31, 2022 to October 31, 2025 for maturity.

(2) Coupon rate: fixed annual interest rate of 0%

(3) Redemption method:

Unless the Company has redeemed early, repurchased and written off or the holders of the fifth convertible bonds has exercised the conversion right or put right, during the maturity date of the fifth convertible bonds, the Company will redeem the fifth convertible bonds based on the par value of the fifth convertible bonds plus the earning rate of annual interest rate of 0.0%.

(4) Conversion period:

Except that the fifth convertible bonds have been redeemed or repurchased early, or the suspension of transfer period prescribed in the law and specified in the trust contract, up to the end of the next day when the issuance of the fifth convertible bonds has reached three full months, the holders of the fifth convertible bonds may request the Company to convert the fifth convertible bonds into common shares newly issued by the Company.

(5) Conversion price:

The conversion price of the fifth convertible bonds is 101.63% of the reference price, i.e. NT$36.20. The reference price is determined based on the closing price of NT$35.62 of the common shares price listed at TPEx on the business day one day before the base date specified by the Company.

(6) Callable right:

Under the following conditions, the Company may redeem the fifth convertible bonds early:

a. From the next day when the issuance has reached three full months to the date of 40 days before the maturity of the issuance period, if the closing price of the common shares of the Company in Taiwan continues to reach more than 30% of the conversion price at that time for thirty business days, the Company may redeem all of the fifth convertible bonds early based on the early redemption amount.

b. From the next day when the issuance has reached three full months to the date of 40 days before the maturity of the issuance period, if the balance of the outstanding fifth convertible bonds is lower than 10% of the original total issuance amount, the Company may redeem all of the fifth convertible bonds early based on the early redemption amount.

3. During the issuance of the convertible bonds of the Group, according to the regulations of IAS 32 "Financial Instruments: Presentation", the conversion right of equity nature is separated from the liability component, which is recognized under the "Capital surplus - subscription right" at an amount of NT$$36,094 and 65,027. In addition, with regard to the embedded callable right, according to IFRS 9 "Financial Instruments", since it is not closely related to the economic characteristic and risk of the debt instruments of the main contract, it is handled separately, and its net value is recognized under the "financial assets at fair value through profit or loss".

4. Up to December 31, 2022 and December 31, 2021, the convertible bonds of the par value of NT$63,500 and $236,500 have been converted into common shares of 2,560 and 9,536 thousand shares, and the conversion price is NT$24.8 per share.

(XII) Short-term borrowings

	December 31, 2022	December 31, 2021
Secured bank loans	$ 244,176	$ 918,176
Unsecured bank loans	834,300	1,421,402
	$ 1,078,476	$ 2,339,578
interest rate range	1.45%~7.50%	0.90%~4.90%

1. The interest expenses for the long and short term borrowings recognized for the years ended 2022 and 2021 were NT$56,216 and NT$45,028, respectively.

2. Please refer to Note 8 for details of the collaterals provided for the short-term borrowings of the Group.

(XIII) Long-term borrowings

Nature of borrowings	December 31, 2022	December 31, 2021
Long-term bank loans		
Secured loan	$ 121,396	$ 49,131
Less: Current portion of long-term borrowings	(42,076)	(23,464)
	$ 79,320	$ 25,667
Interest rate range	1.70%-4.25%	2.00%-3.75%

1. The secured borrowing repayment period is from 2021 to 2042 with repayments in installments.
2. The Company signed the credit extension contract with the Taipei Branch, Bangkok Bank of Thailand, which requested the financial report of the Company to satisfy the following key performance:
   (1) The current ratio of the annual consolidated financial statements shall not be less than 100% during the duration of the credit extension contract, and the debt-to-net worth ratio shall not be greater than 250% during the duration of the credit extension contract.
   (2) In case where the Company breaches the aforementioned commitment, the Bangkok Bank of Thailand will suspend the Company's application for new loans, and unless the consent of the Bangkok Bank of Thailand is obtained, no amount can be further drawn.
3. Detail of the loan credit not yet drawn by the Group is as follows:

	December 31, 2022	December 31, 2021
Unused amount	$ 355,101	$ 321,802

4. Please refer to Note 8 for details of the collaterals provided for the long-term borrowings of the Group.

(XIV) Pension

1.(1) By adhering to the requirements set forth in the Labor Standards Act, the Company has established its own defined retirement benefits plan, which is applicable both to the service years of all regular employees rendered before the enforcement of the Labor Pension Act on July 1, 2005, and to the service years of all employees who elected to continue applying the Labor Standards Act after the implementation of the Labor Pension Act. Pensions for employees qualified for retirement are calculated based on their servicing years and their average salaries of the 6 months prior to their retirement. Two bases are given for each full year of service rendered within 15 years (inclusive). But for the rest of the years over 15 years, one base is given for each full year of service rendered. The total number of bases shall be no more than 45. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with the Bank of Taiwan, under the name of the Independent Retirement Fund Committee. In addition, the Company estimates the balance of the said designated pension account before the end of the year. If the balance is not sufficient to cover the amount to be paid to all employees - calculated in the manner specified above - who will qualify for the retirement conditions next year, a lump-sum deposit should be made before March-end of the following year to cover the difference.

(2) Thai Wonderful Wire and Cable chooses to adopt the confirmed pension payment method according to the local law, and relevant pension expense is appropriated according to the expected unit payment method.

(3) The amounts recognized in the balance sheet are determined as follows:

	December 31, 2022	December 31, 2021
Present value of defined benefit obligation	$ 116,656	$ 122,677
Fair value of plan assets	(54,741)	(40,524)
Net defined benefit liability	$ 61,915	$ 82,153

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

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability
2022			
Balance on January 1	($ 122,677)	$ 40,524	($ 82,153)
Current service costs	(2,938)	-	(2,938)
Interest expense (income)	(1,116)	284	(832)
Service in last year	(4,926)	-	(4,926)
	(131,657)	40,808	(90,849)
Remeasurement:			
Return on plan assets (excluding amounts included in interest income or expense)	-	3,711	3,711
Changes in financial assumptions	3,577	-	3,577
Experience adjustments	4,342	-	4,342
	7,919	3,711	11,630
Pension fund appropriated	-	18,373	18,373
Pension paid	8,967	(8,151)	816
Translation differences	(1,885)	-	(1,885)
Balance on December 31	($ 116,656)	$ 54,741	($ 61,915)

	Present value of defined benefit obligation		Fair value of plan assets		Net defined benefit liability	
2021						
Balance on January 1	($	127,687)	$	52,356	($	75,331)
Current service costs		(3,027)		-		(3,027)
Interest expense (income)		(1,119)		157		(962)
		(131,833)		52,513		(79,320)
Remeasurement:						
Return on plan assets (excluding amounts included in interest income or expense)		-		790		790
Changes in demographic assumptions		(68)		-		(68)
Changes in financial assumptions		2,833		-		2,833
Experience adjustments		(15,055)		-		(15,055)
		(12,290)		790		(11,500)
Pension fund appropriated		-		4,475		4,475
Pension paid		18,126		(17,254)		872
Translation differences		3,320		-		3,320
Balance on December 31	($	122,677)	$	40,524	($	82,153)

(5) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization 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 securitization products, etc.). With regard to the utilization 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 are less than the aforementioned rates, the government shall make payment for the deficit after being authorized 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 asset 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 Utilization Report announced by the government.

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

	2022	2021
Discount rate		
- the Company	1.2%	0.7%
- Thai Wonderful Wire and Cable	1.9%	3.5%
Future salary increase rate		
- the Company	3.5%	3.5%
- Thai Wonderful Wire and Cable	4.0%	6.0%

With regard to the assumption on the future mortality rate, the future mortality rate was estimated based on the Sixth and Fifth Standard Ordinary Experience Mortality Table of the life insurance enterprises in Taiwan for 2022 and 2021. For Thai Wonderful Wire and Cable, estimation was made based on the statistical numbers announced locally and past experience.

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

	Discount rate		Future salary increase rate	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
December 31, 2022				
Impact on present value of defined benefit obligation	$ 7,809	($ 7,861)	($ 7,262)	$ 6,787
December 31, 2021				
Impact on present value of defined benefit obligation	$ 8,956	($ 9,225)	($ 7,919)	$ 8,396

The sensitivity analysis above is based on other conditions that are unchanged but only one assumption is changed. In practice, more than one assumption may change all at once.

The method of analyzing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

(7) Expected contributions to the defined benefit pension plans of the Group for 2023 amounts to NT$4,029.

(8) Up to December 31, 2022, the weighted average duration of the retirement plan of the Company is 7 years; the weighted average duration of the retirement plan of Thai Wonderful Wire and Cable is 8 years.

2. (1) Since July 1, 2005, the Company and Wonderful Photoelectricity have established their own pension regulations applicable to Taiwanese nationals in accordance with the Labor Pension Act. 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 a lump sum upon the termination of employment.

(2) Wonderful Photo Electricity Dongguan, Elitech Technology and Wan Shih Hong Kong contribute a certain ratio of total amount of local employee salaries for the social insurance fund according to the social insurance system specified by the People's Republic of China (PRC). The pension for employees is managed independently by the government. Except for making a monthly contribution, the Group has no further obligation.

(3) ABA provides the Employee 401(K) Retirement Saving Plan, and the 401(K) plan adopts the confirmed appropriation system. During the employment period of employees, a certain ratio of the salary is appropriated to the personal pension account periodically according to the regulations.

(4) For the rest of overseas subsidiary, no retirement regulations and relevant policies have been established.

(5) The pension costs of the Group recognized according to the aforementioned pension regulations for the years ended 2022 and 2021 were NT$23,471 and NT$20,840 respectively.

(XV) Share-based payments

1. The Group's share-based payment arrangements for 2022 and 2021 are as follows:

Type of agreement	Grant date	Quantity granted	Contract period	Vesting conditions
Transfer of treasury stock to employees	2022.01.28	1,645 thousand shares	Not applicable	Immediate vesting
The portion of common shares issuance reserved for employee subscription	2021.10.5	920 thousand shares	Not applicable	Immediate vesting

On January 28, 2011, the company gave employees a share-based payment transaction, restricting employees from transferring it within one year.

The said share-based payment arrangements are settled with equity.

2. The share-based payment transaction granted by the company on the grant day is based on the closing price on the grant day minus the performance price to estimate the fair value of the stock option.

3. The Group adopted the Black-Scholes option pricing model to evaluate the fair value of its employee stock options granted under share-based payment arrangements, stated as follows:

Type of agreement	Grant date	Share price	Exercise price	Expected volatility	Expected duration	Expected dividend	Risk-free interest rate	Fair value per unit
Transfer of treasury stock to employees	2022.1.28	32.85	13.78~ 14.41	55.90%	0.118 year	-	0.1643%	10.71~ 11.34
The portion of common shares issuance reserved for employee subscription	2022.10.5	24.3	20.80	45.14%	0.041 year	-	0.053%	3.54

Note: The expected volatility is estimated by using the stock price of the year before the grant as the sample range and the standard deviation of the stock return rate during the period.

3. The cost of the Group recognized due to the share-based payment transactions as follows:

	2022	2021
Equity delivery	$17,942	$3,257

(XVI) Share capital

1. Up to December 31, 2022, the Company's authorized capital equal was NT$2,000,000, paid-in capital equal was NT$1,616,652, at par value of NT$10 per share. All proceeds for share subscription of the Company were collected in full.

   Adjustments in the number of the Company's ordinary shares outstanding (in thousand shares) are as follows:

	2022	2021
January 1	149,845	132,123
Conversion of convertible bonds	2,560	9,536
transfer of treasury shares	1,645	
Cash capital increase	-	9,200
Recovered shares	-	(1,014)
December 31	154,050	149,845

2. On September 22, 2022, the Board of Directors of the Company resolved to execute cash capital increase with issuance of common shares of 9,200 thousand shares with the face value of NT$10 per share, the issue price was NT$20.8 per share, and the total capital increase was NT$191,360. All relevant proceeds had been collected in full, and the

capital increase base date was October 22, 2022, and the change registration was completed on November 22, 2022.

3. Treasury shares

(1) Reason of recovering shares and quantity change status (thousand shares):

		December 31, 2022	
Name of shareholding company	Reason of recovering shares	Number of shares	Carrying amount
The Company	For transfer of shares to employees	7,614 thousand shares	$ 128,532

		December 31, 2021	
Name of shareholding company	Reason of recovering shares	Number of shares	Carrying amount
The Company	For transfer of shares to employees	9,259 thousand shares	$ 156,301

(2) According to the regulations of Securities and Exchange Act, the buyback ratio of the outstanding shares of a company shall not exceed 10% of the issued shares of the company, and the total amount of the buyback shares must not exceed the retained earnings plus the premium of the issued shares and the realized capital reserve amount.

(3) The treasury shares held by the Company, in accordance with Securities and Exchange Act, shall not be pledged and shall not enjoy the shareholders' right before transfer.

(4) According to the regulations of the Securities and Exchange Act, the shares bought back for transfer to employees shall be transferred within 5 years from the buyback date. If a transfer is not completed by such time limit, it shall be deemed that the Company has not issued such shares, and the registration of share cancellation must be made. In addition, for the shares bought back for the purpose of protecting the credit of the Company and the shareholders' equity, the registration of share cancellation must be made within 6 months from the buyback date.

(5) Up to the date of January 1, 2021, the number of treasury shares of the Company was 8,245 thousand shares. The quantity of buyback shares in 2021 were 1,014 thousand shares; and the buyback prices in 2021 were NT$25,817. In addition, in 2022, 1,645 thousand treasury shares were transferred to employees, and the stock payment was $23,310.As of December 31, 2022, the rates, government number of treasury shares was 7,614 thousand shares.

4. The number of shares held by associates of the Company as of December 31, 2022 and 2021 were 9,282 thousand shares and 6,300 thousand shares respectively.

(XVII) Capital surplus

Under the Company Act, capital surplus arising from shares issued at premium or from donation may be used for offsetting deficit. Furthermore, if the Company has no accumulated loss, capital surplus may be used for issuing new shares or distributing cash in proportion to shareholders' original shareholding percentage. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. The Company may use capital surplus to offset loss only when the amount of reserves is insufficient to offset the loss.

	2022							
	Share premium	Treasury stock transactions	Employee restricted shares	Corporate Bond Option	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in ownership interests in subsidiaries	Net change in equity of associates	Total
January 1	$ 234,399	$ 6,352	$ -	$ 7,640	$ 5,695	$ 1,491	$ 2,562	$258,139
Share-based payment transaction	-	-	17,942	-	-	-	-	17,942
Share-Based Benefit Transactions	-	13,483	(17,942)	-	-	-	-	(4,459)
Conversion of convertible bonds	36,548	-	-	(7,640)	-	-	-	28,908
Issuance of convertible bonds	-	-	-	65,027	-	-	-	65,027
The difference between the equity acquired in the subsidiary and the book value	-	-	-	-	4,816	-	-	4,816
Recognition of change in equity of subsidiaries in portion to the Group's	-	-	-	-	-	2,854	-	2,854
Recognition of change in equity of associates in portion to the Group's	-	-	-	-	-	-	10,450	10,450
December 31	$ 270,947	$ 19,835	$ -	$ 65,027	$ 10,511	$ 4,345	$ 13,012	$383,677

	2021							
	Share premium	Treasury stock transactions	Employee restricted shares	Corporate Bond Option	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in ownership interests in subsidiaries	Net change in equity of associates	Total
January 1	$ 2,249	$ 6,352	$ -	$ -	$ 5,695	$ -	$ 2,562	$ 16,,858
Issuance of convertible bonds	-	-	-	36,094	-	-	-	36,094
cash capital increase	102,617	-	(3,257)	-				99,360
Share-Based Benefit Transactions	-	-	3,257	-				3,257
Conversion of convertible bonds	129,533	-	-	(28,454)				101,079
Recognition of change in equity of subsidiaries in portion to the Group's	-	-	-	-	-	1,491	-	1,491
December 31	$ 234,399	$ 6,352	$ -	$ 7,640	$ 5,695	$ 1,491	$ 2,562	$258,139

(XVIII) Retained earnings

1. According to the Articles of Incorporation of the Company, when the Company has a profit after the closing account of a fiscal year, amount shall be appropriated to pay tax and make up losses for the preceding years first, followed by setting aside a legal reserve of 10% thereof. For the remaining amount, in addition to the distribution of dividends, If there is still remaining surplus, the distribution of shareholders' dividends shall be determined according to the resolution of the shareholders’ meeting.
2. According to the dividend policy of the Company, the factors of profit status, financial

plan, future development of the Company and shareholders' interests are comprehensively considered, and the Board of Directors then establishes the dividend distribution proposal annually according to the law, and the distribution amount shall not be less than 50% of the earnings after tax of the current year, and at least 10% of the cash dividends is distributed among the dividends distributed for the current year.

3. Except for covering accumulated deficits 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 the legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the balance of the reserve exceeds 25% of the Company's paid-in capital.

4. According to law, the Company may appropriate earnings only after it has provided special reserve under the debit balance of other equity on the balance sheet date. If subsequently the debit balance of other equity is reversed, the reversed amount may be used as appropriable earnings.

5. The 2019 earnings distribution proposal of the Company resolved by the shareholders' meeting on July 20, 2021 was as follows:

	2020	
	Amount	Dividends Per Share (In Dollars)
Statutory reserves	$ 13,643	
Special reserves	45,048	
Cash dividends	132,124	$ 1.00
	$ 190,815	

6. The 2021 earnings distribution proposal of the Company resolved by the shareholders' meeting on June 8, 2022 was as follows:

	2021	
	Amount	Dividends Per Share (In Dollars)
Statutory reserves	$ 21,566	
Special reserves	(3,419)	
Cash dividends	214,667	$ 1.40
	$ 232,814	

7. The 2022 earnings distribution proposal of the Company submitted to the Board of Directors on March 17, 2023 for resolution was as follows:

	2022	
	Amount	Dividends Per Share (In Dollars)
Statutory reserves	$ 48,904	
Special reserves	(49,901)	
Cash dividends	308,102	$ 2.00
	$ 307,105	

The aforementioned 2022 earnings distribution proposal has not yet been resolved by the shareholder's meeting.

(XIX) Operating revenue

	2022	2021
Revenue from contracts with customers	$ 9,028,285	$ 7,538,001

Details of revenue from contracts with customers

The Group's revenue derived from transfer of goods at a particular point of time are classified into the following categories:

	2022	2021
LAN cables	$ 3,691,845	$ 2,228,276
Electronic cables	2,154,064	2,167,379
Paige cables	403,940	664,778
Automotive wires	797,294	591,957
Power cables	243,447	283,987
Computer cables	160,700	133,967
High temperature wires	25,019	30,497
Others	1,551,976	1,437,160
	$ 9,028,285	$ 7,538,001

(XX) Interest income

	2022	2021
Interest income from bank deposits	$ 4,026	$ 297
Other interest income	602	225
	$ 4,628	$ 522

(XXI) Other income

	2022	2021
Rental income	$ 14,694	$ 11,745
Dividend income	612	102
Other income—others	8,321	13,717
	$ 23,627	$ 25,564

(XXII) Other gains and losses

	2022	2021
Gains on disposal of property, plant and equipment	$ 2,066	$ 2,646
Gain from disposals of investments	11,661	-
Foreign exchange gain (loss)	94,421	12,622
Net gain on financial assets (liabilities) at fair value through profit or loss	(12,113)	29,646
Gains on fair value adjustment, investment property	3,878	-
Other losses	(54)	(2,834)
	$ 99,859	$ 42,080

(XXIII) Finance costs

	2022	2021
Interest expenses	$ 56,600	$ 45,246

Convertible bond	2,841	1,207
Other financial expenses	1,825	647
	$ 61,266	$ 47,100

(XXIV) Depreciation, amortization and employee benefit expenses

	2022	2021
Salary expense	$ 682,117	$ 595,771
Employee stock options	17,942	3,257
Labor and health insurance expense	27,904	26,397
Pension expense	32,167	24,829
Other personnel expense	37,634	35,467
Depreciation expenses	170,257	133,460
Amortization expenses	15,927	14,943

1. According to the Articles of Incorporation of the Company, when the Company has a profit for a fiscal year, 2% to 4% of the profit before tax and before the deduction of the distribution of remunerations of employees and directors shall be set aside as the remuneration of employees and no higher than 2% thereof shall be set aside as the remuneration of directors. However, when the Company has accumulated losses, amount shall be reserved for making up the accumulated losses first.

2. The estimated remunerations of employees and directors of the Company are as follows.

	2022	2021
Remuneration of directors	$ 8,503	$ 2,750
Remuneration of employees	17,007	5,500
	$ 25,510	$ 8,250

(1) The remuneration of employees and the remuneration of directors for 2022 were estimated at 2% and 1%, respectively according to the profit status up to the current period.

(2) The remuneration of employees and the 2022 remuneration of directors according to the resolution of the board of directors' meeting on March 17, 2023 were NT$17,915 and NT$8,958 respectively, and the remuneration of employees is to be distributed in the form of cash.

(3) For 2021, the employees' compensation and directors' and supervisors' remuneration resolved by the Board of Directors amounted to $8,456 and $4,228, respectively. The difference of $4,434 between the amounts resolved by the Board of Directors and the amounts recognised in the 2021 financial statements , had been adjusted in the profit or loss of 2022.

(4) Relevant information on the remunerations of employees and directors of the Company as resolved by the board of directors is available at the Market Observation Post System" (MOPS) website for inquires.

(XXV) Income tax

1. Income tax expense

(1) Income tax components:

	2022	2021
Current income tax:		
Tax attributable to taxable income of the period	$ 176,082	$ 72,715
Underestimate of income tax of the previous year	(7,339)	666
Total current income tax	168,743	73,381
Deferred income tax:		
Deferred income tax on temporary differences originated and reversed	43,614	25,766
Income tax expense	$ 212,357	$ 99,147

(2) Income tax associates with other comprehensive income:

	2022	2021
Translation difference of foreign operations	($ 20,602)	$ 14,021
Other comprehensive income of associates	(342)	376
Remeasurement of defined benefit obligation	(2,326)	2,300

2. Reconciliation between income tax expense and accounting profit

	2022	2021
Income tax of net profit before tax calculated at the statutory rate	$ 215,919	$ 113,466
Income tax effects of eliminated item according to tax law	5,600	(3,177)
Income tax effects of income with tax exemption	(35)	-
Realizability evaluation change of deferred income tax assets	(1,788)	(11,808)
Underestimate of income tax of the previous year	(7,339)	666
Income tax expense	$ 212,357	$ 99,147

3. Amounts of deferred income tax assets or liabilities as a result of temporary difference are as follows:

	2022				
	January 1	Recognized in P/L	Recognized in other comprehensive income	Translation differences	December 31
Deferred tax assets:					
Unrealized exchange loss	$ -	$ 969	$ -	$ -	$ 969
Unrealized gain from sale	5,009	3,874	-	-	8,883
Inventory falling price reserves	1,093	503	-	-	1,596
Transfinite numbers of allowance for doubtful accounts	1,590	(1,101)	-	-	489
Employee welfare	5,475	679	-	-	6,154
Actuarial gains and losses	13,716	-	(2,326)	220	11,610
Foreign operation exchange difference	23,687	-	(20,944)	-	2,743
Others	2,230	924	-	-	3,154
	$52,800	$ 5,848	($ 23,270)	$220	$35,598
Deferred income tax liabilities:					
Unrealized exchange loss	($ 91)	$ 91	$ -	$ -	$ -
Unrealized gains (losses)	(139)	(30)	-	-	(169)
Unrealized gains (losses) from sale of assets	(18,407)	523	-	-	(17,884)
Share of profits or losses of associates using the equity method	(86,449)	(48,447)	-	-	(134,896)
Appreciation of investment property	(10,247)	-	-	-	(10,247)
Intangible assets	(9,891)	3,297	-	-	(6,594)
Accrued pension liabilities	(2,594)	(3,362)	-	-	(5,956)
Others	(5,113)	(1,534)	-	-	(6,647)
	($132,931)	($49,462)	$ -	$ -	($182,393)

	2021				
	January 1	Recognized in P/L	Recognized in other comprehensive income	Translation differences	December 31
Deferred tax assets:					
Unrealized exchange loss	$1,102	($1,102)	$ -	$ -	$ -
Unrealized gain from sale	3,665	1,344	-	-	5,009
Inventory falling price	1,146	(53)	-	-	1,093

reserves					
Transfinite numbers of allowance for doubtful accounts	1,714	(124)	-	-	1,590
Employee welfare	5.558	(83)	-	-	5,475
Actuarial gains and losses	11,399	-	2,300	17	13,716
Foreign operation exchange difference	9,290	-	14,397	-	23,687
Others	1,413	817	-	-	2,230
	$35,287	$ 799	$ 16,697	$17	$52,800
Deferred income tax liabilities:					
Unrealized exchange loss	$ -	($ 91)	$ -	$ -	($ 91)
Unrealized gains (losses)	-	(139)	-	-	(139)
Unrealized gains (losses) from sale of assets	(19,851)	1,444	-	-	(18,407)
Share of profits or losses of associates using the equity method	(57,361)	(29,088)	-	-	(86,449)
Appreciation of investment property	(10,247)	-	-	-	(10,247)
Intangible assets	(13,189)	3,298	-	-	(9,891)
Accrued pension liabilities	(2,002)	(592)	-	-	(2,594)
Others	(3,716)	(1,397)	-	-	(5,113)
	($106,366)	($26,565)	$ -	$ -	($132,931)

4. Amounts of deductible temporary differences unrecognized as deferred tax liabilities:

	December 31, 2022	December 31, 2021
Deductible temporary differences	$ 77,080	$ 92,298

5. The Company's profit-seeking income tax has been approved by the taxation authority through 2020.

(XXVI) Earnings per share

	2022		
	Post-tax amount	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (NT$)
Basic earnings per share			
Net profit attributable to owners of the parent company	$ 465,854	153,195	$ 3.04
Diluted earnings per share(Note)			
Net profit attributable to owners of the parent company	$ 465,854	153,195	
Dilutive effects of the potential common shares			

Remuneration of employees		-	647	
Effects of net profit attributable to owners of the parent company and potential common shares	$	465,854	153,842	$ 3.03

		Post-tax amount	2021 Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (NT$)
Basic earnings per share				
Net profit attributable to owners of the parent company	$	224,760	133,764	$ 1.68
Diluted earnings per share				
Net profit attributable to owners of the parent company	$	224,760	133,764	
Dilutive effects of the potential common shares				
Remuneration of employees		-	185	
Convertible bonds		(29,952)	3,060	
Effects of net profit attributable to owners of the parent company and potential common shares	$	194,808	137,009	$ 1.42

Note: Because of convertible bonds have an anti-dilution effect, so they are not included in the assessment

(XXVII) Transaction of non-controlling interests - additional interests from acquisition of subsidiary

The Group acquired additional 2.36% of issued shares of Le Hao International with cash at an amount of NT$10,795 on April 29, 2022. The carrying amount of non-controlling interests of Le Hao International company on the acquisition date was NT$186,106, the non-controlling interests decreased for the transaction was NT$15,611, and the equity attributable to owners of parent company increased by NT$4,816.

The effects of the equity change of Le Hao International on the equity attributable to owners of the parent company in 2022 were as follows:

	2022
Carrying amount of non-controlling interests acquired	$ 15,611
Consideration paid for non-controlling interests	(10,795)
Other equity	-
Capital surplus - Difference between actual price of subsidiary equity acquired or disposed and the carrying value	$ 4,816

(XXVIII) Additional Information on Cash Flows

	2022	2021
Acquisition of property, plant, and equipment and investment property	$ 213,588	$ 306,675
Add: Opening balance of payable on equipment	3,938	5,263

Prepayments for business facilities at end of period	10,293	23,462
Less: Prepayments for business facilities at beginning of period	(23,462)	(16,412)
Ending balance of payable on equipment	(5,076)	(3,938)
Cash paid in the period	$ 199,281	$ 315,050

(XXIX) Changes in liabilities arising from financing activities

2022

	Short-term borrowings	Long-term borrowings (including portion matured in one year or one operating cycle)	Lease liabilities	Bonds payable	Total liabilities from financing activities
January 1	$2,339,578	$49,131	$137,152	$61,022	$2,586,883
Changes in cash flow from financing activities	(1,261,102)	72,265	(32,246)	804,593	(416,490)
Other non-monetary changes	-	-	30,253	(103,037)	(72,784)
December 31	$1,078,476	$121,396	$135,159	$762,578	$2,097,609

2021

	Short-term borrowings	Long-term borrowings (including portion matured in one year or one operating cycle)	Lease liabilities	Bonds payable	Total liabilities from financing activities
January 1	$1,528,920	$250,580	$41,320	$-	$1,820,820
Changes in cash flow from financing activities	810,658	(201,449)	(19,763)	314,990	904,436
Other non-monetary changes	-	-	115,595	(253,968)	(138,373)
December 31	$2,339,578	$49,131	$137,152	$61,022	$2,586,883

VII. Related-Party Transactions

(I) Name and Relationship of Related Party

Related party name	Relationship with the Group
Wanshih Electronic Co., Ltd. (Wanshih Electronic)	Associate
Dongguan Humen Wanshih Electronics Co., Ltd. (Dongguan Humen)	"
Suzhou Wanshih Optical Communication Co., Ltd. (Suzhou Wanshih)	"
Wan Shih (Hong Kong) Co., Ltd. (Wan Shih Hong Kong)	"
Saga YesFamily Healthcare Co. (Saga YesFamily)	"
Inga Nano Technology Co., Ltd. (Inga Nano Technology)	"
Ming-Lieh Chang	Key management
Wonderful Wire Cable Co., Ltd. (Wonderful Wire Cable)	Other related parties
JBC LLC	"

Sheng-Yi Tsai	"

(II) Significant Transactions with Related Party

1. Operating revenue

	2022	2021
Sale of goods:		
—Associates	$ 91,059	$ 94,996
—Key management	223	-
	$ 91,282	$ 94,996

There were no relevant transactions for the sales price of the Group to the aforementioned related parties, and the transaction terms were determined based on the negotiation of both parties. The payment receipt period of the Group from the related parties was 90~145 days, and the payment receipt period for non-related parities was 3~120 days.

2. Purchase

	2022	2021
Purchase of goods:		
—Associates	$ 31,050	$ 122,090

There were no relevant transactions for the purchase price of the Group from the aforementioned related parties, and the transaction terms were determined based on the negotiation of both parties. The payment period of the Group from the related parties was 90~105 days, and the payment period for non-related parities was 30~105 days.

3. Receivables from related parties

	December 31, 2022	December 31, 2021
Accounts receivable:		
—Associates	$ 22,649	$ 44,307
Less: Allowance for loss	(4)	(288)
	$ 22,645	$ 44,019

4. Payables to related parties:

	December 31, 2022	December 31, 2021
Accounts receivable:		
—Associates	$ 43,553	$ 67,378

5. Other receivables from and payables to related parties

(1) Other receivables from related parties

	December 31, 2022	December 31, 2021
Other receivables:		
—Associates	$ 481	$ 472
Less: Allowance for loss	(60)	(60)

	$ 421	$ 412

(2) Other payables to related parties

	December 31, 2022	December 31, 2021
Other receivables:		
—Associates	$ 62	$ 291

6. Borrowings from related parties

	December 31, 2022	December 31, 2021
Other payables:		
—Sheng-Yi Tsai	$ -	$ 10,821
—Ming-Lieh Chang	12,000	12,000
	$ 12,000	$ 22,821
	2022	2021
Interest expenses:		
—Sheng-Yi Tsai	$ 144	$ 176
—Ming-Lieh Chang	240	42
	$ 384	$ 218

(1) The terms of borrowings from Sheng-Yi Tsai was repayment on the due day, and 2022 interest was collected at the annual interest rate of 2.75% and interest was paid on the due day.

(2) The terms of borrowings from Ming-Lieh Chang was repayment on the due day, and 2022 interest was collected at the annual interest rate of 2% and interest was paid on the due day.

7. Rental income

The Group lease the following assets to the related parties, and the details are as follows:

			Rental income	
Leasing party	Subject property	Lease term	2022	2021
Associate - Wanshih Electronic	Office at 3F to 5F of Wugu District, New Taipei City	January 1, 2021 to December 31, 2023	$ 7,764	$ 7,751

The Group leases office to related parties, and rent is determined according to the general rent standard of the location of the lease property and the area of use, and the rent is collected on a monthly basis.

8. Lease transactions - lessee

(1) The Group leases office from related parties, and rent is determined according to the general rent standard of the location of the lease property and the area of use, and the rent is paid on a monthly basis.

(2) Acquisition of right-of-use assets

The Group signed the lease contract with JBC LLC in 2021, for a lease period of 5 years, and the monthly rent of approximately NT$$1,936, The right-of-use asset addition is $11,855 .

(3) Lease liabilities

A. Ending balance

	December 31, 2022	December 31, 2021
Lease liabilities- current:		
—other related party - JBC LLC	$ 28,680	$ 21,709
Lease liabilities - non-current:		
—other related party - JBC LLC	$ 80,306	$ 87,717

B. Interest expenses

	2022	2021
Other related party - JBC LLC	$ 1,385	$ 169

9. Other income

The incomes for providing information processing service and other support services to the associate - Wanshih Electronic in 2022 and 2021 were NT$1,405 and NT$1,563 respectively.

(III) Information on Remuneration to Key Management

	2022	2021
Salaries and short-term employee benefits	$ 35,899	$ 22,254
Post-retirement benefits	800	917
Share-based payments	2,756	340
	$ 39,455	$ 23,511

VIII. Pledged Assets

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

Asset item	Carrying value December 31, 2022	Carrying value December 31, 2021	Purpose of collateral
Other financial assets - current	$ 8,000	$ 8,000	Loan security and performance guarantee
Investment accounted for under the equity method	46,906	54,341	Loan security
Property, plant and equipment	834,841	694,945	Loan security
Investment property	158,319	154,441	Loan security
	$ 1,048,066	$ 911,727	

IX. Significant Contingent Liabilities and Unrecognized Commitments

(I) Contingencies

None.

(II) Commitments

1. Please refer to Note 6(13).
2. Capital expenditures committed but not yet incurred:

	December 31, 2022	December 31, 2021
Property, plant and equipment	$ -	$ 2,052

X. Losses Due to Major Disasters

None.

XI. Significant Subsequent Events

(I) Please refer to Note 6(18) and (24) for details.

XII. Others

(I) Capital Management

The purposes of the Group's capital management are to ensure that the Group continues as a going concern, to maintain an optimal capital structure to lower financing costs, and to provide returns of investment to shareholders. To maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return share capital to shareholders, issue new shares or sell assets in order to adjust to reach the most suitable capital structure.

(II) Financial Instrument

1. Categories of financial instruments

	December 31, 2022	December 31, 2021
Financial assets		
Financial assets at fair value through		

profit or loss		
Financial assets compulsorily measured at fair value through profit or loss	$ 8,758	$ 10,898
Financial assets at fair value through other comprehensive income (FVOCI)		
Investment in equity instruments of which the fair value is designated to be recognized in other comprehensive income	64,921	30,961
at amortized cost		
Cash and cash equivalents	717,008	504,568
Notes receivable	106,776	106,439
Accounts receivable	1,491,009	1,728,069
Accounts receivable - related party	22,645	44,019
Other receivables	70,158	152,011
Other receivables - related Party	421	412
Other financial assets - current	85,239	13,608
Refundable deposits (record in Other non-current assets – others)	13,127	9,745
Other financial assets - non-current (record in Other non-current assets – others)	3,253	4,670
	$ 2,583,315	$ 2,605,400

	December 31, 2022	December 31, 2021
Financial Liabilities		
Financial liabilities measured at fair value through profit or loss	$ 2,256	$ -
Financial liabilities at amortized cost		
Short-term borrowings	1,078,476	2,339,578
Accounts payable	462,850	805,711
Accounts payables to related parties	43,553	67,378
Other payables	288,890	257,654
Other accounts payable - related party	12,062	23,112
Long-term borrowings due to one year or one operating cycle	42,076	23,464
Bonds payable	762,578	61,022
Long-term borrowings	79,320	257,654
	$ 2,772,061	$ 3,603,586
Lease liabilities - current	$ 36,060	$ 28,030
Lease liabilities - non-current	99,099	109,122
	$ 135,159	$ 137,152

2. Risk Management Policy

(1) The Group's daily operations are affected by various financial risks, including market risk (including exchange rate risk, interest rate risk, and price risk), credit risk, and liquidity risk. The Group's risk management policy focuses on unpredictable market events in order to minimize their potentially adverse impacts on the Group's financial position and financial performance. The Group uses various derivative financial Instruments to hedge specific risk exposure. Please refer to Note 6(2) for details.

(2) The risk management of the Group is executed by the financial department according to the policies approved by the board of directors. The financial department of the Group cooperates with all operating units of the Group closely in order to be responsible for the identification, assessment and hedging of financial risks. The board of directors provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

3. Nature and Degree of Significant Financial Risks

(1) Market risk

Exchange rate risk

A. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and THB. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities.

B. The Group's management has formulated a relevant policy to require entities within the Group to manage the foreign exchange risks associated with their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the financial department of the Group. The measurement of exchange rate risk is based on the expected transactions that are very likely to generate USD and RMB expenses, and to use forward exchange contracts in order to reduce the impacts of exchange rate fluctuation on the expected transactions.

C. The Group used forward exchange transactions to hedge the exchange rate risk; however, the hedge accounting was not applied. Please refer to Notes 6(2) for information on recognition of financial assets or liabilities at fair value through profit or loss.

D. The Group's businesses involve some non-functional currency operations such that they can be affected by the exchange rate fluctuation. The information on assets and liabilities denominated in foreign currencies whose values are materially affected by the exchange rate fluctuations is as follows:

	December 31, 2022		
(Foreign currency: functional currency)	Foreign currency amount (In Thousands)	Exchange rate	Carrying amount in NTD (thousand)

Financial assets			
Monetary items			
USD : NTD	$ 21,573	30.71	$ 662,507
USD : HKD	4,904	34.347	150,602
USD : THB	5,934	23.730	182,233
USD : VND	10,672	7.798	327,737
Non-monetary items			
USD : NTD	837	30.71	25,692
Financial Liabilities			
Monetary items			
USD : NTD	5,711	30.71	175,385
USD : HKD	3,102	34.347	95,262
USD : THB	4,129	23.730	126,802
USD : VND	684	7.798	21,006

	December 31, 2021		
(Foreign currency: functional currency)	Foreign currency amount (In Thousands)	Exchange rate	Carrying amount in NTD (thousand)
Financial assets			
Monetary items			
USD : NTD	$ 33,586	27.680	$ 929,660
USD : HKD	5,873	7.799	162,565
USD : THB	11,767	33.162	325,711
USD : VND	10,458	22.940	289,477
Non-monetary items			
USD : NTD	810	27.680	22,419
Financial Liabilities			
Monetary items			
USD : NTD	15,316	27.680	423,947
USD : HKD	1,863	7.799	51,568
USD : THB	10,208	33.162	282,557
USD : VND	9,682	22.940	267,998

E. The total exchange gain (loss) (including realized and unrealized) arising from significant foreign exchange variation on the monetary items held by the Group for the years ended 2022 and 2021, amounted to profit of NT$94,421 and NT$12,622 respectively.

F. Foreign exchange risks arising from significant exchange rate changes that the Group is exposed to are as follows:

	2022 Sensitivity Analysis		
(Foreign currency: functional currency)	Fluctuation	Effects on P/L	Effect on other comprehensive income

Financial assets			
Monetary items			
USD : NTD	1%	$ 6,625	-
USD : HKD	1%	1,506	-
USD : THB	1%	1,822	-
USD : VND	1%	3,277	-
Financial Liabilities			
Monetary items			
USD : NTD	1%	1,754	-
USD : HKD	1%	953	-
USD : THB	1%	1,268	-
USD : VND	1%	210	-

	2021		
	Sensitivity Analysis		
(Foreign currency: functional currency)	Fluctuation	Effects on P/L	Effect on other comprehensive income
Financial assets			
Monetary items			
USD : NTD	1%	$ 9,297	-
USD : HKD	1%	1,626	-
USD : THB	1%	3,257	-
USD : VND	1%	2,895	-
Financial Liabilities			
Monetary items			
USD : NTD	1%	4,239	-
USD : HKD	1%	516	-
USD : THB	1%	2,826	-
USD : VND	1%	2,680	-

Price risk

A. The Group is exposed to equity securities price risk due to the financial assets and available-for-sale financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income held and accrued by the Group. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

B. The Group mainly invests in equity instruments issued by a domestic or foreign company. The price of such equity instruments can be affected by changes in future value of their investment targets. If the prices of these equity instruments had increased/decreased by 1% with all other variables held constant, the profit or loss of the equity instruments measured at fair value through profit or loss for the net income after tax of 2022 and 2021 would have increased or decreased by NT$20 and NT$19 respectively; and for other comprehensive income of 2022 and 2021 classified as the equity instrument measured at fair value through comprehensive income, the profit or loss would have increased or decreased by NT$649 and NT$310 respectively.

Cash flow and fair value interest rate risk

A. The borrowing interest rate risk of the Group mainly came from the short-term borrowings. Due to the borrowings at floating interest rate, the Group borne the cash flow interest rate risk, and a portion of the risk was being offset by the cash and cash equivalents held. The borrowing according to the fixed interest rate caused the Group to be under the fair value interest rate risk.

B. The borrowing of the Group was measured at amortized cost, and re-pricing was performed according to the annual interest rate specified in the contract. Therefore, the Group is exposed to the risk of future market interest rate change.

C. When the borrowing interest rate increases or decreases by 1%, with other variables remain constant, the net income after tax for 2022 and 2021 will also decrease or increase by NT$8,628 and NT$23,396, respectively, which is mainly due to changes in interest expense caused by borrowings bearing a floating interest rate.

(2) Credit risk

A. The Group's credit risk refers to the risk of financial loss to the Group arising from default by the clients or transaction counterparties of financial instruments on the contract obligations. Such risk is mainly due to the counterparties cannot repay the accounts payable according to the payment terms, and it is classified as the contract cash flow of debt instrument at amortized cost.

B. The Group establishes a framework for managing credit risks from a group's perspective. As the internal credit approval policy stipulates, an operating entity within the Group shall manage and analyze the credit risk of a new client before proposing terms and conditions pertaining to payments and delivery of goods. Internal risk control is achieved by evaluating a client's credit quality against the client's financial position, credit records, and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board of directors. The utilization of credit limits is regularly monitored.

C. The Group adopts IFRS 9 to provide preliminary assumption, and when the payment specified according to the contract term has exceeded 90 days, a breach of contract is deemed to have occurred.

D. The Group adopts IFRS 9 to provide the following preliminary assumption, in order to use it as the basis for determining whether the credit risk of financial instruments has increased significantly since the original recognition:

If the contract payments are past due over 30 days based on the terms, it is deemed that there has been a significant increase in credit risk on that instrument since initial recognition.

E. The Group classifies accounts receivable due from clients according to the characteristics of trading credit risk, and adopts the simplified approach that measures expected credit losses based on the preparation matrix.

F. (A) The expected loss rate of customers of the related arty group was 0.2%, and the accounts receivable - related party total carrying value and allowance for loss as of December 31, 2022 and 2021 were NT$22,649 and NT$4; NT$44,307 and NT$288 respectively.

(B) The Group, according to the past experience, adopted the individual evaluation to calculate the expected credit loss for customers of relatively higher credit risk. The total carrying amount and allowance for loss as of December 31, 2022 and 2021 were NT$4,185 and NT$4,185; NT$6,230 and NT$6,230 respectively.

(C) By including the forward-looking consideration on the global economic information, the Group adjusts the expected credit loss rate that was established based on historical or present information, so as to estimate the preparation matrices of the loss allowance for the accounts and notes receivable as follows:

	Not overdue	Overdue within 30 days	Overdue 30 days	Overdue 60 days	Overdue 90 days	Total
December 31, 2022						
Expected loss (%)	0.02%-1.97%	0.03%-21.54%	0.03%-35.10%	0.03%-77.61%	100%	
Total carrying amount	$ 1,440,857	$ 116,371	$ 45,918	$ 7,068	$ 29,334	$ 1,639,548
Allowance for loss	$ 1,132	$ 1,961	$ 6,935	$ 2,401	$ 29,334	$ 41,763

	Not overdue	Overdue within 30 days	Overdue 30 days	Overdue 60 days	Overdue 90 days	Total
December 31, 2021						
Expected loss (%)	0.02%-0.89%	0.03%-7.60%	0.03%-30.95%	0.03%-66.8%	100%	
Total carrying amount	$ 1,751,758	$ 59,421	$ 22,104	$ 7,442	$ 31,514	$ 1,872,239
Allowance for loss	$ 923	$ 1,270	$ 1,962	$ 2,062	$ 31,514	$ 37,731

G. The loss allowance change table for accounts and notes receivable (including related party) of the Group is as follows:

	2022
January 1	$ 44,249
Impairment losses recognized	5,846
Unrecoverable and written off amount	(5,042)
Exchange rate effects	899
December 31	$ 45,952

	2021
January 1	$ 44,698
Impairment losses recognized	3,392
Unrecoverable and written off amount	(2,579)
Exchange rate effects	(1,262)
December 31	$ 44,249

The impairment loss recognized for accounts receivable from customer contracts for 2022 and 2021 were NT$5,846 and NT$3,392 respectively.

(3) Liquidity risk

A. Cash flows forecast is done by each operating entity; the Financial Department of the Group is responsible only for summarizing the results. The financial department of the Group monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.

B. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date for non-derivative financial liabilities.

Derivative financial liabilities were analyzed based on the balance sheet date to the retaining period at the expected maturity date. The table below disclosed the contractual cash flows not discounted.

December 31, 2022

Non-derivative financial liabilities:	Within 1 year	Over 1 year
Short-term borrowings	$ 1,078,476	$ -
Accounts payable (including related party)	506,403	-
Other payables (including related party)	300,952	-
Lease liabilities	37,473	100,778
Bonds payable	-	800,000
Long-term borrowings (including portion matured in one year or one operating cycle)	42,076	79,320
Derivative financial liabilities:	**Within 1 year**	**Over 1 year**
Forward exchange	$ 2,256	$ -

December 31, 2021

Non-derivative financial liabilities:	Within 1 year	Over 1 year
Short-term borrowings	$ 2,339,578	$ -
Accounts payable (including related party)	873,089	-
Other payables (including related party)	280,766	-
Lease liabilities	29,554	110,674
Bonds payable	-	63,500
Long-term borrowings (including portion matured in one year or one operating cycle)	23,464	25,667

(III) Fair Value Information

1. Below are the definitions assigned to each level of valuation technique used to measure the fair value of financial and non-financial assets.

   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 Group's investment in listed shares is included in 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 Group's investment in most of the derivatives is included in Level 2.

   Level 3: Unobservable inputs for the asset or liability. The Group's investments in equity instrument investment of non-active market and investment properties are included in Level 3.

2. Financial instruments not measured at fair values

   Except for the ones listed in the table below, including cash and cash equivalents, notes receivable, accounts receivable, other accounts receivable, other financial assets, long/short-term borrowings, notes payable, accounts payable and other accounts payable, their book values are approximate to the reasonably close values of fair values:

		December 31, 2022		
			to fair	
	Carrying amount	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	$ 762,578	$ -	$ 767,669	$ -

		December 31, 2021		
			to fair	
	Carrying amount	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable	$ 61,022	$ -	$ 61,710	$ -

3. Financial and non-financial assets at fair value are classified by nature, characteristic, risk, and fair value level, stated as follows:

(1) The Group classifies its assets and liabilities by their function; stated as follows:

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets at fair value through profit or loss				
Equity instruments	$ 1,991	$ -	$ -	$ 1,991
Forward exchange	-	807	-	807
Convertible bond redemption/buyback right	-	-	5,960	5,960
Financial assets at fair value through other comprehensive income (FVOCI)				
Equity instruments			64,921	64,921
Investment property	-	-	158,319	158,319
	$ 1,991	$ 807	$ 229,200	$ 231,998

December 31, 2021	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets at fair value through profit or loss				
Equity	$ 1,925	$ -	$ -	$ 1,925

instruments				
Forward exchange	-	695	-	695
Forward commodity	-	-	8,278	8,278
Financial assets at fair value through other comprehensive income (FVOCI)				
Equity instruments			30,961	30,961
Investment property	-	-	154,441	154,441
	$ 1,925	$ 695	$ 193,680	$ 196,300

(2) The techniques and assumptions used by the Group to measure fair value are stated as follows:

A. For the equity-based securities that the Group used the market quoted price as the fair value (i.e. level 1 inputs), the market quoted price refers to the closing price on the balance sheet date.

B. Except for financial instruments with an active market, the fair value of other financial instruments is obtained either based on the valuation technique or by reference to the quotes from counter-parties. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date (such as the reference yield curve of TPEx, Reuters commercial paper interest rate average price).

C. When assessing non-standard and low-complexity financial instruments, such as forward exchange and forward commodity, the Group adopts the 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.

D. For high-complexity financial instruments, the Group measures the fair value by using self-developed valuation model based on the valuation method and technique widely used within the same industry. Such type of valuation model is normally applied to derivative financial instruments, embedded derivative debt instruments or securitized commodities. Certain inputs used in such type of valuation model are not observable at market, and the Group must make reasonable estimates based on its assumptions. For the impacts of non-market observable parameters on financial instrument valuation, please refer to Notes 12(3)-8 for details.

E. The valuation of derivative financial Instrument is based on the valuation model widely used and accepted by users in the market, such as discount method and option pricing model. Forward exchange agreement is typically evaluated based on the current forward exchange rate.

F. The fair value valuation technique for investment property at fair value adopted by the Group complies with the provisions of the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and the fair value is determined according to the valuation result of independent expert. Please refer to Note 6(9) for details.

G. Outputs from the valuation models are estimates and valuation techniques may not be able to reflect all relevant factors of the financial and non-financial instruments held by the Group. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments in the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

4. For 2022 and 2021, there was no transfer between Level 1 and Level 2.

5. The following table shows the change of Level 3 for 2022 and 2021.

	2022			
	Equity instruments	Convertible bond redemption/buyback right	Investment property	Total
January 1	$ 30,961	$ 8,278	$ 154,441	$ 193,680
Purchase in current period	19,380	-	-	19,380
Issuance in current period		20,368		20,368
Gains or losses recognized in other comprehensive income	13,249	-	-	13,249
Gain recognized in profit or loss	-	(15,980)	3,878	(12,102)
Conversion in current period	-	(6,706)	-	(6,706)
Exchange rate effects	1,331	-	-	1,331
December 31	$ 64,921	$ 5,960	$ 158,319	$ 229,200

	2021			
	Equity instruments	Convertible bond redemption/buyback right	Investment property	Total
January 1	$ 17,261	$ -	$ 154,441	$ 171,702
Issuance in current	-	8,190	-	8,190

period				
Gains or losses recognized in other comprehensive income	14,535	-	-	14,535
Gain recognized in profit or loss	-	30,918	-	30,918
Conversion in current period	-	(30,830)	-	(30,830)
Exchange rate effects	(835)	-	-	(835)
December 31	$ 30,961	$ 8,278	$ 154,441	$ 193,680

6. For 2022 and 2021, there was no transfer into or out of Level 3.
7. For the investment property of the Group, it is assumed that the Group has retained an external appraiser to perform appraisal according to the valuation method and parameter announced by the FSC. The financial department establishes the financial instrument and investment property fair value valuation policy, and valuation procedure and verifies compliance with the requirements of relevant International Financial Reporting Standards.
8. The significant non-observable input value quantified information and significant non-observable input value change sensitivity analysis for the valuation model used in relation to the Level 3 fair value measurements are as follows:

	December 31, 2022 to fair	Valuation technique	Significant unobservable inputs	Interval (weighted average)	Relationship between inputs and fair value
Investment property	$ 158,319	Cash flow discount method	Discount rate	2.720%	The higher the discount rate, the lower the fair value
Non-derivative equity instruments-stocks not listed in the stock exchange or the OTC market	-	Cash flow discount method	Discount rate	5.180%	The higher the discount rate, the lower the fair value
Non-derivative equity instruments-stocks not listed in the stock exchange or the OTC market	15,388	Public company comparables	Enterprise value to operating revenue ratio	0.3330-0.5735	The higher the value multiples, the higher the fair value
Non-derivative equity instruments-stocks not listed in the stock exchange or the OTC market	27,488	Public company comparables	Price-book ratio (PBR)	1.3571-2.3934	The higher the value multiples, the higher the fair value
Non-derivative equity instruments-	22,045	Public company	Price-book ratio (PBR)	1.6636-3.5048	The higher the value

stocks not listed in the stock exchange or the OTC market		comparables			multiples, the higher the fair value
Convertible bond redemption right	5,960	Least-squares Monte Carlo simulation approach	Volatility	43.990%	The higher the volatility, the higher the fair value

	December 31, 2021 to fair	Valuation technique	Significant unobservable inputs	Interval (weighted average)	Relationship between inputs and fair value
Investment property	$ 154,441	Cash flow discount method	Discount rate	2.595%	The higher the discount rate, the lower the fair value
Non-derivative equity instruments-stocks not listed in the stock exchange or the OTC market	-	Cash flow discount method	Discount rate	5.180%	The higher the discount rate, the lower the fair value
Non-derivative equity instruments-stocks not listed in the stock exchange or the OTC market	12,256	Public company comparables	Enterprise value to operating revenue ratio	0.3247-0.5820	The higher the value multiples, the higher the fair value
Non-derivative equity instruments-stocks not listed in the stock exchange or the OTC market	18,705	Public company comparables	Price-book ratio (PBR)	1.4568-3.6313	The higher the value multiples, the higher the fair value
Convertible bond redemption right	8,278	Least-squares Monte Carlo simulation approach	Volatility	53.950%	The higher the volatility, the higher the fair value

(IV) Other Matters

The COVID-19 pandemic and numerous pandemic prevention measures implemented by the government have not caused material impact on the operation, ability to continue as a going concern and financing risk of the Group. In addition, according to the review, the Group has not been subject to the condition of material impairment of assets due to the above. The epidemic response management of the Group has complied with relevant measures announced by the Central Epidemic Command Center and relevant epidemic control requirements specified in the Communicable Disease Control Act.

XIII. Other Disclosures

(I) Information on Significant Transactions

1. Loaning funds to others: Please refer to Table 1.

2. Provision of endorsements and guarantees: Please refer to Table 2.

3. Marketable securities held at the end of the period (excluding investment in subsidiaries, affiliated companies, and the control portion in a joint venture): Please refer to Table 3.

4. Accumulative purchase of disposal of the same marketable securities reaching NT$300 million or 20% of paid-in capital or more: None.

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

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

7. Transaction with related party reaching NT$100 million or 20% of paid-in capital or more: Please refer to Table 4.

8. Receivables due from related party reaching NT$100 million or 20% of paid-in capital or more: Please refer to Table 5.

9. Trading in derivative instruments: Please refer to Note 6(2) for details.

10. Business relationship, significant transactions, and significant transaction amount between parent and subsidiaries, or among subsidiaries: Please refer to Table 6.

(II) <u>Information on Investees</u>

Name and location of investees (excluding those in Mainland China): Please refer to Table 7.

(III) <u>Information on Investment in Mainland China</u>

1. Basic information: Please refer to Table 8.

2. Significant transactions with investees in Mainland China that are invested by the Group directly or Indirectly through another third region entity: Please refer to Table 6.

(IV) <u>Information on Major Shareholders</u>

Major shareholder information: Please refer to Table 9.

XIV. <u>Operating Segment Information</u>

(I) <u>General Information</u>

The Group management has determined the operating segments based on the reports reviewed by the operating decision maker that are used to make strategic decisions. The operating decision maker of the Group operates business according to the region and performs the sale of various types of wires and cables as the main source of income. Taiwan, China, and Hong Kong, Thailand are the main regions for the manufacturing and sales activities of the Group. The Group provides the individual operation result indicated in the consolidated statements to the operating decision maker for review and approval, in order to evaluate the performance of the segment.

(II) <u>Segment Information</u>

The Company and subsidiaries report the net income or loss before tax of each region to the main operating decision maker, and the income and expenses indicated in the income statement adopts consistent measurement method. In addition, the performance of each operating segment is evaluated according to the net income and loss before tax. The Company and subsidiaries have not provided the amounts of the total assets and total liabilities to the operating decision maker to make operational decisions.

The relevant regional financial information of the Group for 2022 and 2021 is as follows:

2022

	Taiwan	China and Hong Kong	Thailand	Vietnam	U.S.A.	Adjustment and write-off	Total
Revenue from external customers	$ 3,222,752	$ 1,255,304	$ 2,100,699	$ 1,232,381	$1,217,149	$ -	$ 9,028,285
Inter-segment transactions	1,049,866	361,423	377,080	664,723	-	(2,453,092)	-
Segment revenue	$ 4,272,618	$ 1,616,727	$ 2,477,779	$ 1,897,104	$1,217,149	($ 2,453,092)	$ 9,028,285
Net income before tax of segment	$ 593,070	$ 108,003	$ 190,872	$ 152,004	$ 52,226	($ 345,748)	$ 750,427

2021

	Taiwan	China and Hong Kong	Thailand	Vietnam	U.S.A.	Adjustment and write-off	Total
Revenue from external customers	$ 2,835,466	$1,085,560	$ 1,831,583	$ 955,442	$ 829,950	$ -	$ 7,538,001
Inter-segment transactions	1,054,521	377,204	739,559	507,366	-	(2,678,650)	-
Segment revenue	$ 3,889,987	$ 1,462,764	$ 2,571,142	$ 1,462,808	$ 829,950	($ 2,678.650)	$ 7,538,001
Net income before tax of segment	$ 270,002	$ 96,727	$ 57,943	$ 76,389	$ 58,000	($ 190,222)	$ 368,839

(III) Reconciliation of Segment Profit or Loss

Since the operating decision maker evaluates the segment performance and determines the allocation of resources based on the segment revenue and segment net operating income or loss, adjustment of the profit or loss of the segment is not required.

(IV) Reportable Reconciliation of Segment Profit or Loss

The Company reports the net income or loss after tax of each region to the operating decision maker, and the income and expenses indicated in the statement of comprehensive income adopt a consistent measurement method. The Company has not provided the amounts of the total assets and total liabilities to the operating decision maker to make operational decisions. Since there is no difference between the statements provided to the operating decision maker to make segment operational decisions and the segment income statement, adjustment is not required.

XV. Information on Product and Labor Type

Please refer to Note 6(19) for details.

XVI. Information by regions

The information by regions of the Group for 2022 and 2021 is as follows:

	2022		2021	
	Revenue	Non-current assets	Revenue	Non-current assets
U.S.A.	$ 3,447,249	$ 265,703	$ 2,775,883	$ 276,605
Thailand	2,015,177	432,728	1,818,447	394,491
Vietnam	1,166,806	321,546	998,072	283,626
China and Hong Kong	1,180,359	196,557	888,275	186,684

Taiwan	597,602	479,612	695,634	445,557
Others	621,092	-	361,690	-
Total	$ 9,028,285	$ 1,696,146	$ 7,538,001	$ 1,586,963

XVII. Information on major customers

There is no one single customer with consolidated sales revenue exceeding 10% and more.

Wonderful Hi-Tech Co., Ltd. and Subsidiaries

Loaning funds to others

January 1 to December 31, 2022

Table 1

Unit: NT$ thousand

(unless otherwise specified)

No. (Note 1)	Lending company	Borrower	Current items (Note 2)	Whether related	Current maximum amount (Note 3)	Ending balance (Note 8)	Actually paid	Interest rate range	Loan nature (Note 4)	Current amount (Note 5)	Reason for short-term financing (Note 6)	Allowance for loss	Security		Loan limit for specific borrower (Note 7)	Total loan limit (Note 7)	Remarks
													Name	Value			
0	Wonderful Hi-Tech Co., Ltd.	Vietnam Wonderful Wire	Financing funds	Yes	32,215	$ 30,710	$ -	3.0%	2	$ -	Working capital	$ -	Promissory note	$ 30,710	$ 100,000	$ 484,996	
0	Wonderful Hi-Tech Co., Ltd.	Vietnam Wonderful Wire	Financing funds	Yes	25,043	-	-	3.0%	2	-	Working capital	-	-	-	100,000	484,996	
0	Wonderful Hi-Tech Co., Ltd.	Vietnam Wonderful Wire	Financing funds	Yes	32,215	30,710	-	3.0%	2	-	Working capital	-	Promissory note	30,710	100,000	484,996	
0	Wonderful Hi-Tech Co., Ltd.	Thai Wonderful Wire Cable Co.,	Financing funds	Yes	64,430	-	-	1.3%	2	-	Working capital	-	-	-	100,000	484,996	
0	Wonderful Hi-Tech Co., Ltd.	Shanghai Elitech Technology Co.,	Financing funds	Yes	12,376	12,376	12,376	N/A	2	-	Working capital	-	-	-	100,000	484,996	
0	Wonderful Hi-Tech Co., Ltd.	Thai Wonderful Wire Cable Co.,	Financing funds	Yes	61,420	61,420	-	3.2%	2	-	Working capital	-	Promissory note	61,420	100,000	484,996	
1	Wonderful Photoelectricity	Shanghai Elitech Technology Co.,	Financing funds	Yes	3,061	-	-	N/A	2	-	Working capital	-	-	-	19,690	67,485	
1	Wonderful Photoelectricity	Shanghai Elitech Technology Co.,	Financing funds	Yes	11,757	4,441	4,441	N/A	2	-	Working capital	-	-	-	19,690	67,485	
1	Wonderful Photoelectricity	Shanghai Elitech Technology Co.,	Financing funds	Yes	7,341	7,341	7,341	N/A	2	-	Working capital	-	-	-	19,690	67,485	
2	Thai Wonderful Wire Cable Co., Ltd.	Vietnam Wonderful Wire Cable Co., Ltd.	Financing funds receivable	Yes	23,580	-	-	3.5%	2	-	Working capital	-	-	-	22,353	40,521	

Note 1: Instruction for the number column is as follows:

(1) Fill in 0 for the issuer.

(2) The investees are numbered in order starting from number 1.

Note 2: Accounts receivable from related companies, receivable from related parties, shareholder current account, advance payments, temporary payments... or any other items of loan nature must be filled in this field.

Note 3: The maximum balance of funds lent in the current year.

Note 4: The loan nature shall be specified as business payment or short-term financing.

(1) For business payment, please fill in 1.

(2) For short-term financing, please fill in 2.

Note 5: If the loan is a business payment, the amount should be filled in. The amount of business payment refers to the amount of the business transaction between the lending company and the borrower in the recent one year.

Note 6: If the loan is a short-term financing, the reason for the loan and use by the borrower shall be specified, such as repayment of loans, purchase of equipment, business turnover... etc..

Note 7: (1) For companies or firms that do business with Wonderful Hi-Tech Co., Ltd., the total loan amount shall not exceed 30% of the lower of the paid-up capital and net value of Wonderful Hi-Tech Co., Ltd., with individual loan amount not exceeding the amount of business transactions between the two parties in the recent one year, and shall not exceed NT$100 million based on risk considerations.

For companies or firms that need short-term financing, the total loan amount shall not exceed 30% of the lower of the paid-up capital and net value of Wonderful Hi-Tech Co., Ltd., with the individual loan amount not exceeding NT$60 million.

(2) The total amount of loan lent by Wonderful Photoelectricity (Dongguan) Co., Ltd. shall not exceed 20% of the net value of Wonderful Photoelectricity (Dongguan) Co., Ltd., with the individual loan amount not exceeding HK$5 million.

(3) The total amount of loan lent by Thai Wonderful Wire Cable Co., Ltd. shall not exceed 20% of the lower of the paid-up capital and net value of Thai Wonderful Wire Cable Co., Ltd., with the individual loan amount not exceeding THB 25 million. The "Maximum balance accumulated to the end of this month" and "Ending balance" of the loan lent by Thai Wonderful Wire Cable Co., Ltd. to Vietnam Wonderful Wire Cable Co., Ltd. are greater than the “Loan limit for specific borrower" due to the exchange rate difference.

Note 8: If the public offering company proposes the loan to the board of directors one by one in accordance with paragraph1 of Article 14 of the Standards for the Treatment of Capital Loan and Endorsement Guarantee of Public Offering

Wonderful Hi-Tech Co., Ltd. and Subsidiaries

Provision of Endorsements and Guarantees
January 1 to December 31, 2022

Table 2

Unit: NT$ thousand
(unless otherwise specified)

No. (Note 1)	Endorsement and guarantee provider	The endorsed or guaranteed: Company name	The endorsed or guaranteed: Relations (Note 2)	endorsement and guarantee for a single enterprise	maximum balance of endorsement and guarantee	Ending balance of endorsement and guarantee (Note 5)	Actually paid (Note 6)	endorsement and guarantee secured by	accumulated amount of endorsement and guarantee to the	Maximum limit of endorsement and guarantee (Note 3)	and guarantee provided by the parent	and guarantee provided by a subsidiary	t and guarantee provided to the mainland	Remarks
0	Wonderful Hi-Tech Co., Ltd.	Le Hao Co., Ltd.	2	$ 260,285	$ 50,898	$ -	$ -	$ -	0.00%	$ 1,041,138	Y	N	N	
1	Thai Wonderful Wire Cable Co., Ltd.	Vietnam Wonderful Wire Cable Co., Ltd.	2	91,065	38,658	36,852	-	-	4.12%	304,369	N	N	N	
1	Thai Wonderful Wire Cable Co., Ltd.	Vietnam Wonderful Wire Cable Co., Ltd.	2	91,065	19,329	18,426	18,426	-	2.06%	304,369	N	N	N	

Note 1: Instruction for the number column is as follows:
(1) Fill in 0 for the issuer.
(2) The investees are numbered in order starting from Arabic digit 1.

Note 2: There are 7 types of relationship between the endorser and the endorsed as follows, fill in the code:
(1) A company having business dealings with the Company.
(2) A company in which the Company directly or indirectly holds more than 50% of shares with voting rights.
(3) A company that directly or indirectly holds more than 50% of shares with voting rights of the Company.
(4) Between companies where the Company directly or indirectly holds more than 90% of shares with voting rights.
(5) Companies of the same trade or joint manufactures that are mutually endorsed for the needs of the contracted works.
(6) A company endorsed and guaranteed by all the contributing shareholders in accordance with their shareholding ratio due to the joint investment relationship.
(7) Joint and several performance guarantee of the same trade for pre-sale house sales contracts in accordance with the consumer protection law.

Note 3: (1) The total amount of external endorsement and guarantee provided by Wonderful Hi-Tech Co., Ltd. shall not exceed 40% of the current net value of Wonderful Hi-Tech Co., Ltd., and the limit of endorsement and guarantee for a single
The net value shall be subject to the most recent financial statement audited or reviewed by an accountant.
(2) The total amount of external endorsement and guarantee provided by Thai Wonderful Wire Cable Co., Ltd. shall not exceed 40% of the current net value of Thai Wonderful Wire Cable Co., Ltd., and the limit of endorsement and guarantee for a
The net value shall be subject to the most recent financial statement audited or reviewed by an accountant.
For those provided with endorsement and guarantee due to business relationship with Thai Wonderful Wire Cable Co., Ltd., in addition to the foregoing limit, the amount of individual endorsement or guarantee shall not exceed the amount of

Note 4: The maximum balance of endorsement and guarantee provided for others in the current year.

Note 5: The amount approved by the board of directors shall be disclosed. However, if the board of directors authorizes the Chairman to determined the amount in accordance with paragraph 8 of Article 12 of the Standards for the Treatment of

Note 6: The actual amount used by the endorsed or guaranteed within the balance of the endorsement and guarantee amount.

Note 7: Fill in Y for endorsement and guarantee provided by the listed parent company to a subsidiary, or provided by a subsidiary to the parent company, or provided to the mainland China.

Wonderful Hi-Tech Co., Ltd. and Subsidiaries

Marketable Securities Held at the End of the Period (Excluding Investment in Subsidiaries, Affiliated Companies, and the Control Portion in a Joint Venture)

December 31, 2022

Table 3

Unit: NT$ thousand

(unless otherwise specified)

Holding company	Type and name of marketable securities (Note 1)	Relationship with the marketable securities issuer (Note 2)	Account	Ending				Remarks (Note 4)
				Number of shares (in thousands)	Carrying amount (Note 3	Shareholding percentage	Fair value	
Wonderful Hi-Tech Co., Ltd.	Sanitar Co., Ltd.	-	Financial assets measured at fair the consideration through profit or loss - current	51.00	$ 1,931	-	$ 1,931	-
	NT Pharma Group Co., Ltd. (Hong Kong	-	Financial assets measured at fair the consideration	170.00	60	-	60	-
	Asahi Malaysia Co., Ltd.	-	Financial assets at fair the consideration through other	1,900.00	15,388	9.40	15,388	-
	M-Mobility Co. Ltd.	-	Financial assets at fair the consideration through other	0.67	-	4.53	-	-
	Sunpower Energy Technology Co., Ltd.	-	Financial assets at fair the consideration through other	663.00	22,045	2.78	22,045	-
Thai Wonderful Wire Cable Co., Ltd.	Focuz Manufacturing Company Ltd.	-	Financial assets at fair the consideration through other comprehensive income - non-current	58.82	27,488	4.90	27,488	-

Note 1: The "marketable securities" in this table refer to stocks, bonds, beneficiary certificates and securities derived from the above items falling within IFRS No. 9 "Financial Instruments".

Note 2: If the issuer of marketable securities is not a related party, this column can be left blank.

Note 3: If measured at fair value, please fill in the book balance after the adjustment of fair value evaluation and deducting the accumulated impairment in the carrying amount column; if it is not measured at fair value, please fill in the book balance of original acquisition cost or amortized cost minus accumulated impairment in the carrying amount column.

Note 4: If the marketable securities are subject to restricted use due to the provision of guarantee, pledge loan or others agreed upon, the number of shares guaranteed or pledged, the amount of guarantee or pledge and the restricted be indicated in the remarks column.

Wonderful Hi-Tech Co., Ltd. and Subsidiaries

Transaction with related party reaching NT$100 million or 20% of paid-in capital or more.

January 1 to December 31, 2022

Table 4

Unit: NT$ thousand

(unless otherwise specified)

			Transaction				why the terms of transaction are different from those of ordinary		Bills receivable (payable), accounts		
Involved company	Name of Counterparty	Relationship	Transaction	Amount	Ratio to total transaction	Period of credit granting	Unit price	Period of credit granting	Balance	Ratio to total bills receivable (payable) and accounts	Remarks (Note 2)
Wonderful Hi-Tech Co., Ltd.	ABA Industry Inc.	Subsidiary	Sales	$ (887,156)	22%	90 days	$ -	-	$ 363,134	37%	None
Wonderful Hi-Tech Co., Ltd.	Le Hao Co., Ltd.	Subsidiary	Purchase	347,429	11%	90 days	-	-	(74,648)	17%	None
Wonderful Hi-Tech Co., Ltd.	Vietnam Wonderful Wire Cable Co., Ltd.	Subsidiary	Purchase	645,569	21%	90 days	-	-	(62,289)	14%	None
Wonderful Hi-Tech Co., Ltd.	Thai Wonderful Wire Cable Co., Ltd.	Subsidiary	Purchase	361,657	12%	90 days	-	-	(38,745)	9%	None

Note 1: If the related party transaction conditions are different from the general transaction conditions, the situation and reasons for the difference shall be stated in the field of unit price and credit granting period.
Note 2: If any payment is received (paid) in advance, the reasons, terms agreed, amount and the difference from the general transaction type shall be stated in the remarks column.
Note 3: The sale and purchase between Wonderful Hi-Tech Co., Ltd. and its subsidiaries is equivalent to the purchase and sale between the subsidiaries and Wonderful Hi-Tech Co., Ltd., so the relative transactions will not be disclosed separately.

Wonderful Hi-Tech Co., Ltd. and Subsidiaries

Receivables due from related party reaching NT$100 million or 20% of paid-in capital or more.

December 31, 2022

Table 5

Unit: NT$ thousand

(unless otherwise specified)

Company disclosing receivables	Name of Counterparty	Relationship	Balance of receivables due from related parties	Turnover rate	Overdue Receivables due from related parties: Amount	Overdue Receivables due from related parties: Accounting treatment	Amount recovered after the payment	Allowance for loss
Wonderful Hi-Tech Co., Ltd.	ABA Industry Inc.	Subsidiary	$ 363,134	2.3	$ 8,309	Strengthen collection	$ 134,679	$ -

Note 1: Please fill in separately according to the accounts receivable, bills, other receivables... etc.

Note 2: Paid-in capital refers to the paid-in capital of the parent company. If the issuer's shares have no par value or the par value of each share is not NT$10, the transaction amount requirement of 20% of the paid-in capital shall be calculated at 10% of the equity attributable to the owner of the parent company in the balance sheet.

Note 3: The post-payment period ends on February 28, 2023

Wonderful Hi-Tech Co., Ltd. and Subsidiaries

Business relationship, significant transactions, and significant transaction amount between parent and subsidiaries, or among subsidiaries.

January 1 to December 31, 2022

Table 6

Unit: NT$ thousand

(unless otherwise specified)

No. (Note 1)	Name of trader	Counterparty	Relationship with the trader (Note 2)	Transaction circumstance			
				Item	Amount	Conditions	Ratio to total consolidated revenue or total assets (Note 3)
0	Wonderful Hi-Tech Co., Ltd.	Le Hao Co., Ltd.	1	Purchase	347,429	Note 4	4%
0	Wonderful Hi-Tech Co., Ltd.	Vietnam Wonderful Wire Cable Co., Ltd.	1	Purchase	645,569	Note 4	7%
0	Wonderful Hi-Tech Co., Ltd.	Thai Wonderful Wire Cable Co., Ltd.	1	Purchase	361,657	Note 4	4%
0	Wonderful Hi-Tech Co., Ltd.	ABA Industry Inc.	1	Sales revenue	887,156	Note 4	10%
0	Wonderful Hi-Tech Co., Ltd.	ABA Industry Inc.	1	Accounts receivable	363,134	Note 4	6%
0	Wonderful Hi-Tech Co., Ltd.	Vietnam Wonderful Wire Cable Co., Ltd.	1	Accounts payable	62,289	Note 4	1%
0	Wonderful Hi-Tech Co., Ltd.	Le Hao Co., Ltd.	1	Accounts payable	74,648	Note 4	1%

Note 1: The business transaction information between the parent company and its subsidiaries shall be indicated in the number column respectively, details are as follows:

(1) Fill in 0 for the parent company.

(2) The subsidiaries are numbered in order starting from number 1.

Note 2: There are 3 types of relationship with counterparties as follows, fill in the code:

(1) The parent company to a subsidiary.

(2) A subsidiary to the parent company.

(3) Among subsidiaries.

Note 3: The ratio of transaction amount to total consolidated revenue or total assets shall be calculated by the ending balance as a percentage of the consolidated total assets for assets and liabilities items; for profit and loss items, it shall be calculated by the cumulative amount as a percentage of the consolidated total revenue.

Note 4: In accordance with the general sales method.

Note 5: Individual transaction with an amount less than 1% of the consolidated total revenue and consolidated total assets will not be disclosed.

Wonderful Hi-Tech Co., Ltd. and Subsidiaries

Name and location of investees (excluding those in Mainland China).

January 1 to December 31, 2022

Table 7

Unit: NT$ thousand

(unless otherwise specified)

Name of investor	Name of investee (Note 1, Note 2)	Location	Main business items	Original investment amount		Shareholding at the end of the period			Current gain and loss of the investee (Note 2(2))	Investment gains and losses recognized in the current period (Note 2(3) and 3)	Remarks
				At the end of the period	At the end of last year	Number of shares	Ratio	Carrying amount			
Wonderful Hi-Tech Co., Ltd.	Wonderful Holding (Cayman) Co., Ltd.	Cayman Islands	Holding company of investment	$ 272,219	$ 272,219	9,373,944	100.00	$ 809,548	$ 137,756	$ 137,756	Subsidiary of the Company.
Wonderful Hi-Tech Co., Ltd.	Wanshih Electronic Co., Ltd.	Taiwan	Assembly of distribution lines	285,266	300,269	17,816,272	24.55	233,148	(66,109)	(16,229)	The investee evaluated by the equity method.
Wonderful Hi-Tech Co., Ltd.	Le Hao International Co., Ltd.	British Virgin Islands	Holding company of investment	411,992	401,197	14,845	74.23	505,297	90,311	65,719	Subsidiary of the Company.
Wonderful Hi-Tech Co., Ltd.	Yi-Tai Technology Co., Ltd.	Hong Kong	Holding company of investment	83,120	83,120	21,377,348	100.00	3,061	(7,784)	(7,784)	Subsidiary of the Company.
Wonderful Hi-Tech Co., Ltd.	Wonderful Cabling Systems Corporation	Taiwan	Sales of wires and cables	12,800	12,800	2,000,000	80.00	57,769	20,568	16,302	Subsidiary of the Company.
Wonderful Hi-Tech Co., Ltd.	Vietnam Wonderful Wire Cable Co., Ltd.	Vietnam	Sales and manufacturing of wires and cables	217,101	155,558	-	50.00	308,348	118,458	55,922	Subsidiary of the Company.
Wonderful Hi-Tech Co., Ltd.	Wan Shih (Hong Kong) Co., Ltd.	Hong Kong	Assembly of distribution lines	28,541	28,541	3,067,500	17.04	20,059	(4,322)	(737)	The investee evaluated using the equity method.
Wonderful Hi-Tech Co., Ltd.	Inga Nano Technology Co., Ltd.	Taiwan	Other Textile Products Manufacturing	34,325	34,325	2,450,000	28.00	32,428	(16,004)	(5,358)	The investee evaluated using the equity method.
Wonderful Hi-Tech Co., Ltd.	Saga YesFamily Healthcare Co.	Taiwan	Business in the long-term care industry	10,189	10,189	283,019	28.30	-	-	-	The investee evaluated using the equity method.
Wonderful Hi-Tech Co., Ltd.	ABA Industry Inc.	U.S.A.	Sales of wires and cables	171,766	171,766	92,000	56.10	197,855	47,933	22,678	Subsidiary of the Company.
Wonderful Hi-Tech Co., Ltd.	ACTife Hi-Tech Co., Ltd.	Taiwan	Sales of non-woven fabric processing products	58,000	48,000	2,000,000	100.00	(22,487)	(21,680)	(21,803)	Subsidiary of the Company.
Wonderful Hi-Tech Co., Ltd.	Leading LOHAS International Trading Company	Taiwan	Sales of non-woven fabric processing products	1,000	1,000	100,000	100.00	680	(297)	(297)	Subsidiary of the Company.
Wonderful Hi-Tech Co., Ltd.	Alpha Treasure Investments Limited	Republic of Seychelles	Holding company of investment	10,123	4,988	350,000	35.00	5,633	(7,445)	(2,402)	The investee evaluated using the equity method.
Wonderful Holding (Cayman) Co., Ltd.	Wonderful International (Cayman) Co., Ltd.	Cayman Islands	Holding company of investment	272,219	272,219	9,373,944	100.00	809,548	137,756	Note 3	Sub-subsidiary of the Company.
Wonderful International (Cayman) Co., Ltd.	ABA Industry Inc.	U.S.A.	Sales of wires and cables	20,909	20,909	72,000	43.90	140,889	47,933	Note 3	Subsidiary of the Company.
Wonderful International (Cayman) Co., Ltd.	Wonderful Holding (Thailand) Co., Ltd.	Thailand	Holding company of investment	47	47	490	100.00	273,256	49,189	Note 3	Sub-subsidiary of the Company.
Wonderful International (Cayman) Co., Ltd.	Thai Wonderful Wire Cable Co., Ltd.	Thailand	Sales and manufacturing of wires and cables	124,353	124,353	845,890	43.50	396,133	164,195	Note 3	Great-subsidiary of the Company.
Wonderful Holding (Thailand) Co., Ltd.	Thai Wonderful Wire Cable Co., Ltd.	Thailand	Sales and manufacturing of wires and cables	103,781	103,781	583,372	30.00	273,195	164,195	Note 3	Great-subsidiary of the Company.
Thai Wonderful Wire Cable Co., Ltd.	Vietnam Wonderful Wire Cable Co., Ltd.	Vietnam	Sales and manufacturing of wires and cables	226,415	198,407	-	50.00	315,724	118,458	Note 3	Subsidiary of the Company.
Le Hao International Co., Ltd.	Le Hao Co., Ltd.	Hong Kong	Sales of wires and cables	245,513	245,513	41,401,000	100.00	680,764	90,311	Note 3	Sub-subsidiary of the Company.

Note 1: If the public offering company has a foreign holding company and the consolidated financial report is the main financial report according to the local law, the disclosure of information about the foreign investee may be disclosed only to the information about the holding company.

Note 2: For persons other than those mentioned in Note 1, fill in the following:

(1) The columns of "the investee's name", "location", "main business items", "original investment amount" and "ending shareholding situation" shall be filled out in accordance with the reinvestment situation of the (publicly issued) company and the reinvestment of the investee directly or indirectly under control. Indicate in the remarks column the relationship between each investee and the (public offering) company (if it is a subsidiary or a great -subsidiary).

(2) The "current profit and Loss of investees" shall be fill in the amount of current profit and loss of each investee.

(3) The column "investment profit and loss recognized in the current period" is only required to fill in the profit and loss of the subsidiaries recognized by the (public offering) company for direct reinvestment and that of the investee evaluated by the equity acquisition method. The rest is not required. Fill in "The balance of loss of each subsidiary directly reinvested in the current period shall still be the loan limit approved by the board of directors. Although the funds may be repaid later, considering the loan may be granted again, the amount approved by the board of directors

Note 3: The investment profit and loss listed in the current period only discloses the part recognized by Wonderful Hi-Tech Co., Ltd., and the rest is exempted from completion according to regulations.

Wonderful Hi-Tech Co., Ltd. and Subsidiaries
Information on investments in Mainland China - Basic Information
January 1 to December 31, 2022

Table 8

Unit: NT$ thousand
(unless otherwise specified)

Name of investee in Mainland China	Main business items	Paid-in capital	Form of investment (Note 1)	Accumulated investment remitted from Taiwan at the beginning of the period	Investment remitted or recovered in the current period		Accumulated investment remitted from Taiwan at the end of the period	Current gain and loss of the investee	The Company's shareholding in direct or indirect investment	Recognize investment gains and losses in the current period (Note 2)	Carrying amount of investment at the end of the period	Repatriated investment income as of the current period	Remarks
					Remitted	Recovered							
Suzhou Wanshih Optical Communication Co., Ltd.	Assembly of distribution lines	$ 520,584	1	$ 11,380	$ -	$ -	$ 11,380	($ 67,512)	2.56%	$ -	$ -	$ 5,008	Note 3
Siyang Wanshih Electronic Element Co., Ltd.	Assembly of distribution lines	367,939	2	16,099	-	-	16,099	-	-	-	-	-	Note 4
Shanghai Elitech Technology Co., Ltd.	Computer software development, manufacturing and sales of own products and surveillance equipment	83,081	2	83,081	-	-	83,081	(7,784)	100.00%	(7,784) (2) B	3,061	-	
Wonderful Photoelectricity (Dongguan) Co., Ltd.	Sales and manufacturing of wires and cables	177,616	2	50,624	-	-	50,624	75,927	74.23%	56,357 (2) A	250,452	-	

Company name	Cumulative investment remitted from Taiwan to the mainland China at the end of the period	The investment approved by the Ministry of Economic Affairs	Investment to the Mainland China approved by the Ministry of Economic Affairs
Wonderful Hi-Tech Co., Ltd.	$ 325,940	$ 360,985	$ 1,561,708

Note 1: Investments are made in the following four ways, fill in the code:
(1) Direct investment in mainland China.
(2) Re-investment in Mainland company through a third region company (please specify the third region company).
A. Reinvestment in Siyang Wanshih Electronic Element Co., Ltd., through Wonderful Holding (Cayman) Co., Ltd., and then through Wonderful International (Cayman) Co., Ltd.
B. Reinvestment in Shanghai Elitech Technology Co., Ltd. through Yi-Tai Technology Co., Ltd.
C. Reinvestment in Wonderful Photoelectricity (Dongguan) Co., Ltd. through Le Hao International Co., Ltd.
(3) Other ways.
Note 2: In the investment profit and loss recognized in the current period:
(1) Please specify if it is in preparation and there is no investment gain or loss.
(2) Investment profit and loss are recognized on the following three basis, which should be specified.
A. Financial statements audited by an international accounting firm in partnership with a Republic of China accounting firm.
B. Financial statements audited by certified accountants of the parent company in Taiwan.
C. Financial statements prepared and not verified by accountants for the corresponding period
Note 3: Suzhou Wanshih Optical Communication Co., Ltd., an investee held by the Company under the acquisition equity method, is provided for impairment in full in 2012 because its recoverable amount is lower than the book value.
Note 4: Siyang Wanshih Electronic Element Co., Ltd., an investee held by the Group under the equity method, was disposed of in 2020.

Wonderful Hi-Tech Co., Ltd. and Subsidiaries
Information on Major Shareholders
December 31, 2022

Table 9

Name of major shareholders	Shares	
	Number of shares held	Shareholding percentage
Ming-Lieh Chang	12,644,911	7.82%
Mei Ming Investment Co., Ltd.	12,562,070	7.77%
Wanshih Electronic Co., Ltd.	9,282,121	5.74%

Note 1: The information on major shareholders in this table shows the information of shareholders holding more than 5% of the Company's ordinary and special shares (including treasury shares) that have been delivered without physical registration as calculated by the depository company. The capital stock recorded in the financial report may be different from the actual number of shares delivered by the Company without physical registration due to a

Note 2: If the above information involves shareholder's handing over their shareholding to the trust, it shall be disclosed by the individual account of the trustor whose special trust account is opened by the trustee. As for shareholders who hold more than 10% of the shares and are subject to reporting requirements under the securities trading laws, this includes their own shareholding as well as shares held through entrusted arrangements where they have decision-making power over the entrusted assets.

For insider share declaration information, please refer to the Market Observation Post System.