

Stock Code: 2387



2022

Annual report

Printed on May 15, 2023

The annual report is available at: <http://mops.twse.com.tw>

The Company's website: www.sunrex.com.tw

I. Spokesperson of the Company: Mr. Wu Ming-Hung

Title: Chief Financial Officer

Contact number:(04)25686983

E-mail:kerry.wu@sunrex.com.tw

The Company's acting spokesperson: Mr. Li Ming-Tse

Title: General Manager

Contact number:(04)25686983

E-mail:marvin.lee@sunrex.com.tw

II. Address and telephone number

Address and telephone number of head office and factory:

No. 475, Section 4, Changping Rd., Daya Dist., Taichung City

TEL:(04)25686983

III. Stock transfer agency

Name: Stock Agency Department, Department of Capital Securities Corp.

Address: B2, No. 97, Section 2, Dunhua South Road, Taipei City

Website:<http://www.capital.com.tw/>

TEL:(02) 2702-3999

IV. Names of CPAs certifying the latest annual financial statements

Name: CPAs Wu Sung-Yuan and Hsu Chien-Yeh

Name of Firm: PwC Taiwan

Address: 27F, International Trade Building, No. 333, Sec. 1, Keelung Road, Taipei

Website:<http://www.pwc.tw>

TEL:(02)27296666

V. Name of any exchanges where the Company's securities are traded offshore, and the method by which to access information on

None

VI. Company website

<https://www.sunrex.com.tw/>

Table of Contents

	Page No.
One. Report to Shareholders.....	1
Two. Company Profile	
I. Date of establishment	5
II. Company history	5
Three. Corporate Governance Report	
I. Organizational system	8
II. Information of directors, supervisors, general manager, deputy general manager, assistant general manager, and heads of various departments and branches.....	10
III. Remuneration paid to directors, supervisors, general manager, deputy general manager in the most recent fiscal year.....	18
IV. State of operation of corporate governance.....	30
V. Information on the professional fees of the attesting CPAs.....	69
VI. Information on replacement of CPAs.....	69
VII. Where the company's chairman, general manager, or any managers in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held, shall be disclosed.....	70
VIII. Any transfer of equity interests and/or pledge of or change in equity interests in the most recent year or up to the date of publication of the annual report by a director, supervisor, manager, or shareholder with a stake of more than 10 percent.....	71
IX. Information on the top ten shareholders who are related to each other under Statements of Financial Accounting Standards No. 6 or who are related to each other as spouses or relatives within the second degree of kinship.....	72
X. The total number of shares and total equity stake held in any single enterprise by the company, its directors, supervisors and, managers, and any companies controlled either directly or indirectly by the company.....	73

Four. Capital Raising Activities

I. Company capital and shares	74
II. Status of corporate bonds	84
III. Status of preferred shares	85
IV. Status of overseas depository receipts	85
V. Issuance of employee stock warrants and new restricted employee shares.....	85
VI. Mergers or acquisitions or with acquisitions of shares of other companies ...	85
VII. Status of implementation of capital allocation plans.....	86

Five. An Overview of Operations

I. Business	87
II. An analysis of the market as well as the production and marketing situation...	89
III. Employees	93
IV. Information on environmental protection expenditure	93
V. Labor/management relations	94
VI. Important contract	95

Six. An Overview of the Company's Financial Status

I. Condensed balance sheet and income statement, the names of auditors and their audit opinions for the most recent five fiscal years.....	96
II. Financial Analysis for the Most Recent Five Fiscal Years.....	103
III. Supervisors' review report on the financial report for the most recent fiscal year.....	107
IV. Financial report (consolidated financial report) for the most recent fiscal year	108
V. A parent company only financial statement for the most recent fiscal year	192
VI. If the company or its affiliates have experienced financial difficulties in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, the annual report shall explain how said difficulties will affect the company's financial situation.....	267

Seven. Review and Analysis of Financial Position and Financial Performance, and Assessment of Risks

I. Financial position	267
II. Financial performance	268
III. Cash flow	271

IV. Effect upon financial operations of any major capital expenditures during the most recent fiscal year.....	272
V. Reinvestment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year.....	272
VI. Analysis and assessment of risks in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report.....	272
VII. Other important matters	274

Eight. Special Items to Be Included

I. Information on affiliates	276
II. Private placement of securities in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report.....	282
III. Holding or disposal of shares in the company by the company's subsidiaries in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report.....	282
IV. Other matters that require additional description.....	282
V. Any of the Situations Listed in Article 36, Paragraph 2, Subparagraph 2 of the Securities and Exchange Act, Which Might Materially Affect Shareholders' Equity or the Price of the Company's Securities, Occurred in the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report.....	283

Report to Shareholders

Dear Shareholders,

Revenue growths were impacted in the second half of 2022 because of the inventory adjustment of customers and the rate hike in the US. The Company, nevertheless, continued to devote to the management and maintenance of major customers, keep track of the light and thin notebook computer trend, flexibly work with customers in deliveries. Proactive efforts were made to secure purchase orders and new processes continued to be researched and developed. Meanwhile, multiple other channels were explored, such as reinvestment, to further diversify the Group's portfolio.

The Company proactively goes with changes in the market and cooperates with customers highly flexibly so that the Group's revenue can continue to grow. The market for notebook computers has matured and stabilized as a whole. Due to the constantly rising production cost in Mainland China, in order to keep the profits, besides continuing to improve automation processes, dependency on manpower is lowered and vertical integration is reinforced to boost the capability to produce key parts and components. Meanwhile, proactive efforts are made to explore products such as add-on keyboards for tablets, mechanical keyboards, touch pads, and stylus pens and develop other peripheral commodities and drive up shipments. It is believed that a robust operational scale and cost control can help shareholders create the maximum profit.

I. Business results for the previous year (2022)

(I) 2022 Business Plan Implementation Result

1. Consolidated total revenue: NT\$24,571,786 thousand, an increase of NT\$513,557 thousand from NT\$24,058,229 thousand in 2021.
2. Due to the appreciation of the US dollar and the impact of some self-made key components, the gross profit margin increased from 12% in 2021 to 14% in 2022.
3. Earnings: NT\$2,120,468 thousand before tax, estimated income tax payable of NT\$556,754 thousand, and net profit after tax of NT\$1,563,714 thousand, representing an after-tax profit rate of 7%.

(II) Budget execution: None.

(III) 2022 Consolidated financial position Unit: NT\$ thousands

Item	2022
Total assets	21,856,532
Total liabilities	11,734,132
Shareholder equity	10,122,400
Share capital	1,952,510
Retained earnings	7,778,549

Analysis of consolidated revenues, expenses and profitability for 2022 Unit: NT\$ thousands

Item	2022	2021
Operating revenue	24,571,786	24,058,229
Operating cost	21,232,076	21,160,005
Gross operating profit	3,39,710	2,898,224
Operating expenses	1,728,341	1,350,452
Net income before tax	2,120,468	1,420,690
Net profit after tax	1,563,714	1,039,013
Earnings per share (NT\$) (after tax)	7.48	5.31

(IV) Research and development status of the Company

R&D and mass production of the following products have been completed

1. Gaming keyboard
2. Backlit keyboard
3. External keyboard for tablet PC
4. Desktop wireless ultra-thin keyboard
5. Notebook touch panel
6. Stylus pen
7. The key components of the laptop keyboard are designed and approved by the customer

II. Summary of 2023 business plan

(1) Operation Policy

1. Pursue profit maximization.
2. Consolidate quality management to ensure the quality of shipped products.
3. Reinforce the development of each product and reduce the time to mass production to meet the demand on market.
4. Introduce automatic dies and production equipment for enhanced production efficiency and efficacy.
5. Introduce environmentally-friendly processes and raw materials.
6. Develop add-on input devices such as tablet keyboard leather covers and their mass production.
7. Develop and distribute mechanical & gaming keyboards and stylus pens.
8. Develop keyboard key parts and components, produce and distribute them with prior approval from customers.
9. Seek collaboration or investment opportunities in peripheral sectors.

(II) Expected Sales and Rationales

1. The estimated sales of the Company's main products in 2023 are as follows:

Item	Expected sales in 2023
------	------------------------

Keyboards, touch pads, and mic, etc.	80 million pieces
---	-------------------

2. Follow the results of the Company's Business Plan Reflection Meeting.

(III) Important Production and Distribution Policies

Development of computer input devices such as keyboards, touch pads, and stylus pens as well as keyboard key parts and components will continue and approval from customers will be obtained before they are sold.

III. Future development strategies of the Company

The Company adheres to the business philosophy of "Find the Right Customers, Vendors, and Employees" and is committed to expanding OEM and ODM marketing, exerting core technologies, improving R&D capabilities and competitiveness, strengthening manufacturing and quality management. Meanwhile, the Company has established an effective cost control and inventory management system to enhance the Company's maximum competitiveness to become the No. 1 input device manufacturer in the world. In order to achieve this vision, not only do we encourage our employees to work hard, but we also look forward to the continued support of our shareholders. On behalf of the Board of Directors and all employees, I would like to express my highest gratitude to all shareholders.

IV. Impacts of the external competitive environment, the regulatory environment, and the general business environment

As the notebook market is mature and stable, the Company actively promotes production line automation in response to the competition and reduces dependence on manpower. At the same time, the Company utilizes the existing factory space to increase production capacity. Moreover, the Company continues make efforts to research and develop various types of computer peripherals and key components for keyboards, expanding its high value-added product lines and developing a wider range of niche products. With these high value-added products, the Company's gross profit can be maintained stable, ensuring the shareholders' investment income.

International communities attach great importance to environmental protection. The Company has strengthened investment in the renovation of green production processes so as to be in line with ROHS Directive. The Company has also initiated the integration of R&D, manufacturing, and sales functions across the Taiwan Strait, and continues to recruit professional management talent in various fields to meet future challenges.

In response to the changes in domestic and foreign operating regulations, the Company's operations have become more rigorous and information is more transparent, which helps the investors and shareholders to have a better understanding of the Company, and enhances the Company's status and

reputation in the international industry.

Chairman: Tsai Huo-Lu

Two. Company Profile

(I) Date of establishment: July 22, 1991.

(II) Company History:

July 1991	Founder, Mr. Tsai Huo-Luo, established Sunrex Technology Corporation with a registered capital of NT\$20,800,000, with the main business being the design, development, manufacturing and trading of computers and ancillary hardware, and the operation of various computer and telephone keyboards.
October	Commenced business operations with paid-in capital of NT\$198,000,000.
November	Capital increase by NT\$170,000,000 in cash.
July 1993	Relocated equipment from Taipei Factory to Taichung Factory and purchased automated production equipment to increase production capacity to 8,000 units per month.
October 1994	The mass production of HB 370 MX, a new high-performance multi-media product, has greatly improved the Company's image and profitability of product sales.
October 1995	Capital increased by NT\$200,000,000 in cash, increasing capital to NT\$300,009,800.
October 1997	Capital increased by NT\$49,200,000 in cash, and NT\$39,800,000 from earnings, increasing capital to NT\$487,000,000.
June 1998	Capital increased by NT\$73,050,000 from earnings, increasing capital to NT\$560,050,000.
January 1999	The Company's stock was officially listed on the stock exchange.
August 1999	Capital increased by NT\$84,007,500 from earnings, increasing capital to NT\$644,057,500.
October 1999	Purchased the land for the new factory in Daya, and integrated the three factories into one.
December 1999	Completed a capital increase of NT\$155,942,500 in cash, increasing capital to NT\$800,000,000.
February 1990	The construction of the new factory of Zhongzheng was completed, and integrated the three factories into one.
April 1990	Launched mass production and shipment of notebook computer keyboard KB990305.
June 1990	Trial production of the USB portable storage device began.
October 1990	Sample production of ADS III completed with mass production of KB982202 underway.
November 1990	Capital increased by NT\$96,000,000 from undistributed earnings and capital reserve, increasing capital to NT\$896,000,000.
December 1990	Portable hard disk storage device (IEEE1394) mass produced; trial production of KB001519 completed.
April 2001	The general shareholders' meeting was held to re-elect directors and supervisors. The number of directors was increased from six to seven, and the number of supervisors was increased from two to three. Trial production of KB001626 began.
July 2001	Capital increased by NT\$89,600,000 from undistributed earnings and capital reserve, increasing capital to NT\$985,600,000.

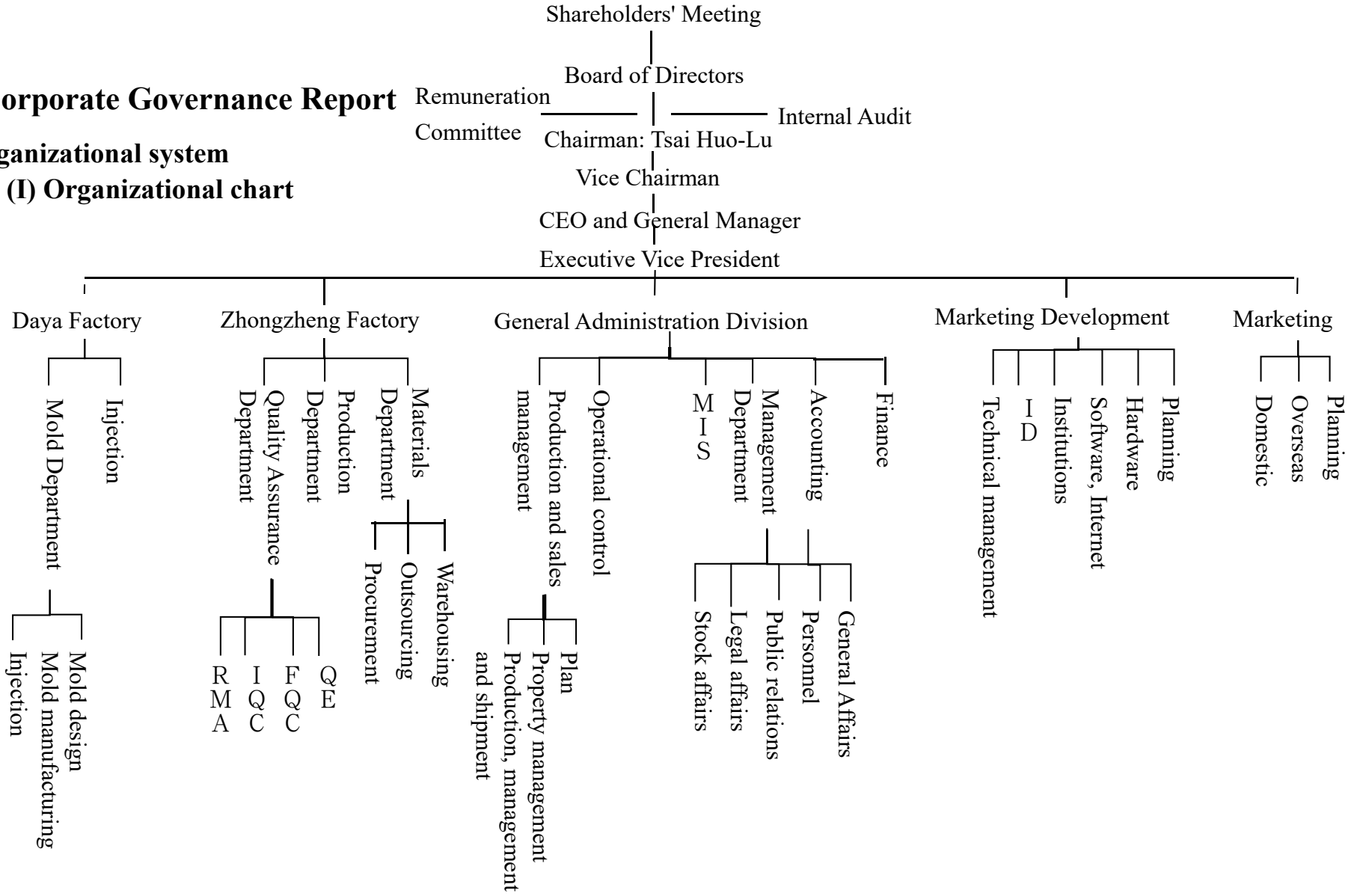
- August 2001 The Company's Board of Directors and that of JME Group have passed the motion for merging the two companies.
- September 2001 The Company signed a merger agreement with JME Group, with the Company as the surviving company and JME Group as the eliminated company; TEN K/B KBN-211 was officially mass produced.
- January 2002 Completed the merger with JME Group
- May 2002 Capital increased by merging JME Group and issued 52,916,417 common shares, totaling NT\$529,164,170.
- August 2002 Capital increased by NT\$219,216,630 from undistributed earnings and capital reserve, increasing capital to NT\$1,733,980,800.
- December 2003 Capital increased by NT\$336,132,160 from undistributed earnings and capital reserve, increasing capital to NT\$2,070,102,960.
- March 2004 The treasury stock repurchased for the first time by the Company and the 1,385 thousand shares that were not transferred within three years were canceled in the stock market. After capital reduction, capital was NT\$2,056,262,960.
- October 2004 Capital increased by NT\$303,939,450 from undistributed earnings and capital reserve, increasing capital to NT\$2,360,202,410.
- February 2005 The treasury stock repurchased for the second time by the Company and the 1,796 thousand shares that were not transferred within three years were canceled in the stock market. After capital reduction, capital was NT\$2,342,242,410.
- August 2005 Capital increased by NT\$231,224,250 from undistributed earnings and capital reserve, increasing capital to NT\$2,573,466,660.
- September 2006 Capital increased by NT\$511,221,340 from undistributed earnings and capital reserve, increasing capital to NT\$3,084,688 thousand.
- September 2007 Capital increased by NT\$383,906,800 from undistributed earnings and capital reserve, increasing capital to NT\$3,393,084,800.
- October 2008 Capital increased by NT\$336,308,480 from undistributed earnings and capital reserve, increasing capital to NT\$3,729,393,280.
- December 2009 Issued the first private placement of domestic unsecured convertible bonds totaling NT\$490,000,000.
- December 2010 The treasury stock repurchased for the fifth time by the Company and the 293 thousand shares that were not transferred within three years were canceled in the stock market. After capital reduction, capital was NT\$3,726,463,280.
- December 2011 The treasury stock repurchased for the sixth time by the Company and the 1,372 thousand shares that were not transferred within three years were canceled in the stock market. After capital reduction, capital was NT\$3,712,743,280.
- May 2012 The treasury stock repurchased for the seventh time by the Company and the 1,494 thousand shares that were not transferred within three years were canceled in the stock market. After capital reduction, capital was NT\$3,697,803,280.
- November 2013 The treasury stock repurchased for the eighth and ninth time by the Company and the 6,000 thousand shares that were not transferred within three years were canceled in the stock market. After capital reduction, capital was NT\$3,637,803,280.

- September 2015 The treasury stock repurchased for the tenth time by the Company and the 597 thousand shares that were not transferred within three years were canceled in the stock market. After capital reduction, capital was NT\$3,631,833,280.
- December 2015 In order to increase shareholders' equity and the rate of return on investment, the Company conducted capital reduction by returning 49,837,905 shares in cash. After capital reduction, capital was NT\$3,133,454,280.
- August 2016 In order to increase shareholders' equity and the rate of return on investment, the Company conducted capital reduction by returning 50,135,268 shares in cash. After capital reduction, capital was NT\$2,632,101,550.
- August 2017 In order to increase shareholders' equity and the rate of return on investment, the Company conducted capital reduction by returning 42,113,625 shares in cash. After capital reduction, capital was NT\$2,210,965,300.
- May 2018 The treasury stock repurchased for the twelfth time by the Company and the 768,398 shares that were not transferred within three years were canceled in the stock market. After capital reduction, capital was NT\$2,232,801,320.
- October 2018 In order to increase shareholders' equity and the rate of return on investment, the Company conducted capital reduction by returning 23,215,136 shares in cash. After capital reduction, capital was NT\$1,971,129,960.
- November 2018 The treasury stock repurchased for the thirteenth time by the Company and the 815,044 shares that were not transferred within three years were canceled in the stock market. After capital reduction, capital was NT\$1,962,979,520.
- November 2021 The treasury stock repurchased for the fourteenth time by the Company and the 1,046,901 shares that were not transferred within three years were canceled in the stock market. After capital reduction, capital was NT\$1,952,510,510.

Three. Corporate Governance Report

I. Organizational system

(I) Organizational chart



(II) Business scope of each main department

Department	Main business
General Manager's Office	Oversee the formulation of the Company's product planning, business audit, financial and business policies and goals, and the implementation and follow-up of various management regulations.
Internal Audit	Responsible for protecting the security of assets and improving the effectiveness of accounting information to achieve business goals.
Remuneration Committee	Improve the remuneration system for directors, supervisors, and managers and ensure that it is in line with the laws and the Company's performance.
Management Department	Oversee personnel affairs, stock affairs, general affairs, and public relations of the Company.
Accounting Department	Responsible for the overall accounting operation and management of the Company.
Finance Department	Establishment and operation of relevant financial and investment risks and management and control mechanisms.
MIS	Responsible for the management and maintenance of the Company's information system. Divided into the information room and the network room, responsible for the establishment of the Company's management information system and software and hardware operations, development and maintenance.
Marketing Department	Manage domestic and overseas sales operations, establishes sales outlets, and promotes products.
Production and Marketing Management Department	Divided into production management, warehousing, material control, procurement, and outsourcing. Oversee the Company's production order scheduling, inventory management, material progress, raw material procurement, outsourced processing, etc. Manage all the shipping work of the Company's product order review and product delivery.
Operational Control	The control work in management is to measure the implementation of the plan according to the set standards, and to correct the deviation of the implementation, ensuring that the objectives of the plan are correct and achieved.
Quality Assurance Department	Oversees the Company's product quality control, assurance, and improvement efforts.
Materials Department	Manages material procurement, processing, warehousing, transportation, and distribution, and disposes of idle scrap to increase turnover.
Marketing Development Department	Responsible for domestic and foreign sales operations, the establishment of marketing locations, product promotion, and electronic and mechanical research and development of the Company's new products. .
R&D Division	Responsible for new product development and design changes.
Mold Department	Responsible for mold manufacturing, inspection, maintenance, and repair.
Injection Department	Responsible for the production and processing of injection products and the maintenance and repair of production equipment.

II. Information of directors, supervisors, general manager, deputy general manager, assistant general manager, and heads of various departments and branches:

(I) Information on directors and supervisors (I)

Book closure date for general shareholders' meeting on April 23, 2023

Title (Note 1)	Nationality or place of registration	Name	Gender (age) (Note 2)	Election (appointment) date	Term of office	Date of first election (Note 3)	Shares held at the time of election		Current shareholding		Current shareholding of spouses and minor children		Shareholding in the name of others		Principal work experience and academic qualifications (Note 4)	Position (s) held concurrently in the company/In any other company	Other officers, directors or supervisors who are spouses, or relatives within the second degree of kinship			Remarks (Note 5)
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Job Title	Name	Relationship	
Chairman	Taiwan	Tsai Huo-Lu	Male (73)	2022.6.17	3	1991.12.12	32,655,571	16.64	38,476,233	19.71	23,221,253	11.89	—	—	National Institute of Technology	—	Vice Chairman	Tsai-Tseng Shu-Ping	Husband and wife	—
Vice Chairman	Taiwan	Tsai-Tseng Shu-Ping	Female (72)	2022.6.17	3	1991.12.12	23,221,615	11.83	23,221,253	11.89	38,476,233	19.71	—	—	High school of business	—	Chairman	Tsai Huo-Lu	Husband and wife	—
Director	Taiwan	Tseng Su-E	Female (71)	2022.6.17	3	1991.12.12	1,000,751	0.51	1,000,751	0.51	—	—	—	—	High school of business	The Company Division Chief	Vice Chairman	Tsai-Tseng Shu-Ping	Sisters	—
Director	Taiwan	Li Ming-Tse	Male (54)	2022.6.17	3	2004.05.27	190,322	0.10	190,322	0.10	—	—	—	—	Institute of Industrial Engineering, Tunghai University	General Manager of the Company	—	—	—	—

Independent director	Taiwan	Peng Yu-Ling	Female (53)	2022.6.17	3	2016.06.17	-	-	-	-	-	-	-	-	Graduate School of Accounting, National Taichung University of Science and Technology CPA, HongXing Accounting	-	-	-	-	-
Independent director	Taiwan	Kuo Yuan-Ching	Male (57)	2022.6.17	3	2017.6.16	-	-	-	-	-	-	-	-	Ph.D., Department of Business Administration, National Chiayi University Executive Consultant, Deming Consulting	-	-	-	-	-
Independent director	Taiwan	Wu Yuan-Fu	Male (46)	2022.6.17	3	2022.6.17	-	-	-	-	-	-	-	-	Department of Accounting, National Taiwan University Sunshine & Co., CPAs	-	-	-	-	-

Note 1: For the corporate shareholders, the name of the corporate shareholder and its representatives shall be listed separately (in the case of a representative of the corporate shareholder, the name of the corporate shareholder shall be indicated), and the following table 1 shall be completed.

Note 2: Please state the actual age, and the interval may be used, such as 41-50 years old or 51-60 years old.

Note 3: Fill in the time when first serving as a director or supervisor of the Company. If there is any interruption, it shall be explained in a note.

Note 4: For the experience related to the current position, such as working in an CPA firm or related enterprise during the aforementioned period, the job title and responsibilities shall be specified.

Note 5: Where the chairman of the board of directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto. (e.g. adding the number of independent directors, and a majority of directors should not be employees or managers, etc.).

Note 6: Director Ms. Yeh Yeh stepped down upon expiration of her term of office.

Note 7: The Audit Committee was established on June 17, 2022 and supervisors will no longer be elected in accordance with the law.

Table 1: Major shareholders of corporate shareholders

Book closure date for general shareholders' meeting on April 23, 2023

Name of corporate shareholder (Note 1)	Major shareholders of corporate shareholders (Note 2)
Jing-Yi Investment Co., Ltd.	Sunrex Technology Corporation

Note 1: For directors acting as the representatives of corporate shareholders, this section shall indicate the names of the corporate shareholders.

Note 2: If any of the 10 largest shareholders is a corporate shareholder, the name of the corporate shareholder and the holding percentage of each shall be stated. If the major shareholder is a legal entity, Table 2 shall be filled in.

Note 3: If an institutional shareholder is not a corporate organization, the name of the shareholder and shareholding ratio disclosed in the preceding paragraph shall be the name of the contributor or donor (please refer to the announcement by the Judicial Yuan) and their contribution or donation ratio. Where the donor has passed away, please add "deceased".

Table2: Major shareholder in Table 1 are major shareholders of legal entities

Book closure date for general shareholders' meeting on April 23, 2023

Name of legal entity (Note 1)	Major shareholders of legal entities (Note 2)
Sunrex Technology Corporation	Tsai Huo-Lu 19.71%, Tsai-Tseng Shu-Ping 11.89%, Jing Xiang Investment Co., Ltd. 6.22%, Jing Li Investment Co., Ltd. 5.50%, Jing You Investment Co., Ltd. 4.92%, Chang You Investment Co., Ltd. 4.31%, Chase Bank as custodian for special account of JP Morgan Securities 1.38%, HSBC as custodian for special account of Morgan Stanley 1.18%, Jing-Yi Investment Co., Ltd. 1.15%, and Tsai Yu-Hsueh 0.86%

Note 1: If a major shareholder listed in Table 1 is a legal entity, the name of the legal entity shall be stated.

Note 2: If any of those 10 largest shareholders is a legal entity, the name of the legal entity and the holding percentage of each shall be stated.

Note 3: If an institutional shareholder is not a corporate organization, the name of the shareholder and shareholding ratio disclosed in the preceding paragraph shall be the name of the contributor or donor and their contribution or donation ratio. Where the donor has passed away, please add "deceased".

Information on directors and supervisors (II)

I. Information disclosure of professional qualification of directors and supervisors as well as the independence of independent directors:

Name \ Criteria	Professional qualifications and experience (Note 1)	State of independence (Note 2)	Number of other public companies in which the individual is concurrently serving as an independent director
Tsai Huo-Lu (Director)	<ul style="list-style-type: none"> ● Work experience in commercial, legal, financial and accounting fields, or in the fields required by the Company's business. ● Current chairman of the Company ● Director of the Company ● Does not meet the conditions specified in Article 30 of the Company Act 	Not applicable	None
Tsai-Tseng Shu-Ping (Director)	<ul style="list-style-type: none"> ● Work experience in commercial, legal, financial and accounting fields, or in the fields required by the Company's business. ● Current Vice Chairman of the Company ● Director of the Company ● Does not meet the conditions specified in Article 30 of the Company Act 	Not applicable	None
Tseng Su-E (Director)	<ul style="list-style-type: none"> ● Work experience in commercial, legal, financial and accounting fields, or in the fields required by the Company's business. ● Current Division Chief of the Company ● Director of the Company ● Does not meet the conditions specified in Article 30 of the Company Act 	Not applicable	None
Li Ming-Tse (Director)	<ul style="list-style-type: none"> ● Work experience in commercial, legal, financial and accounting fields, or in the fields required by the Company's business. ● Current General Manager of the 	Not applicable	None

	<p>Company</p> <ul style="list-style-type: none"> ● Director of the Company ● Does not meet the conditions specified in Article 30 of the Company Act 		
Peng Yu-Ling (Independent Director)	<ul style="list-style-type: none"> ● A judge, public prosecutor, attorney, certified public accountant, or other professional or technical specialist who has passed a national examination and been awarded a certificate in a profession necessary for the business of the company. ● Work experience in commercial, legal, financial and accounting fields, or in the fields required by the Company's business. ● Does not meet the conditions specified in Article 30 of the Company Act 	<ul style="list-style-type: none"> ● The Company's independent directors; in line with the independence criteria. ● The independent director, his/her spouse, or any relative within the second degree of kinship of the Company is not a director, supervisor, or employee of the Company or at any other affiliate; does not hold any shares of the Company; not a director, supervisor or employee of a company with which the Company has a specific relationship. ● This person has not received remuneration from the Company or its affiliates for providing commercial, legal, financial and accounting services in the past two years. 	None
Kuo Yuan-Ching (Independent Director)	<ul style="list-style-type: none"> ● An instructor or higher in a department of commerce, law, finance, accounting, or other academic department related to the business needs of the company in a public or private junior college, college, or university ● Work experience in commercial, legal, financial and accounting fields, or in the fields required by the Company's business. ● Does not meet the conditions specified in Article 30 of the Company Act 	<ul style="list-style-type: none"> ● The Company's independent directors; in line with the independence criteria. ● The independent director, his/her spouse, or any relative within the second degree of kinship of the Company is not a director, supervisor, or employee of the Company or at any other affiliate; does not hold any shares of the Company; not a director, supervisor or employee of a company with which the Company has a specific relationship. ● This person has not received remuneration from the Company or its affiliates for providing commercial, legal, financial and accounting services in the past two years. 	None
Wu Yuan-Fu (Independent Director)	<ul style="list-style-type: none"> ● A judge, public prosecutor, attorney, certified public 	<ul style="list-style-type: none"> ● The Company's independent directors; in line with the 	None

Director)	<p>accountant, or other professional or technical specialist who has passed a national examination and been awarded a certificate in a profession necessary for the business of the company.</p> <ul style="list-style-type: none"> ● Work experience in commercial, legal, financial and accounting fields, or in the fields required by the Company's business. ● Does not meet the conditions specified in Article 30 of the Company Act 	<p>independence criteria.</p> <ul style="list-style-type: none"> ● The independent director, his/her spouse, or any relative within the second degree of kinship of the Company is not a director, supervisor, or employee of the Company or at any other affiliate; does not hold any shares of the Company; not a director, supervisor or employee of a company with which the Company has a specific relationship. ● This person has not received remuneration from the Company or its affiliates for providing commercial, legal, financial and accounting services in the past two years. 	
-----------	---	--	--

Note Professional qualifications and experience: Specify the professional qualifications and experience of individual directors and supervisors. If the person is a member of the Audit Committee with accounting or financial expertise, their accounting or financial background and work experience shall be specified; while stating whether they meet the circumstances provided in Article 30 of the Company Act.

Note 2: For independent directors, their state of independence must be specified, including but not limited to whether they, their spouses, second-degree relatives serve as a director, supervisor or employee in the Company or affiliates; the proportion of shares held by the independent director himself/herself, their spouses or relatives within second degree of kinship (or in the name of others); whether the independent director serves as a director, supervisor or an employee of a company with which the Company has a specific relationship (refer to Subparagraphs 5 to 8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); and amount of remuneration receive for commercial, legal, financial and accounting services provided by the Company or its affiliates in the past two years.

II. Diversity and independence of the Board of Directors:

(I) Diversity of the Board of Directors:

The composition of the Board of Directors is considered to be diverse, to strengthen corporate governance and to promote the sound development of the composition and structure of the Board of Directors, and the professional qualifications and experience, gender, age, nationality and cultural diversity.

At present, the Board of Directors has 7 seats, including 3 independent directors.

The implementation of diversification is as follows:

Female directors and supervisors accounted for 43% while male directors and supervisors accounted for 57%.

3 directors and supervisors were over 70 years old, 3 directors were 50-59 years old, and 1 director and supervisor were 40-49 years old.

The Company's current Board of Directors diversity policy and implementation are as follows:

Director/Supervisor Name	Diversification Core Items	Gender	Part-time employee of the Company	Age				Length of term of independent directors		Ability						
				40 to 50	51 to 60	61 to 70	71 to 75	Less than 3 years	6 to 9 years	Business management	Leadership and decision making	Industry knowledge	Financial accounting	Crisis management	International market perspective	
Tsai Huo-Lu		Male	✓				✓			✓	✓	✓	✓	✓	✓	✓
Tsai-Tseng Shu-Ping		Female	✓				✓			✓	✓	✓	✓	✓	✓	✓
Tseng Su-E		Female	✓				✓			✓	✓	✓	✓	✓	✓	✓
Li Ming-Tse		Male	✓		✓					✓	✓	✓	✓	✓	✓	✓
Peng Yu-Ling		Female			✓				✓	✓	✓	✓	✓	✓	✓	✓
Kuo Yuan-Ching		Male			✓				✓	✓	✓	✓	✓	✓	✓	✓
Wu Yuan-Fu		Male		✓						✓	✓	✓	✓	✓	✓	✓

(II) Independence of the Board of Directors:

The Company's Board of Directors currently consists of 7 directors, including 3 independent directors. The members are experienced in finance, legal compliance, accounting, commerce, and management with rich experience and professional operation.

Two of the directors are first degree relatives and two of the directors are second degree relatives, meeting Paragraph 3 of Article 26-3 of the Securities and Exchange Act.

(II) Information of general manager, deputy general manager, assistant general manager, and heads of various departments and branches

Information of general manager, deputy general manager, assistant general manager, and heads of various departments and branches

Book closure date for general shareholders' meeting on April 23, 2023

Title (Note 1)	Nationality	Name	Gender	Election (appointment date)	Number of shares held		Shares held by spouse and minor children		Shareholding in the name of others		Principal work experience and academic qualifications (Note 2)	Position(s) held concurrently in any other company	In a spousal relationship or familial relationship within the second degree of kinship with a manager			Remarks (Note 3)
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
President	Taiwan	Li Ming-Tse	Male	2014.08.12	190,322	0.10	0	0.00	—	—	Graduate School, Tunghai University	—	—	—	—	—
Deputy General Manager	Taiwan	Liao Jui-Tse	Male	1995.01.01	2,597	0.00	253	0.00	—	—	Asia Eastern University of Science and Technology	—	—	—	—	—
Deputy General Manager	Taiwan	Liu Tien-Shan	Male	2010.02.01	4,088	0.00	13	0.00	—	—	Shin Min High School of Business	—	—	—	—	—
Division Chief	Taiwan	Tseng Su-E	Female	1991.10.01	1,000,751	0.51	0	0.00	—	—	High school of business	—	—	—	—	—
Finance and accounting officer	Taiwan	Wu Ming-Hung	Male	2011.08.29	238	0.00	0	0.00	—	—	Accounting, National Chung Hsing University	—	—	—	—	—

Note 1: Information of the general manager, deputy general manager, assistant general manager, and the chiefs of all company divisions and branch units, as well as the positions equivalent to the general manager, vice general manager, assistant vice general manager, regardless of their job titles, shall also be disclosed.

Note 2: Experience related to the current position. If the person has worked for the Company's CPA firm or affiliates in the aforementioned period, please specify the title of the position and the duties performed.

Note 3: Where the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto. (e.g. adding the number of independent directors, and a majority of directors should not be employees or managers, etc.).

III. Remuneration paid to directors, supervisors, general manager, deputy general manager in the most recent fiscal year

(1) Remuneration to directors and independent directors (individual disclosure by name and remuneration) Unit: NT\$ thousands

Title	Name	Remuneration to directors								Total sum of A, B, C and D and their proportion to net income (Note 10)		Remuneration received as company part-time employee								Total sum of A, B, C, D, E, F and G, and their proportion to net income (Note 10)	Remuneration received from investees other than subsidiaries or parent company (Note 11)	
		Remuneration (A) (Note 2)		Pension (B)		Remuneration to directors (C) (Note 3)		Expenses for services rendered (D) (Note 4)				Salaries, bonuses and special allowances (E) (Note 5)		Pension (F)		Remuneration to employees (G) (Note 6)						
		The Company	All companies included in the financial report (Note 7)	The Company	All companies included in the financial report (Note 7)	The Company	All companies included in the financial report (Note 7)	The Company	All companies included in the financial report (Note 7)	The Company	All companies included in the financial report (Note 7)	The Company	All companies included in the financial report (Note 7)	The Company		All companies included in the financial report (Note 7)		The Company	All companies included in the financial report (Note 7)			
		Amount in cash	Amount in stock	Amount in cash	Amount in stock	Amount in cash	Amount in stock	Amount in cash	Amount in stock	Amount in cash	Amount in stock	Amount in cash	Amount in stock	Amount in cash	Amount in stock	Amount in cash	Amount in stock					
Chairman	Tsai Huo-Li	0	0	0	0	200	200	0	0	0.01	0.01	1,440	1,440	86	86	0	0	0	0	1,726	1,726	None
Director	Tsai-Tseng Ping	0	0	0	0	200	200	0	0	0.01	0.01	960	960	58	58	0	0	0	0	1,218	1,218	None
Director	Tseng Su-Hsiung	0	0	0	0	200	200	0	0	0.01	0.01	1,702	1,702	68	68	0	0	0	0	1,970	1,970	None
Director	Yeh Yeh	0	0	0	0	200	200	1,500	1,500	0.12	0.12	0	0	0	0	0	0	0	0	1,700	1,700	None
Director	Li Ming-Tseng	0	0	0	0	200	200	0	0	0.01	0.01	6,321	6,321	180	180	0	0	0	0	6,701	6,701	None
Independent Director	Peng Yu-Li	0	0	0	0	200	200	0	0	0.01	0.01	0	0	0	0	0	0	0	0	200	200	None
Independent Director	Kuo Yuan-Li	0	0	0	0	200	200	0	0	0.01	0.01	0	0	0	0	0	0	0	0	200	200	None

- Please describe the policy, system, standard and structure of remuneration to independent directors, and describe the relevance to the amount of remuneration based on factors such as responsibilities, risks, and time invested: Refer to the general standards in the same industry and the region for negotiation, and the payment is at a fixed rate.
- Other than those disclosed in the above table, remunerations received by directors for providing services to all companies included in the financial statements in the most recent year (e.g. serving as a consultant to non-employees of the parent company/ all companies included in the financial statements/ investees): None.

Note: A company that has had an insufficient director shareholding percentage for 3 consecutive months or longer during the most recent fiscal year shall disclose the remuneration of individual directors; one that has had an insufficient supervisor shareholding percentage for 3 consecutive months or more during the most recent fiscal year shall disclose the remuneration of individual supervisors: None.

Note: A company that has had an average ratio of share pledging by directors or supervisors in excess of 50 percent in any 3 months during the most recent fiscal year shall disclose the remuneration paid to each individual director or supervisor having a ratio of pledged shares in excess of 50 percent for each such month: None.

Note: If the total amount of remuneration received by all of the directors and supervisors in their capacities as directors or supervisors of all of the companies listed in the financial reports exceeds 2 percent of the net income after tax, and the remuneration received by any individual director or supervisor exceeds NT\$15 million, the company shall disclose the remuneration paid to that individual director or supervisor: None.

Remuneration range table

Range of remuneration paid to directors of the Company	Name of Director			
	Total remuneration (A+B+C+D)		Total remuneration (A+B+C+D+E+F+G)	
	The Company (Note 8)	All companies in the financial statements (Note 9) H	The Company (Note 8)	All companies included in the financial report (Note 9) I
Below NT\$1,000,000	Tsai Huo-Lu, Tsai-Tseng Shu-Ping, Tseng Su-E, Li Ming-Tse, Peng Yu-Ling, Kuo Yuan-Ching	Tsai Huo-Lu, Tsai-Tseng Shu-Ping, Tseng Su-E, Li Ming-Tse, Peng Yu-Ling, Kuo Yuan-Ching	Peng Yu-Ling, Kuo Yuan-Ching	Peng Yu-Ling, Kuo Yuan-Ching
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)	Yeh Yeh	Yeh Yeh	Tsai Huo-Lu, Tsai-Tseng Shu-Ping, Tseng Su-E, Yeh Yeh	Tsai Huo-Lu, Tsai-Tseng Shu-Ping, Tseng Su-E, Yeh Yeh
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)	—	—	—	—
NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)	—	—	—	—
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)	—	—	Li Ming-Tse	Li Ming-Tse
NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive)	—	—	—	—
NT\$15,000,000 (inclusive) to NT\$30,000,000 (exclusive)	—	—	—	—
NT\$30,000,000 (inclusive) to NT\$50,000,000 (exclusive)	—	—	—	—
NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive)	—	—	—	—
Over NT\$100,000,000	—	—	—	—
Total	7 people	7 people	7 people	7 people

Note 1: Names of directors shall be separately presented (for corporate shareholders, the name of the corporate shareholder and its representative are presented separately) and distinguished between independent and non-independent directors, while the amounts are presented in aggregate sums. If a director is concurrently the general manager or deputy general manager, fill in this table and the following table (3-1), or the following table (3-2-1) and (3-2-2).

Note 2: Refers to the remuneration of directors in the most recent year (including directors' salary, job bonus, severance payment, various bonuses, incentives, etc.).

Note 3: This is the amount of directors' remuneration approved by the Board of Directors in the most recent year.

Note 4: Refers to a director's relevant business execution expenses in the most recent year (including transportation fees, special expenses, various allowances, dormitory, vehicle allocation, etc.). When providing housing, cars and other means of transportation or exclusive personal expenses, the nature and cost of the assets provided, the actual or fair market price rent, fuel and other payments shall be disclosed. In addition, if there is a driver, please note the relevant remuneration paid by the Company to the driver, but it will not be included in the remuneration.

Note 5: Refers to the salary, job bonus, severance payment, various bonuses, incentive payments, transportation fees, special expenses, various allowances, dormitory,

vehicle allocation and other in-kind provisions received by directors who also serve as employees (including also serving as a president, vice president, other officer or employee) in the most recent fiscal year. When providing housing, cars and other means of transportation or exclusive personal expenses, the nature and cost of the assets provided, the actual or fair market price rent, fuel and other payments shall be disclosed. In addition, if there is a driver, please note the relevant remuneration paid by the Company to the driver, but it will not be included in the remuneration. Also, salary expenses recognized in accordance with IFRS2 “shares-based payment”, including obtaining employee stock options, restricting employee rights, new shares, and participating in capital injection subscription shares, should also be included in remuneration.

Note 6: Refers to those who have received employee remuneration (including stocks and cash) for concurrent directors (including concurrently serving as a president, vice president, other officer or employee) in the most recent year. The amount of employee remuneration approved by the Board of Directors in the most recent year shall be disclosed. If it is not possible to estimate, the proposed distribution amount for this year shall be calculated based on the actual distribution amount last year, and the attached Table 1-3 shall be filled in.

Note 7: The total amount of remuneration paid to the directors of the Company by all companies (including the Company) in the consolidated report shall be disclosed.

Note 8: The Company pays the total amount of remuneration to each director, and reveals the name of the director in the attribution level.

Note 9: The total amount of remuneration paid to each director of the Company by all companies (including the Company) in the consolidated report shall be disclosed, and the names of the directors shall be disclosed in the attribution level.

Note 10: Net income refers to profit after tax in the most recent year. If IFRSs have been adopted, net income refers to the profit after tax on the parent company only or individual financial reports.

Note 11:

- a. This column should clearly indicate the amount of relevant remuneration received by the directors of the Company from the subsidiary company or the parent company. (If there is none, please fill in “None”).
- b. If the directors of the Company receive relevant remuneration from the out-of-subsiary investment business or the parent company, they shall transfer the remuneration received by the Company directors to the out-of-subsiary investment business or the parent company. Incorporate this into column I of the remuneration grading table and change the name of the column to “Parent Company and All Reinvested Enterprises”.
- c. Remuneration refers to the compensation, remuneration (including remuneration of employees, directors and supervisors) and business execution expenses received by the directors of the Company as directors, supervisors or officers of non-subsiary investment enterprises or parent company remuneration.

* The content of the remuneration disclosed in this table is different from the income concept of the income tax law, so the purpose of this table is for information disclosure and not for taxation.

(2) Remuneration to supervisors

Remuneration to supervisors (individual disclosure by name and remuneration)

Unit: NT\$ thousands

Job Title	Name	Remunerations for supervisors						Total sum of A, B and C and their proportion to net income (Note 8)		Remuneration received from investees other than subsidiaries or parent company (Note 9)
		Remuneration (A) (Note 2)		Remuneration from distribution of earnings (B) (Note 3)		Expenses for services rendered (C) (Note 4)		The Company	All companies included in the financial report (Note 5)	
		The Company	All companies included in the financial report (Note 5)	The Company	All companies included in the financial report (Note 5)	The Company	All companies included in the financial report (Note 5)			
Supervisor	Lin Hui-Fen	200	200	—	—	—	—	0.01%	0.01%	None
Supervisor	Yu Wen-Hsiung, Representative of Jing-Yi Investment Co., Ltd.	200	200	—	—	—	—	0.01%	0.01%	None

Note: For the most recent annual loss after tax, the names and remuneration of the “directors and supervisors” shall be disclosed separately; for those who have adopted IFRSs, the names and remuneration of the “directors and supervisors” shall be disclosed separately for the most recent annual loss after tax in the parent company only or separate financial reports: None.

Note: A company that has had an insufficient director shareholding percentage for 3 consecutive months or longer during the most recent fiscal year shall disclose the remuneration of individual directors; one that has had an insufficient supervisor shareholding percentage for 3 consecutive months or more during the most recent fiscal year shall disclose the remuneration of individual supervisors: None.

Note: A company that has had an average ratio of share pledging by directors or supervisors in excess of 50 percent in any 3 months during the most recent fiscal year shall disclose the remuneration paid to each individual director or supervisor having a ratio of pledged shares in excess of 50 percent for each such month: None.

Note: If the total amount of remuneration received by all of the directors and supervisors in their capacities as directors or supervisors of all of the companies listed in the financial reports exceeds 2 percent of the net income after tax, and the remuneration received by any individual director or supervisor exceeds NT\$15 million, the company shall disclose the remuneration paid to that individual director or supervisor: None.

Note: In addition to the disclosure in the table above, in the most recent fiscal year, remuneration received by supervisors (e.g. serving as a consultant who is not an employee): NT\$0.

Remuneration range table

Range of remunerations paid to supervisors of the Company	Name of supervisor	
	Total remuneration (A+B+C)	
	The Company (Note 6)	All companies included in the consolidated financial statements (Note 7) D
Below NT\$1,000,000	Lin Hui-Fen, Yu Wen-Hsiung, Representative of Jing-Yi Investment Co., Ltd.	Lin Hui-Fen, Yu Wen-Hsiung, Representative of Jing-Yi Investment Co., Ltd.
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)	—	—
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)	—	—
NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)	—	—
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)	—	—
NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive)	—	—
NT\$15,000,000 (inclusive) to NT\$30,000,000 (exclusive)	—	—
NT\$30,000,000 (inclusive) to NT\$50,000,000 (exclusive)	—	—
NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive)	—	—
Over NT\$100,000,000	—	—
Total	2 people	2 people

Note 1: Names of supervisors shall be separately listed (for corporate shareholders, the name of the corporate shareholder and its representative are presented separately), and the respective payment amounts shall be disclosed in an aggregate manner.

Note 2: Refer to the remuneration to supervisors in the most recent year (including supervisors' salary, job bonus, severance payment, various bonuses, incentives, etc.).

Note 3: This is the amount of supervisors' remuneration approved by the Board of Directors in the most recent year.

Note 4: Refers to a supervisor's relevant business execution expenses in the most recent year (including transportation fees, special expenses, various allowances, dormitory, vehicle allocation, etc.). When providing housing, cars and other means of transportation or exclusive personal expenses, the nature and cost of the assets provided, the actual or fair market price rent, fuel and other payments shall be disclosed. In addition, if there is a driver, please note the relevant remuneration paid by the Company to the driver, but it will not be included in the remuneration.

Note 5: The total amount of remuneration paid to the supervisors of the Company by all companies (including the Company) in the consolidated statements shall be disclosed.

Note 6: The Company pays the total amount of remuneration to each supervisor, and reveals the name of the supervisor in the attribution level.

Note 7: The total amount of remuneration paid to each supervisor of the Company by all companies (including the Company) in the consolidated report shall be disclosed, and the names of the supervisors shall be disclosed in the attribution level.

Note 8: Net income refers to profit after tax in the most recent year. If IFRSs have been adopted, net income refers to the profit after tax on the parent company only or individual financial reports.

Note 9: a. This column should clearly indicate the amount of relevant remuneration received by the supervisors of the Company from the subsidiary company or the parent company. (If there is none, please fill in “None”).

b. If the supervisors of the Company receive relevant remuneration from the out-of-subsidary investment business or the parent company, they shall transfer the remuneration received by the Company supervisors to the out-of-subsidary investment business or the parent company. Incorporate this into column D of the remuneration grading table and change the name of the column to “Parent Company and All Reinvested Enterprises”.

c. Remuneration refers to the compensation, remuneration (including remuneration of employees, directors and supervisors) and business execution expenses received by the supervisors of the Company as directors, supervisors or officers of non-subsidary investment enterprises or parent company remuneration.

* The content of the remuneration disclosed in this table is different from the income concept of the income tax law, so the purpose of this table is for information disclosure and not for taxation.

(3) Remuneration to general manager and deputy general manager (individual disclosure by name and remuneration)

Job Title	Name	Salary (A) (Note 2)		Pension (B)		Bonuses, special allowances, etc. (C) (Note 3)		Employee remuneration (D) (Note 4)				Total sum of A, B, C and D and their proportion to net income (%) (Note 8)		Remuneration received from investees other than subsidiaries or parent company (Note 9)
		The Company	All companies included in the financial report (Note 5)	The Company	All companies included in the financial report (Note 5)	The Company	All companies included in the financial report (Note 5)	The Company		All companies included in the financial report (Note 5)		The Company	All companies included in the financial report (Note 5)	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
President	Li Ming-Tse	3,000	3,000	180	180	3,321	3,321	0	0	0	0	0.45%	0.45%	0
Deputy General Manager	Liao Jui-Tse	1,272	1,272	76	76	1,042	1,042	0	0	0	0	0.17%	0.17%	0

Deputy General Manager	Liu Tien-Shan	1,140	1,140	68	68	1,130	1,130	0	0	0	0	0.16%	0.16%	0
------------------------	---------------	-------	-------	----	----	-------	-------	---	---	---	---	-------	-------	---

*Regardless of the job title, any person whose position is equivalent to that of a general manager or deputy general manager (e.g. president, chief executive officer, director, etc.) shall be disclosed.

Remuneration range table

Range of remunerations paid to the Company's general manager and deputy general manager	Name of general manager and deputy general manager	
	The Company (Note 6)	All companies included in the consolidated financial statements (Note 7) E
Below NT\$1,000,000	—	—
NT\$1,000,000 (inclusive) to NT\$2,000,000 (exclusive)	Liao Jui-Tse, Liu Tien-Shan	Liao Jui-Tse, Liu Tien-Shan
NT\$2,000,000 (inclusive) to NT\$3,500,000 (exclusive)	Li Ming-Tse	Li Ming-Tse
NT\$3,500,000 (inclusive) to NT\$5,000,000 (exclusive)	—	—
NT\$5,000,000 (inclusive) to NT\$10,000,000 (exclusive)	—	—
NT\$10,000,000 (inclusive) to NT\$15,000,000 (exclusive)	—	—
NT\$15,000,000 (inclusive) to NT\$30,000,000 (exclusive)	—	—
NT\$30,000,000 (inclusive) to NT\$50,000,000 (exclusive)	—	—
NT\$50,000,000 (inclusive) to NT\$100,000,000 (exclusive)	—	—
Over NT\$100,000,000	—	—

Total	4 people	4 people
-------	----------	----------

Note 1: The names of the general manager and deputy general manager shall be listed separately, and the respective payment amounts shall be disclosed in an aggregate manner. If a director is concurrently the general manager or deputy general manager, fill in this table and the table above (1-1), or (1-1), or (1-2-1) and (1-2-2).

Note 2: Refer to the salary, job bonus, and severance payment of the general manager and deputy general manager in the most recent year.

Note 3: Refer to the amount of various bonuses, incentive payments, transportation fees, special expenses, various allowances, dormitory, vehicle allocation and other in-kind provisions received by the general managers and deputy general manager in the most recent year. When providing housing, cars and other means of transportation or exclusive personal expenses, the nature and cost of the assets provided, the actual or fair market price rent, fuel and other payments shall be disclosed. In addition, if there is a driver, please note the relevant remuneration paid by the Company to the driver, but it will not be included in the remuneration. Also, salary expenses recognized in accordance with IFRS2 “shares-based payment”, including obtaining employee stock options, restricting employee rights, new shares, and participating in capital injection subscription shares, should also be included in remuneration.

Note 4: The amount of employee remuneration (including stocks and cash) approved by the Board of Directors for distribution to the general manager and deputy general manager in the most recent year. If it is not possible to estimate, the proposed distribution amount for this year shall be calculated based on the actual distribution amount last year, and the attached Table 1-3 shall be filled in. Net income refers to profit after tax in the most recent year. If IFRSs have been adopted, net income refers to the profit after tax on the parent company only or individual financial reports.

Note 5: The total amount of remuneration paid to the general manager and deputy general manager of the Company by all companies (including the Company) in the consolidated report shall be disclosed.

Note 6: The Company pays the total amount of remuneration to each general manager and vice general manager, and reveals the names of the general manager and deputy general manager in the attribution level.

Note 7: The total amount of remuneration paid to each general manager and vice general manager of the Company by all companies (including the Company) in the consolidated report shall be disclosed, and the names of the general manager and deputy general manager shall be disclosed in the attribution level.

Note 8: Net income refers to profit after tax in the most recent year. If IFRSs have been adopted, net income refers to the profit after tax on the parent company only or individual financial reports.

Note 9:

- a. This column should clearly state the amount of relevant remuneration received by the general manager and deputy general manager of the Company from the subsidiary company or the parent company (if none, please fill in “none”).
- b. If the general manager or deputy general manager of the Company receive relevant remuneration from the out-of-subsidary investment business or the parent company, they shall transfer the remuneration received by the Company directors to the out-of-subsidary investment business or the parent company. Incorporate this into column I of the remuneration grading table and change the name of the column to “Parent Company and All Reinvested Enterprises”.
- c. Remuneration refers to the when a general manager and vice general manager of the Company serves as a director, supervisor, or officer of reinvested businesses or parent companies, etc. other than a subsidiary and in that position receives remuneration or rewards (including remuneration for employees, directors and supervisors) and payments related to business execution expenses.

* The content of the remuneration disclosed in this table is different from the income concept of the income tax law, so the purpose of this table is for information disclosure and not for taxation.

(4) Remuneration to the top 5 executives with the highest remuneration (individual disclosure by name and remuneration)

Job Title	Name	Salary (A) (Note 2)		Pension (B)		Bonuses, special allowances, etc. (C) (Note 3)		Employee remuneration (D) (Note 4)				Total sum of A, B, C and D and their proportion to net income (%) (Note 8)		Remuneration received from investees other than subsidiaries or parent company (Note 9)
		The Company	All companies included in the financial report (Note 5)	The Company	All companies included in the financial report (Note 5)	The Company	All companies included in the financial report (Note 5)	The Company		All companies included in the financial report (Note 5)		The Company	All companies included in the financial report (Note 5)	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
President	Li Ming-Tse	3,000	3,000	180	180	3,321	3,321	0	0	0	0	0.45%	0.45%	0
Deputy General Manager	Liao Jui-Tse	1,272	1,272	76	76	1,042	1,042	0	0	0	0	0.17%	0.17%	0
Deputy General Manager	Liu Tien-Shan	1,140	1,140	68	68	1,130	1,130	0	0	0	0	0.16%	0.16%	0
Division Chief	Tseng Su-E	1,128	1,128	68	68	574	574	0	0	0	0	0.12%	0.12%	0

Note 1: The “top 5 executives with the highest remuneration” refer to managers of the Company. The criteria for the determination of managerial managers are in accordance with the scope of “managers” as stipulated in the Order Letter Tai-Cai-Zheng(3) 0920001301 dated March 27, 2003 issued by the former Securities and Futures Commission, Ministry of Finance. The determination for the calculation of the “top 5 executives with the highest remuneration” is based on the total amount of salaries, pensions, bonuses and special allowances received by the managerial officers from all companies included in the consolidated financial statements, as well as the amount of remuneration to employees (the total of A+B+C+D), and then ranked by the highest paid executives). If a director is also a supervisors listed above, he/she should fill in this table and the table (1-1) above.

Note 2: Refers to the salary, job bonus and severance payment for top 5 executives with the highest remuneration in the last year.

Note 3: Refers to various bonuses, incentive payments, transportation fees, special expenses, various allowances, dormitory, vehicle allocation and other in-kind provisions and other remuneration received by top 5 executives with the highest remuneration in the most recent fiscal year. When providing housing, cars and other means of transportation or exclusive personal expenses, the nature and cost of the assets provided, the actual or fair market price rent, fuel and other payments shall be disclosed. In addition, if there is a driver, please note the relevant remuneration paid by the Company to the driver, but it will not be included in the remuneration.

Also, salary expenses recognized in accordance with IFRS2 “shares-based payment”, including obtaining employee stock options, restricting employee rights, new shares, and participating in capital injection subscription shares, should also be included in remuneration.

Note 4: The amount of employee remuneration (including stocks and cash) approved by the Board of Directors for distribution to the top 5 executives with the highest remuneration in the most recent year. If it is not possible to estimate, the proposed distribution amount for this year shall be calculated based on the actual distribution amount last year, and the attached Table 1-3 shall be filled in.

Note 5: The total amount of remuneration paid by all companies (including the Company) to the top 5 executives with the highest remuneration of the Company in the consolidated report should be disclosed.

Note 6: Profit after tax refers to the profit after tax on the parent company only or individual financial reports for the most recent fiscal year.

Note 7:

- a. This column should clearly state the amount of relevant remuneration received by the top 5 executives with the highest remuneration of the Company from the subsidiary company or the parent company (if none, please fill in “none”).
- b. Remuneration refers to the when top 5 executives with the highest remuneration of the Company serves as a director, supervisor, or manager of reinvested businesses or parent companies, etc. other than a subsidiary and in that position receives remuneration or rewards (including remuneration for employees, directors and supervisors) and payments related to business execution expenses.

* The content of the remuneration disclosed in this table is different from the income concept of the income tax law, so the purpose of this table is for information disclosure and not for taxation.

Names of managers who receive employee remuneration and distribution status

December 31, 2022: NT\$ thousands

	Title (Note 1)	Name (Note 1)	Amount of stock bonus	Amount of cash bonus	Total	Total amount to net income (%)
Manager	President	Li Ming-Tse	0	0	0	0
	Deputy General Manager	Liao Jui-Tse	0	0	0	0
	Deputy General Manager	Liu Tien-Shan	0	0	0	0
	Finance and accounting officer	Wu Ming-Hung	0	0	0	0
	Division Chief	Tseng Su-E	0	0	0	0

Description: In accordance with Article 235 of the Company Act, Paragraphs 2 to 4 have been deleted to regulate the recipients of non-earnings distribution, and Article 235-1 of the Company Act is added to specify that the Company shall distribute employee compensation at a fixed amount or percentage based on the profit status of the current year, and the authority for resolution to make amendments to the distribution is the Board of Directors. Therefore, relevant regulations and terms regarding employee remuneration have been amended.

Note 1: Names and titles shall be disclosed separately, whereas the amount of remuneration has been disclosed in aggregate.

Note 2: Refer to the amount of employee remuneration (including shares and cash) distributed to managers through the board of directors in the most recent year. If it is impossible to estimate the value proposed to be distributed this year, the actual value distributed last year will be calculated proportionally. Net income refers to profit after tax in the most recent year. If IFRSs have been adopted, net income refers to the profit after tax on the parent company only or individual financial reports.

Note 3: The scope of officers shall be defined under Letter Tai-Cai-Zheng-(III)-Zi No.0920001301 dated March 27 2003, which is specified below:

- (1) General Manager and equivalent rank
- (2) Deputy General Manager and equivalent rank
- (3) Assistant General Manager and equivalent rank
- (4) Head of Finance Department
- (5) Head of Accounting Department
- (6) Persons who manage company affairs and are authorized to affix signature on behalf of the Company

Note 4: For directors, General Managers and Assistant General Managers who receive employee remuneration (including shares and cash), details have been disclosed in this Table in addition to Table 1-2.

(IV) Total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by the Company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, supervisors, general managers, and assistant general managers, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure.

A. Total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by the Company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, supervisors, general managers, and assistant general managers:

Unit: NT\$ thousands

Year	2022				2021			
	Total amount of remuneration		Percentage of sum in net profit after tax (%)		Total amount of remuneration		Percentage of sum in net profit after tax (%)	
	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report	The Company	All companies included in the financial report
Item								
Remuneration to directors and supervisors	3,300	3,300	0.23	0.23	3,300	3,300	0.32	0.32
Remuneration to general manager and deputy general manager	11,229	11,229	0.78	0.78	14,134	13,548	1.38	1.32

Note: The above remuneration includes transportation, remuneration and other compensation.

B. The remuneration to the Company's directors, supervisors, general manager and deputy general manager is paid in accordance with the Articles of Incorporation and the Company's regulations in an appropriate ratio. Reasonable remuneration is determined by the Board of Directors after the Remuneration Committee has made a recommendation, based on the salary level of the position in the industry market, the scope of their authority and responsibility within the Company, the degree of their contribution to the Company's operation, and their performance achievement rate.

C. Linkage to operating performance and future risk exposure: None.

IV. Corporate governance:

(I) State of operation of the Board of Directors:

Information on state of operation of the Board of Directors

The Board of Directors held 9 (A) meetings in the most recent fiscal year. The attendance of directors and supervisors is as follows:

Job Title	Name (Note 1)	Actual attendance rate B	Number of attendances by proxy	Actual attendance rate (%) [B/A] (Note 2)	Remark
Chairman	Tsai Huo-Lu	9	0	100%	—
Director	Tsai-Tseng Shu-Ping	9	0	100%	—
Director	Tseng Su-E	9	0	100%	—
Director	Li Ming-Tse	9	0	100%	—
Independent director	Peng Yu-Ling	9	0	100%	—
Independent director	Kuo Yuan-Ching	9	0	100%	—
Independent director	Wu Yuan-Fu	5	0	100%	Took office on June 17, 2022. required attendance: 5.

Director Yeh Yeh stepped down on June 17, 2022 upon expiration of her term of office. The Audit Committee was established on June 17, 2022 and supervisors will no longer be elected in accordance with the law.

Other matters to be recorded:

I. For Board of Directors meetings that meet any of the following descriptions, state the date, session, the discussed agenda, independent directors' opinions and how the company has responded to such opinions:

(I) Matters listed in Article 14-3 of the Securities and Exchange Act: None.

(II) Except for the preceding matters, any matter resolved by the Board of Directors with an independent director expressing an objection or reservation that has been included in records or stated in writing: None.

(III) Matters suggested by other directors and supervisors: None.

II. Recusal of the directors from motions involving their interest, specify the names of the directors, the content of the motions, the reason for recusal, and the participation in voting: None.

III. Companies listed at TWSE or TPEX shall disclose information such as the interval, duration, scope, method, and content of self-evaluation (or peer evaluation) of the Board of Directors, and the implementation of the evaluation by the Board of Directors: Please refer to Table 1.

IV. Objectives (e.g. forming an audit committee, improving information transparency) to enhance Board functions during the most recent fiscal year and evaluation of the implementation:

(I) The current Board of Directors consists of seven directors (including three independent directors). The directors have the financial and business experience necessary for the operation of the Company. The state of operation is in line with the

"Rules of Procedures for Meetings of the Board of Directors" established by the Company.

(II) The Board of Directors reports the implementation of the previous meeting and the important financial, business, and audit reports to the directors each time, so that the Board of Directors can fully grasp the progress of the Company's plans and implement business decisions.

(III) The CPAs present the audit results to the directors in person when they present the financial statements.

(IV) The Company has set up the Remuneration Committee and the Audit Committee to strengthen corporate governance. They are composed of those with rich financial and business experience (including 3 independent directors). In the future, other types of functional committees will be established depending on operational needs.

(V) The Company has a spokesperson and an acting spokesperson system in place, and discloses material financial and business information on the Market Observation Post System and the Company's website as required.

Note 1: Where the directors and supervisors are corporate entities, the name of the corporate shareholder and the names of their representatives shall be disclosed.

Note 2:

(1) If a director or supervisor resigns before the end of the year, the resignation date shall be indicated in the Remark field. The actual attendance rate (%) was calculated on the basis of the number of board meetings held during each director's term and the number of meetings actually attended by that director.

(2) If there was an election of directors before the end of the fiscal year, fill in the information on the former and the new directors, and specify if the director is newly elected to office or re-elected for a second term of office, and the date of the election. The percentage (%) of actual attendance will be calculated based on the number of actual attendance.

Note 3: Opinions of independent directors on major motions or resolution results:

Date	Motion discussed and subsequent handling	Dissenting or qualified opinions expressed by independent directors and the Company's handling of independent directors' opinions	Resolution
2022.01.26	1. Motion for change of the Company's spokesperson, proposed for discussion. 2. Motion for change of the Company's deputy spokesperson, proposed for discussion.	None	The motion was unanimously approved by all directors attending the meeting.
2022.03.22	1. Motion for the Company's 2021 remuneration distribution to employees, directors and supervisors, proposed for review. 2. Motion for parent company only financial statements and consolidated financial statements of the Company for 2021, proposed for	None	The motion was unanimously approved by all directors

<p>discussion. 3. Motion for 2021 earnings distribution, proposed for review. 4. Motion for appointment of CPAs in 2022, proposed for review. 5. Motion for amendments to the "Management of Preparation Process of Financial Statements", proposed for review. 6. Motion for details of the Group's loaning of funds to others as of March 22, 2022, proposed for resolution. 7. Motion for loaning of funds from Best Elite Holdings Limited, a 100% owned company of the Company, to the invested company, Sunrex Technology (Jiangsu) Co., Ltd., proposed for review. 8. Motion for loaning of funds of the Company to Best Elite Holdings Limited, a 100% owned company, proposed for review. 9. Motion for adding endorsement and guarantee by the Company to Best Elite Holdings Limited, Sunrex Technology (Jiangsu) Co., Ltd., Changsu Sunrex Technology Corp., and Sunrex (Chongqing) Computer Co., Ltd., proposed for review. 10. The Company's application for and renewal of bank credit facilities, submitted to the Board of Directors for review. 11. Motion for amendments to the "Procedures for Handling Internal Material Information". 12. Motion for amendments to the "Procedures for Applying for Trading Suspension and Resumption". 13. Motion for amendments to the "Procedures for Prevention of Insider Trading". 14. Motion for amendments to the "Charter of the Remuneration Committee". 15. Formulation of the Company's "Charter of the Audit Committee", proposed for resolution. 16. Amendments to the "Rules of Procedures for Meetings of the Board of Directors", proposed for resolution. 17. Motion for 2021 "Assessment of the Effectiveness of the Internal Control System" and "Declaration of Internal Control System," proposed for resolution. 18. Motion for amendments to the "Articles of Incorporation". 19. Motion for amendments to the "Procedures for the Acquisition and Disposal of Assets". 20. Motion for amendments to the "Procedures for Endorsements and Guarantees". 21. Motion for amendments to the "Procedures for Derivatives Transactions". 22. Motion for amendments to the "Procedure for Loaning of Funds to Others". 23. Motion for the name change of and amendments to the "Procedures for Election of Directors and Supervisors", proposed for resolution. 24. Motion for amendments to the "Ethical Corporate Management Best Practice Principles". 25. Motion for amendments to the "Ethical Corporate Management Procedure and Code of Conduct". 26. Motion for amendments to the "Code of Ethical Conduct". 27. Motion for election of directors, proposed for decision. 28. List of candidates for nominated directors and independent directors, presented for discussion. 29. Motion for removal of restrictions on non-competition of</p>		<p>attending the meeting.</p>
---	--	-------------------------------

	directors, proposed for discussion. 30. Matters regarding the Company's 2022 general shareholders' meeting, proposed for resolution.		
2022.04.29	1. Review of list of candidates for nominated directors and independent directors, presented for review. 2. Matters regarding update of agenda for the Company's 2022 general shareholders' meeting, proposed for resolution.	None	The motion was unanimously approved by all directors attending the meeting.
2022.05.10	1. Motion for repatriation of after-tax profits of overseas subsidiaries invested by the Company, proposed for review. 2. The Company's consolidated financial statements for Q1 2022, proposed for discussion. 3. Motion for loaning of funds of the Company to Best Elite Holdings Limited, a 100% owned company, proposed for review. 4. Motion for adding the loan of funds to Sunrex Technology (Jiangsu) Co., Ltd., a 100% owned company, proposed for review. 5. Motion for loaning of funds from Jing Mo Electronic Technology (Shenzhen) Co., Ltd., an invested company of the Company, to the invested company Sunrex Technology (Jiangxi) Co., Ltd., proposed for review. 6. Motion for details of the Group's loaning of funds to others as of May 10, 2022, proposed for resolution. 7. Motion for adding endorsement and guarantee by the Company to Best Elite Holdings Limited, Sunrex Technology (Jiangsu) Co., Ltd., Changsu Sunrex Technology Corp., and Sunrex (Chongqing) Computer Co., Ltd., proposed for review. 8. Motion for adding endorsement and guarantee by the Company to Best Elite Holdings Limited, Sunrex Technology (Jiangsu) Co., Ltd., Changsu Sunrex Technology Corp., and Sunrex (Chongqing) Computer Co., Ltd., proposed for review. 9. The schedule of the Company's greenhouse gas inventory and verification, proposed for discussion. 10. Motion for amendments to the "Procedures for the Supervision of Subsidiaries". 11. Motion for amendments to the "Procedures for Transfer of Repurchased Shares to Employees". 12. Motion for amendments to the "Enforcement Rules for Internal Audits".	None	The motion was unanimously approved by all directors attending the meeting.
2022.06.17	1. Motion for election of the chairman, proposed for election. 2. Motion for establishment of the Audit Committee and nomination of the convener, proposed for approval. 3. Motion for appointment of members of the Company's Remuneration Committee and the election of the committee convener, proposed for approval.	None	The motion was unanimously approved by all directors attending the meeting.
2022.07.26	Motion for distribution of cash dividends from earnings for 2021.	None	The motion was unanimously approved by all directors attending the

			meeting.
2022.08.09	1. The Company's consolidated financial statements for Q2 2022, proposed for discussion. 2. Motion for loaning of funds from Best Elite Holdings Limited, a 100% owned company of the Company, to the invested company, Sunrex Technology (Jiangsu) Co., Ltd., proposed for review. 3. Motion for loaning of funds of the Company to Best Elite Holdings Limited, a 100% owned company, proposed for review. 4. Motion for adding the loan of funds to Sunrex Technology (Jiangsu) Co., Ltd., a 100% owned company, proposed for review. 5. Motion for loaning of funds from Jing Mo Electronic Technology (Shenzhen) Co., Ltd., an invested company of the Company, to the invested company Sunrex Technology (Jiangxi) Co., Ltd., proposed for review. 6. Motion for details of the Group's loaning of funds to others as of August 9, 2022, proposed for resolution. 7. Motion for adding endorsement/guarantee for the invested companies, Best Elite Holdings Limited and Sunrex Technology (Jiangsu) Co., Ltd. proposed for review. 8. The Company's application for and renewal of bank credit facilities, submitted to the Board of Directors for review. 9. The schedule of the greenhouse gas inventory and verification of subsidiaries included in the consolidated statements, proposed for discussion.	None	The motion was unanimously approved by all directors attending the meeting.
2022.11.09	1. The Company's consolidated financial statements for Q3 2022, proposed for discussion. 2. Motion for regular (once a year) assessment of the independence of CPAs. 3. Motion for adding the loan of funds to Sunrex Technology (Jiangsu) Co., Ltd., a 100% owned company, proposed for review. 4. Motion for loaning of funds from Jing Mo Electronic Technology (Shenzhen) Co., Ltd., to the invested company Jiangxi Sunrex Technology (Jiangxi) Co., Ltd., proposed for review. 5. Motion for details of the Group's loaning of funds to others as of November 9, 2022, proposed for resolution. 6. Motion for adding endorsement/guarantee for the invested company, Best Elite Holdings Limited, proposed for review. 7. The Company's application for and renewal of bank credit facilities, submitted to the Board of Directors for review. 8. The Remuneration Committee has reviewed and approved the distribution of 2021 dividends to the Company's managers, proposed for review. 9. The Company's internal audit plan 2023, proposed for resolution. 10. Motion for amendments to the Company's "Rules of Procedures for Meetings of the Board of Directors", proposed for resolution. 11. Motion for amendment to the Company's "Procedures for the Acquisition and Disposal of Assets", proposed for resolution. 12. Motion for amendments to the Company's "Procedures for Derivatives Transactions", proposed for resolution. 13. Motion for amendments to the Company's	None	The motion was unanimously approved by all directors attending the meeting.

	"Procedures for Endorsements and Guarantees", proposed for resolution. 14. Motion for amendments to the Company's "Procedure for Loaning of Funds to Others", proposed for resolution.		
2022.12.13	1. Motion for adding the Company's loaning of funds to the invested company, Forward Optics Co., Ltd., proposed for review. 2. Motion for adding endorsement/guarantee for the invested company, Forward Optics Co., Ltd., proposed for review. 3. The Company's application for and renewal of bank credit facilities are presented to the Board of Directors for review. 4. Motion for amendments to the Company's "Procedures for Handling Internal Material Information", proposed for resolution. 5. Motion for amendments to the Company's "Procedures for Prevention of Insider Trading", proposed for resolution. 6. Motion for amendments to the Company's "Ethical Corporate Management Best Practice Principles", proposed for resolution. 7. Motion for amendments to the Company's "Guidelines for Ethical Corporate Management and Code of Conduct", proposed for resolution. 8. Motion for amendments to the Company's "Code of Ethical Conduct", proposed for resolution.	None	The motion was unanimously approved by all directors attending the meeting.

Table 1:

Evaluation cycle (Note 1)	Evaluation period (Note 2)	Evaluation scope (Note 3)	Evaluation method (Note 4)	Evaluation content (Note 5)
Once a year	2022	1. Board of Directors 2. Board members 3. Functional Committee (Remuneration Committee)	Based on the Company's Board of Directors and functional committee members' responses to relevant questionnaires and the actual situation of meetings held.	Participation in the operation of the Company, improvement of the quality of the Board of Directors' decision-making, composition and structure of the Board of Directors, election and continuing education of directors, and internal control. Level of participation in the Company's operations, awareness of the responsibilities of the functional committees, improvement of the quality of decision-making of the

				functional committees, composition of the functional committees, selection of members, and internal control.
--	--	--	--	--

Note 1: Refers to the execution cycle of BOD evaluation. Example: Once a year.

Note 2: Refers to the period of BOD evaluation. Example: Evaluate the performance of the Board of Directors from January 1, 2022 to December 31, 2022.

Note 3: The scope of evaluation includes the Board of Directors, individual board members, and functional committees.

Note 4: Evaluation methods of performance evaluations include internal self-evaluation of the Board of Directors, peer evaluation, appointment of external professional institutions, experts, or other appropriate methods. The evaluation results were submitted to the Board of Directors on March 17, 2023.

Note 5: The contents of evaluation shall at least include the following items according to the scope of evaluation:

- (1) Performance evaluation of the Board of Directors: Shall at least cover participation in the operation of the Company, the quality of the Board of Directors' decision-making, composition and structure of the Board of Directors, election and continuing education of directors, and internal control.
- (2) Performance evaluation of individual board members: Shall at least cover the Company's goals and tasks, directors' awareness of responsibilities, the level of participation in the Company's operations, internal relationship management and communication, directors' professionalism and continuing education, and internal control.
- (3) Performance evaluation of functional committees: Level of participation in the Company's operations, awareness of the responsibilities of the functional committees, the quality of decision-making of the functional committees, composition of the functional committees, selection of members, and internal control.

(II) The operation of the Audit Committee or the participation of supervisors in the operation of the Board of Directors:

(1) Operation of the Company's Audit Committee:

The Audit Committee held 3 meetings in the most recent year. In 2023, up to the publication date of this annual report, the Audit Committee held 2 meetings.

A total of 5 (A) meetings were convened. The Audit Committee was established on June 17, 2022. The attendance records of independent directors are as follows:

Job Title	Name	Number of actual attendance (B)	Number of attendances by proxy	Actual attendance rate (%) (B/A) (Note 1, Note 2)	Remark
Independent director	Kuo Yuan-Ching	5	-	100%	Took office on June 17, 2022
Independent director	Peng Yu-Ling	5	-	100%	Took office on June 17, 2022
Independent director	Wu Yuan-Fu	5	-	100%	Took office on June 17, 2022

Other matters to be recorded:

I. For Audit Committee meetings that meet any of the following descriptions, state the date and session of the Audit Committee meeting held, the discussed topics, the content of the objections, reservations or material recommendations of independent directors, the Audit Committee's resolution, and how the company responded to Audit Committee's opinions:

(I) Matters listed in Article 14-5 of the Securities and Exchange Act:

Date	Motion content	Opinions of all independent directors and how the company responded to the opinions of the independent directors
2022.08.09	<ol style="list-style-type: none"> 1. The Company's consolidated financial statements for Q2 2022, proposed for discussion. 2. Motion for loaning of funds from Best Elite Holdings Limited, a 100% owned company of the Company, to the invested company, Sunrex Technology (Jiangsu) Co., Ltd., proposed for review. 3. Motion for loaning of funds of the Company to Best Elite Holdings Limited, a 100% owned company, proposed for review. 4. Motion for adding the loan of funds to Sunrex Technology (Jiangsu) Co., Ltd., a 100% owned company, proposed for 	The motion was unanimously approved by all members attending the meeting.

	<p>review.</p> <p>5. Motion for loaning of funds from Jing Mo Electronic Technology (Shenzhen) Co., Ltd., to the invested company Sunrex Technology (Jiangxi) Co., Ltd., proposed for review.</p> <p>6. Motion for details of the Group's loaning of funds to others as of August 9, 2022, proposed for resolution.</p> <p>7. Motion for adding endorsement/guarantee for the invested companies, Best Elite Holdings Limited and Sunrex Technology (Jiangsu) Co., Ltd. proposed for review.</p> <p>8. The Company's application for and renewal of bank credit facilities are presented to the Board of Directors for review.</p>	
2022.11.09	<p>1. The Company's consolidated financial statements for Q3 2022, proposed for discussion.</p> <p>2. Motion for regular (once a year) assessment of the independence of CPAs.</p> <p>3. Motion for adding the loan of funds to Sunrex Technology (Jiangsu) Co., Ltd., a 100% owned company, proposed for review.</p> <p>4. Motion for loaning of funds from Jing Mo Electronic Technology (Shenzhen) Co., Ltd., to the invested company Sunrex Technology (Jiangxi) Co., Ltd., proposed for review.</p> <p>5. Motion for details of the Group's loaning of funds to others as of November 9, 2022, proposed for resolution.</p> <p>6. Motion for adding endorsement/guarantee for the invested company, Best Elite Holdings Limited, proposed for review.</p> <p>7. The Company's application for and renewal of bank credit facilities are presented to the Board of Directors for review.</p> <p>8. The Company's internal audit plan 2023, proposed for resolution.</p> <p>9. Motion for amendments to the Company's "Rules of Procedures for Meetings of the Board of Directors", proposed for resolution.</p> <p>10. Motion for amendments to the Company's "Procedures for the Acquisition and Disposal of Assets", proposed for resolution.</p>	The motion was unanimously approved by all members attending the meeting.

	<p>11. Motion for amendments to the Company's "Procedures for Derivatives Transactions", proposed for resolution.</p> <p>12. Motion for amendments to the Company's "Procedures for Endorsements and Guarantees", proposed for resolution.</p> <p>13. Motion for amendments to the Company's "Procedure for Loaning of Funds to Others", proposed for resolution.</p>	
2022.12.13	<p>1. Motion for adding the Company's loaning of funds to the invested company, Forward Optics Co., Ltd., proposed for review.</p> <p>2. Motion for adding endorsement/guarantee for the invested company, Forward Optics Co., Ltd., proposed for review.</p> <p>3. The Company's application for and renewal of bank credit facilities are presented to the Board of Directors for review.</p> <p>4. Motion for amendments to the Company's "Procedures for Handling Internal Material Information", proposed for resolution.</p> <p>5. Motion for amendments to the Company's "Procedures for Prevention of Insider Trading", proposed for resolution.</p> <p>6. Motion for amendments to the Company's "Ethical Corporate Management Best Practice Principles", proposed for resolution.</p> <p>7. Motion for amendments to the Company's "Guidelines for Ethical Corporate Management and Code of Conduct", proposed for resolution.</p> <p>8. Motion for amendments to the Company's "Code of Ethical Conduct", proposed for resolution.</p>	The motion was unanimously approved by all members attending the meeting.
2023.03.17	<p>1. Motion for parent company only financial statements and consolidated financial statements of the Company for 2022, proposed for discussion.</p> <p>2. Motion for 2022 earnings distribution, proposed for review.</p> <p>3. Motion for evaluation of the independence and suitability of the Company's certified public accountants, proposed for review.</p> <p>4. Motion for appointment of CPAs in 2023, proposed for review.</p> <p>5. Motion for loaning of funds of the Company to Best Elite Holdings Limited,</p>	The motion was unanimously approved by all members attending the meeting.

	<p>a 100% owned company, proposed for review.</p> <p>6. Motion for details of the Group's loaning of funds to others as of March 17, 2023, proposed for resolution.</p> <p>7. The Company's application for and renewal of bank credit facilities are presented to the Board of Directors for review.</p> <p>8. Motion for 2022 "Assessment of the Effectiveness of the Internal Control System" and "Declaration of Internal Control System," proposed for resolution.</p> <p>9. Revision of the "Articles of Incorporation."</p>	
2023.05.09	<p>1. The Company's consolidated financial statements for Q1 2023, proposed for discussion.</p> <p>2. Motion for loaning of funds of the Company to Best Elite Holdings Limited, a 100% owned company, proposed for review.</p> <p>3. Motion for loaning of funds from Jing Mo Electronic Technology (Shenzhen) Co., Ltd., to the invested company Sunrex Technology (Jiangxi) Co., Ltd., proposed for review.</p> <p>4. Motion for details of the Group's loaning of funds to others as of May 9, 2023, proposed for resolution.</p> <p>5. Motion for adding endorsement/guarantee for the invested companies, Best Elite Holdings Limited and Forward Optics Co., Ltd. proposed for review.</p> <p>6. The Company's application for and renewal of bank credit facilities are presented to the Board of Directors for review.</p> <p>7. Motion for amendments to the "Internal Control System" and "Enforcement Rules for Internal Audits", proposed for resolution.</p> <p>8. Motion for amendments to the Company's "Procedures for Prevention of Insider Trading", proposed for resolution.</p> <p>9. Formulation of the Company's "Charter of the Audit Committee", proposed for resolution.</p>	The motion was unanimously approved by all members attending the meeting.

(II) Except for the preceding matters, any matter that has not been passed by the Audit Committee, but has been adopted with the approval of two-thirds or more

of all board directors: None.

II. Recusal of the independent directors from motions involving their interest, specify the names of the independent directors, the content of the motions, the reason for recusal, and the participation in voting: None.

III. State of communication between independent directors, chief internal auditor and accountants (such as materials matters, methods and results of communications on the Company's finances and business status)

Communication between independent directors and chief internal auditor and accountants

Convene a separate meeting between the independent directors, chief internal auditor and CPAs at least once a year to discuss the completed audit opinions of the chief internal auditor and the CPAs, as well as communicating about the audit deficiencies in the year, with meeting minutes recorded. The internal audit officer submits the audit report and the report for internal control deficiencies tracking to the independent directors for review on the implementation status of the annual audit plan and the improvement of internal control deficiencies tracking. There was no such irregularity in the most recent fiscal year.

In the event of a significant irregularity or matter that the independent directors, the audit officer, or the accountant deem necessary to communicate independently, a meeting may be held periodically for communication.

So far, the communication between the Company's independent directors and chief internal auditor and accountants has been good.

Note 1: If an independent director resigns before the end of the year, the resignation date shall be indicated in the Remark field. The actual attendance rate (%) was calculated on the basis of the number of board meetings held during each director's term and the number of meetings actually attended by the Audit Committee member.

Note 2: If there was an election of independent directors before the end of the year, the new and former independent directors and supervisors must be stated in the Remark field, and indicate if an independent director or supervisor is old, new, or reelected, as well as the reelection date. The percentage of actual (proxy) attendance (%) will be calculated based on the number Audit Committee meetings held during active duty and the number of actual (proxy) attendance.

(2) Supervisors' participation in the operation of the Board of Directors

The Board of Directors held 4 meetings (A) in the most recent fiscal year. The attendance of directors and supervisors is as follows (The Audit Committee was established on June 17, 2022 and supervisors will no longer be elected in accordance with the law):

Job Title	Name	Number of actual attendance (B)	Actual attendance rate (%) (B/A) (Note)	Remark
Supervisor	Lin Hui-Fen	4	100%	—
Supervisor	Yu Wen-Hsiung, Representative of Jing-Yi Investment Co., Ltd.	4	100%	—

Other matters to be recorded:

I. Composition and duties of supervisors:

(I) Communication between supervisors and the Company's employees and shareholders: The supervisors communicate with employees or shareholders directly when deemed necessary by the supervisors.

(II) Communication between supervisors and chief internal auditor and accountants: Supervisor may attend the meeting of the Board of Directors to receive the chief auditor's report. The supervisors may also communicate with the chief auditor or the accountant directly when deemed necessary by the supervisors.

II. If a supervisor attending the board meeting expresses opinions, the date and session of the board meeting, the content of the proposal and the resolution of the board meeting, and the Company's response to the opinions expressed by the supervisor shall be stated: None.

Note 1: If a supervisor resigns before the end of the year, the resignation date shall be indicated in the Remark field. The actual attendance rate (%) was calculated on the basis of the number of board meetings held during each supervisor's term and the number of meetings actually attended by that supervisor.

2. If there was a reelection of the supervisors before the end of the year, the new and former supervisors must be stated in the Remark field, and indicate if a director or supervisor is old, new, or reelected, as well as the reelection date. The actual attendance rate (%) was calculated on the basis of the number of board meetings held during each supervisor's term and the number of meetings actually attended by that supervisor.

(III) State of corporate governance operations and any difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons for such difference:

Evaluation Item	The State (Note)		Difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons for such difference	
	Yes	No		
I. Has the Company established and disclosed its corporate governance principles in accordance with the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"?		✓	The Company has not yet established its "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies".	The Company is still in the process of evaluation and will be established depending on the future demand.
II. Equity structure and shareholders' equity				
(I) Has the company formulated internal procedures regulated to handle shareholders' proposals, doubts, disputes, and litigation matters and have the procedures been implemented accordingly?	✓		(I) The Company appoints spokespersons, acting spokespersons, and stock affairs units to handle stock affairs and shareholders' suggestions or disputes.	In compliance with the Corporate Governance Best-Practice Principles
(II) Does the company possess a list of the company's major shareholders and a list of the ultimate controllers of its major shareholders?	✓		(II) The Company has a stock affairs unit to provide the Company with a list of major shareholders and their ultimate controllers, which are regularly disclosed as required.	In compliance with the Corporate Governance Best-Practice Principles
(III) Has the company established and implemented the risk control and firewall mechanisms between the affiliates?	✓		(III) The Company has conducted business and financial transactions with affiliates in compliance with laws and regulations, and has established written guidelines in accordance with the relevant regulations of the competent authority.	In compliance with the Corporate Governance Best-Practice Principles
(IV) Has the company set up internal regulations to prohibit internal	✓		(IV) According to the Company's "Procedures for Prevention of Insider Trading", insiders are	In compliance with the Corporate Governance Best-Practice Principles

<p>personnel from utilizing the undisclosed information to trade securities?</p>			<p>prohibited from using undisclosed information to trade securities.</p>	
<p>III. Composition and duties of the Board of Directors</p> <p>(I) Has the board formulated a diversity policy and specific management objectives, and have they been implemented?</p> <p>(II) Apart from the remuneration committee and audit committee, has the company voluntarily established other functional committees?</p> <p>(III) Has the company established Regulations Governing the Board Performance Evaluation and its evaluation methods, and does the company conduct a performance evaluation each year, submit the performance evaluation results to the board of directors and use them as reference in determining remuneration for individual directors, and nomination for reappointment?</p> <p>(IV) Does the company regularly assess the independence of its CPAs?</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>		<p>(I) The Company's Board of Directors is composed of experts with business, legal, and financial experience.</p> <p>(II) Except for the Remuneration Committee and the Audit Committee, the Company has not yet established any other functional committees.</p> <p>(III) The Company has established the "Regulations Governing the Board Performance Evaluation", which provides detailed information on the directors' level of participation in the operation of the Company, the awareness of directors' responsibilities, improvement of decision-making quality of the Board of Directors, composition and structure of the Board of Directors, management of internal relations and communication, professionalism of directors, election of directors and continuing education, etc. These are regularly tracked and recorded. The 2012 performance evaluation results were presented to the Board of Directors on March 17, 2023.</p> <p>(IV) The Company's board of directors reviews the independence of the CPAs on a regular basis each year, and</p>	<p>In compliance with the Corporate Governance Best-Practice Principles</p> <p>The Company is still in the process of evaluation and will be established depending on the future demand.</p> <p>In compliance with the Corporate Governance Best-Practice Principles</p> <p>In compliance with the Corporate Governance Best-Practice Principles</p>

		<p>evaluates whether there is any violation of the Statement of Professional Ethics No. 10. The appointed CPAs have no financial interests or business relationship with the Company, except for the expenses incurred in the certification and taxation cases. Appointment of CPAs and fee review are conducted only after the CPAs have been assured to be independent. The evaluation results were submitted to the Audit Committee and the Board of Directors for review on November 9, 2022. After evaluation, they met the Company's evaluation criteria for independence and suitability.</p>	
<p>IV. Has the company designated an appropriate number of personnel that specialize in corporate governance affairs (including but not limited to providing directors/supervisors with the information needed and assist directors and supervisors in complying with the laws and regulations to perform their duties, convention of board meetings and shareholders' meetings, preparation of board meeting and shareholders' meeting minutes, etc.)?</p>	<p>✓</p>	<p>The Management Division of the Company is dedicated to corporate governance and is responsible for affairs related to corporate governance.</p>	<p>In compliance with the Corporate Governance Best-Practice Principles</p>

<p>V. Has the company established channels for communication with the stakeholders (including but not limited to shareholders, employees, customers, and suppliers), and set up a section for stakeholders on the official website of the company with a proper response to the concerns of the stakeholders on issues related to corporate social responsibility?</p>	<p>✓</p>	<p>The Company has established an "Investors" section on its website to provide contact information. The Company has spokespersons and acting spokespersons to maintain open communication channels with stakeholders. A stakeholder section has been set up on the Company's website to provide contact information and to find a timely communication window.</p>	<p>In compliance with the Corporate Governance Best-Practice Principles</p>
<p>VI. Does the company engage a professional stock transfer agency to handle affairs related to shareholders' meetings?</p>	<p>✓</p>	<p>The Company commissioned Capital Securities Corp. to handle affairs related to shareholders' meetings.</p>	<p>There is no significant difference.</p>
<p>VII. Information disclosure (I) Does the Company set up a website to disclose financial, business and corporate governance information? Does the company have a website set up where its financial business, and corporate governance information is disclosed? (II) Has the company adopted other information disclosure methods (e.g. establishing an English website, designating a responsible person for collecting and disclosing information of the company, substantiating the spokesman system, and upload the procedure of investors conference on its website, etc.)?</p>	<p>✓ ✓</p>	<p>(I) The Company's website is http://www.sunrex.com.tw. Financial and business information is available on Market Observation Post System. Once the planning and establishment of the corporate governance system is completed, relevant information will be disclosed on the website. (II) The Company has assigned personnel to be responsible for information collection and disclosure as required by law. The Company discloses information that affects shareholders' and stakeholders' decision-making in a timely manner, and selects suitable personnel to serve as spokespersons and acting spokespersons as required by law.</p>	<p>In compliance with the Corporate Governance Best-Practice Principles In compliance with the Corporate Governance Best-Practice Principles</p>

<p>(III) Has the company published and reported its annual financial report within two months after the end of a fiscal year, and published and reported its financial reports for the first, second, and third quarters, as well as its operating status for each month before the specified deadline?</p>	<p>✓</p>	<p>(III) The Company publishes and declares the annual financial statements as required by law, and publishes and declares the financial statements for the first, second and third quarters and the operating status of each month within the prescribed time limit.</p>	<p>The Company will make an assessment and, depending on the future needs, announce and declare the matter in advance.</p>
<p>VIII. Is there any important information (including but not limited to employee rights and benefits, employee care, investor relations, supplier relations, stakeholder rights, the continuing education of the directors and supervisors, implementation of risk management policy and risk measurement criteria, the pursuit of customer policy, and the purchase of liability insurance for the company's directors and supervisors) that is helpful in understanding the corporate governance operation of the company?</p>	<p>✓</p>	<p>The Company has always treated the rights of its employees and employee care with honesty and integrity and established an employee welfare committee. The Company provides employees with labor and health insurance, as well as free regular health checks, allocate pension according to laws, provide employees with on-the-job training, and a comfortable and safe working environment . The Company has a spokesperson and an acting spokesperson to maintain smooth communication channels with investors and stakeholders. The Company has always maintained good relationship with its suppliers. The Company's directors have participated in corporate governance-related courses, and are also informed of the latest legal updates on corporate governance. The Company's directors attend the Board meetings normally to keep abreast of the Company's operation status. The Company takes out liability insurance for its directors.</p>	<p>In compliance with the Corporate Governance Best-Practice Principles</p>
<p>IX. Please explain the improvements made, based on the latest Corporate Governance Evaluation results published by TWSE Corporate Governance Center, and propose priorities for enhancement matters and measures for any issues that are to be improved. The Company conducts self-evaluation on corporate governance in accordance with the regulations of the competent authority, and gradually improves the corporate governance and image of the Company.</p>			

Note: "Yes" and "No" is checked for the state of operations with the Company being the main body. Please refer to the description.

(IV) Where the company has a remuneration committee, the composition, responsibilities, and operation of the remuneration committee shall be disclosed:

(1) Information of the Remuneration Committee members

May 15, 2023

Separation (Note 1)	Criteria Name	Professional qualifications and experience (Note 2)	State of independence (Note 3)	Number of other public companies in which the individual is concurrently serving as a member of a Remuneration Committee
Independent Director (convener)	Kuo Yuan- Ching	Please refer to “Information disclosure of professional qualification of directors and supervisors as well as the independence of independent directors” on pages 11 to 13.		0
Independent director	Peng Yu-Ling	Please refer to “Information disclosure of professional qualification of directors and supervisors as well as the independence of independent directors” on pages 11 to 13.		0
Independent director	Wu Yuan-Fu	Please refer to “Information disclosure of professional qualification of directors and supervisors as well as the independence of independent directors” on pages 11 to 13.		0

Note 1: Please specify in the Table the years of work, professional qualifications and experience and independence of each member of the Remuneration Committee. If the member is an independent director, please indicate in a note for relevant contents (e.g. please refer to Table 1 for Information on directors and supervisors (I). For identity, please fill in “independent director” or “other” (please specify for a convener).

Note 2: Professional qualifications and experience: Specify professional qualifications and experience of each Remuneration Committee member.

Note 3: State of independence: The state of independence of members of the Remuneration Committee must be specified, including but not limited to whether they, their spouses, second-degree relatives serve as a director, supervisor or employer in the Company or affiliates; the proportion of shares held by the independent director himself/herself, their spouses or second-degree relatives (or in the name of others); whether the independent director serves as a director, supervisor or an employee of a company with which the Company has a specific relationship (refer to Subparagraphs 5 to 8, Paragraph 1, Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); and amount of remuneration receive for commercial, legal, financial and accounting services provided by the Company or its affiliates in the past two years.

(2) Information of the state of the Remuneration Committee:

I. The Company's Remuneration Committee consists of 3 members.

II. The term of office of the current committee members is from June 17, 2022 to June 16, 2025.

The Remuneration Committee held 2 meetings (A) in the latest fiscal year. The qualifications and attendance of members are as follows:

Job Title	Name	Actual attendance rate (B)	Number of attendances by proxy	Actual attendance rate (%) (B/A) (Note)	Remark
Convener	Kuo Yuan-Ching	2	—	100%	—
Committee member	Peng Yu-Ling	2	—	100%	—
Committee member	Wu Yuan-Fu	1	—	100%	Took office on June 17, 2022; required attendance: 1.
Committee member	Tseng Li-Wei	1	—	100%	Stepped down upon expiration of his term of office on June 17, 2022. Required attendance: 1.
Other matters to be recorded:					
I. If the board of directors declines to adopt or modify a recommendation from the remuneration committee, the date, session, topic discussed and the resolution of the board meeting and handling of the resolution of the remuneration committee shall be specified (if the remuneration package approved by the Board is better than the recommendation made by the committee, please specify the discrepancy and its reason): None.					
II. As to the resolution of the remuneration committee, if a member expresses any objection or reservation, either by recorded statement or in writing, the date, session and topic discussed of the committee meeting, all members' opinions and handling of members' opinions shall be specified: None.					

Note:

- (1) If a particular member of the Remuneration Committee resigned from office prior to the end of the fiscal year, specify the date of resignation in the field provided. The attendance (or attend as observer) rate to the session of the committee (%) shall be calculated on the basis of the number of sessions held in such period and the number of meetings actually attended by that member.
- (2) If there was an election of new members for the Remuneration Committee before the end of the fiscal year, fill in the information on the former and the new members, and specify if the member is newly elected to office or re-elected for a second term of office, and the date of the election. The percentage of actual (proxy) attendance (%) will be calculated based on the number Remuneration Committee meetings held during active duty and the number of actual (proxy) attendance.

(V) State of the promotion of sustainable development operations and any difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such difference:

State of the promotion of sustainable development operations and any difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies, and the reasons for such difference

Promotion of sustainable development	Implementation status (Note 1)			Difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons for such difference
	Yes	No	Summary	
I. Has the company established a governance structure to promote sustainable development and set up a special (part-time) unit to promote sustainable development which is authorized by the board of directors to be handled by senior management and supervised by the board of directors? (For TWSE/TPEX listed companies, the status of implementation should be reported instead of compliance or interpretation.))	✓		In order to effectively integrate and promote sustainable development, Sunrex has appointed the Management Department as the implementation unit of sustainable development. The Management Department is responsible for the formulation of company-wide sustainable development strategies and performance monitoring, as well as compiling sustainability reports and reports to the Board of Directors on a regular basis. The Company has established a "Sustainable Development Task Force" for the implementation and management of sustainable corporate development. The Sustainability Task Force is responsible for the formulation and supervision of corporate sustainable development policy directions and promotion plans, and regularly reports the implementation results of corporate sustainable development to the Board of Directors.	No significant difference.
II. Does the Company follow the principle of materiality, conduct risk assessments on environmental, social, and corporate governance issues related to corporate operations, and formulate relevant risk		✓	Although the Company has not yet formulated a risk management policy, Sunrex adheres to the spirit of sustainable development in the business process to achieve balanced development in the three aspects of environment, society and corporate governance,	It will be determined in due course in the future.

management policies or strategies? (Note 2) (For TWSE/TPEX-listed companies, the status of implementation shall be reported instead of compliance or interpretation.)			and fulfills its corporate citizenship responsibilities.	
III. Environmental Issues (I) Does the company have an appropriate environmental management system established in accordance with its industrial characteristics?	✓		The Company abides by international environmental standards, research and development of green and environmentally friendly fire-resistant, flame-resistant, non-toxic, and wire in line with the RoHS Directive.	No significant difference.
(II) Is the company committed to enhancing the utilization efficiency of resources and using renewable materials that have low impact on the environment?	✓		The Company promotes green processes and complies with the EU RoHS Directive on the Restriction of Hazardous Substances and products produced by the Group's factories are RoHS compliant. Industrial waste is properly sorted and stored, and is disposed of by an EPA-approved waste disposal facility. All suppliers are required to undergo SQE audits on a regular basis, and the control of hazardous substances is listed as one of the audit focuses. Suppliers are also encouraged to develop raw materials that reduce environmental impact.	No significant difference.
(III) Does the company assess the present and future potential risk and opportunities of climate change and adopt countermeasures related to climate issues?	✓		Sunrex is always concerned about the environmental issues caused by climate change, and constantly thinks about how to reduce the impact on the ecological environment. In order to reduce the impact of the Company's operations on the natural environment, the Company's business activities are implemented in accordance with the following energy conservation and carbon reduction methods: (1) Reduce the resource and energy consumption of	No significant difference.

		<p>products and increase product efficiency.</p> <p>(2) Reduce the discharge of pollutants, toxic substances and waste, and properly dispose of waste.</p> <p>(3) Improve the recyclability and reuse of raw materials and products.</p> <p>(4) Maximize the sustainable use of renewable resources.</p> <p>(5) Effective use of resources and waste reduction through resource reduction, recycling, and reuse.</p> <p>(6) Continue to promote energy conservation, fuel conservation, carbon reduction, and pollution prevention to reduce environmental impacts.</p> <p>(7) Promote the all-in-one e-service to reduce paper usage and waste.</p>	
(IV) Has the company prepared statistics on greenhouse gas emissions, water consumption and total volume of waste for the past two years, and formulated policies for to save energy saving and reduce carbon, greenhouse gas, water use, or other waste management?	✓	<p>Greenhouse gas inventories are conducted at specific factories on a yearly basis. The Group has also established greenhouse gas reduction policies as follows:</p> <p>The Company has set a 10-year greenhouse gas emission reduction target. Using 2020 as the base year, it is expected that the greenhouse gas reduction target will be in line with the control of temperature increase within 1.5°C by 2030. The base year for greenhouse gas inventory is 2020, and the ten-year carbon reduction target has been set. By 2030, Scope 1 and 2 emissions are reduced by 32%, and the emission intensity per million revenue is reduced by 43.2%.</p>	No significant difference.
IV. Social Issues (I) Does the company have the relevant management policies and procedures stipulated in accordance with the	✓	<p>The Company has established labor-management rights and obligations in accordance with the Labor Standards Act and the principle of respect for</p>	No significant difference.

applicable laws and regulations and international conventions on human rights?			international human rights conventions in compliance with labor-related laws and regulations.	
(II) Has the company established and implemented reasonable measures for employee benefits (including: remuneration, holidays and other benefits) that appropriately reflects the business performance or achievements in the employee remuneration?	✓		The Company establishes the Remuneration Committee and the Employee Welfare Committee to handle various welfare matters, and regards individual performance contribution as the basis for evaluation of various rewards such as salary adjustment and performance bonus.	No significant difference.
(III) Has the company provided employees with a safe and healthy work environment and regularly provided safety and health education to employees?	✓		Sunrex attaches great importance to the employees' work environment and personal safety protection measures. In order to prevent occupational disasters, ensure the safety and health of the whole team, implement labor safety and health management, and ensure the safe operation of the workplace, the Employee Safety and Health Code of Practice has also been formulated, which employees must abide by. The Company also organizes environmental education courses and employee health checkups on a regular basis.	No significant difference.
(IV) Has the company established an effective career development training program for its employees?	✓		The Company attaches great importance to the training and development of its employees. In order to improve the professionalism and quality of employees, which provides the Company with an excellent talent pool and promotes corporate development. The Company offers an effective career ability development training program for employees.	No significant difference.

(V) Does the company comply with laws and international standards with respect to customer health, safety and privacy, marketing and labeling in all products and services offered, and have the company implemented consumer protection policies and complaint procedures?	✓		The Company has been promoting the automation of production lines for a long time and has completed the improvement of the green process to create the products and profits needed by society in the most efficient way. The Company also complies with environmental standards and follow relevant regulations and international standards. There is also a customer complaint handling in place to provide a channel for complaints for manufacturers and consumers.	No significant difference.
(VI) Has the company implemented a supplier management policy that regulates suppliers' conduct with respect to environmental protection, occupational safety and health or work rights/human rights issues, and does the company track suppliers' performance on a regular basis?	✓		To promote the sustainable development of the industry and supply chain, the Company has established supplier-related management specifications and followed the RoHS standard and the RBA Code of Conduct to jointly implement corporate social responsibilities. health, labor rights, and other issues, and conduct regular assessments to create a sustainable value chain.	No significant difference.
V. Has the company prepared a sustainability report or a report on non-financial information with reference to internationally accepted standards or guidelines? Are these reports supported by the assurance or opinion of a third-party verification entity?		✓	The Company has not yet compiled and published the sustainability report, and is expected to do so in 2025.	It will be compiled in a timely manner in the future.
VI. If the company has formulated its own Sustainable Development Best-Practice Principles in accordance with the "Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies", please describe the differences between its operation and the Principles: The Company does not have a "Corporate Social Responsibility Principles" established.				
VII. Other important information to help understand the promotion of sustainable development implementation: 1. Environmental protection: The Company strictly complies with international environmental standards, and has commissioned an EPA-approved waste treatment facility to remove waste. The Company has complied with the Waste Disposal Act, the Air Pollution Control Act and other regulations to implement pollution prevention to maintain environmental hygiene. 2. Community involvement, social contribution, social service, and social welfare: The Company responds to charity events sponsored by				

various sectors from time to time, and actively maintains the environment of the community by setting up street lights and indicating road signs.

3. Consumer rights: The Company duly complies with its contractual obligations and fulfills its responsibilities to protect the rights and interests of consumers as well as the Company.
4. Human rights: The Company's employees, regardless of gender, religion, or political affiliation, are entitled to equal employment opportunities. The Company has also created a favorable working environment to ensure that employees are free from discrimination and harassment.
5. Safety, health, and other socially responsible activities: The Company follows the government's labor safety and health laws and regulations in handling all safety and health tasks. The relevant details are stipulated separately by each workplace.

Note 1: If “Yes” is selected for the implementation, please explain the key policies, strategies and measures taken and their implementation; if “No” is selected for the implementation, please provide the difference and reason for “difference from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof” column, and explain any policy, strategy and measure planned for the future. However, with regards to Items 1 and 2, the TWSE/TPEX listed company shall describe its corporate governance and supervision framework for sustainable development, including but not limited to management approach, setting of strategies and goals, and measures for review. It also describes the company's risk management policies or strategies on environmental, social, and corporate governance issues related to its operations, and its evaluation.

Note 2: The principle of materiality refers to the environmental, social and corporate governance issues that have a significant impact on the company's investors and other stakeholders.

Note 3: For disclosure methods, please refer to the sample on the website of the Corporate Governance Center of Taiwan Stock Exchange.

(VI) State of ethical corporate management and any difference from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof:

Evaluation Item	The State (Note)			Difference from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and reasons for such difference
	Yes	No	Summary	
I. Establishment of the ethical corporate management policy and action plans				
(I) Has the company established an ethical corporate management policy approved by the board of directors? Does the policy clearly specify in its rules and external documents the ethical corporate management policies, and the commitment of the board of directors and the senior management to proactively implement the management policy?	✓		(I) The Company's Board of Directors approved the establishment of the "Ethical Corporate Management Best Practice Principles" on November 10, 2015. The Company also has work rules in place to regulate employees at all levels. The Board of Directors and the management fully understand and implement the policy.	There is no significant difference.
(II) Has the company established a risk assessment mechanism against unethical acts, analyzed and assessed business activities within their business scope regularly that are at a higher risk of being involved in unethical acts, and established prevention programs covering at least the preventive measures specified in Paragraph 2, Article 7 "Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies"?	✓		(II) The Company has adopted its "Ethical Corporate Management Procedure and Code of Conduct". At Sunrex, we obey the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Anti-Corruption Act, and other internal policies that employees are required to follow.	There is no significant difference.
(III) Has the company clearly	✓		(III) The Company has	There is no significant

<p>provided the operating procedures, conduct guidelines, disciplines for violations and a grievance system in its program to prevent unethical acts and have these been implemented, and has the formally disclosed program been regularly reviewed and amended?</p>		<p>established a sound internal control and internal audit system, which is reviewed and amended from time to time to ensure effective and ongoing implementation.</p>	<p>difference.</p>
<p>II. Implementation of ethical corporate management</p> <p>(I) Has the company evaluated the integrity of all counterparties it has business relationships with? Are there any integrity clauses in the agreements entered into with business partners?</p> <p>(II) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and has such unit reported to the Board of Directors its execution in terms of ethical management policy and preventive programs against unethical conducts and the supervision status on a regular basis (at least once a year)?</p> <p>(III) Has the company formulated a policy that prevents conflicts of interest and a channel that facilitates the reporting of conflicts of interests?</p> <p>(IV) Has the company established an effective accounting system and internal control system in order to implement ethical management, and</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>	<p>(I) The Company assesses the legitimacy of the counterparty before trading to ensure the business integrity of the counterparty.</p> <p>(II) The Company's Human Resource Department is responsible for formulating the ethical corporate management policy. The Audit Office reviews the compliance status of ethical corporate management and reports its implementation status to the Board of Directors on a regular basis.</p> <p>(III) The recusal of conflict of interest is provided in the Rules of Procedures for Meetings of the Board of Directors. If there is a conflict of interest, the recusal from the resolution is required.</p> <p>(IV) The Company has established an effective accounting system and internal control system and implemented them effectively. Auditors</p>	<p>There is no significant difference.</p> <p>There is no significant difference.</p> <p>There is no significant difference.</p> <p>There is no significant difference.</p>

<p>proposed relevant audit plans according to the assessment results of the risks of unethical conducts, and reviewed the compliance of the prevention of unethical conducts, or entrusted an accountant to carry out the review?</p> <p>(V) Does the company organize internal or external training on a regular basis to maintain ethical management?</p>	<p>✓</p>	<p>conduct regular inspections on each unit of the Company to ensure the implementation of ethical corporate management.</p> <p>(V) The Company promotes ethical corporate management at internal meetings on a regular basis.</p>	<p>There is no significant difference.</p>
<p>III. State of operations of the company's reporting system</p> <p>(I) Has the company set up a specific reporting and incentive system, and established a channel to facilitate grievances and assigned dedicated personnel to receive grievances?</p> <p>(II) Has the company implemented any standard operating procedures and/or subsequent measures after carrying out an investigation or confidentiality measures for handling grievances filed?</p> <p>(III) Has the company taken appropriate measures to protect the whistleblower from improper treatment as a result of whistleblowing?</p>	<p>✓</p> <p>✓</p> <p>✓</p>	<p>(I) Reports may be made through the dedicated e-mail account. All reports are handled by the designated personnel of the Management Department.</p> <p>(II) The Company shall strictly abide by the duty of confidentiality when accepting reports on related matters.</p> <p>(III) The Company protects the identities of whistleblowers who will not suffer undue treatment for whistleblowing.</p>	<p>There is no significant difference.</p> <p>There is no significant difference.</p> <p>There is no significant difference.</p>
<p>IV. Information disclosure strengthening</p> <p>Has the company disclosed the content of its ethical corporate management best-practice principles and the results of implementation on its official website and</p>	<p>✓</p>	<p>The ethical corporate management has been disclosed in the Company's annual report and uploaded to the MOPS.</p>	<p>There is no significant difference.</p>

MOPS?				
<p>V. If the company has formulated its own Sustainable Development Best-Practice Principles in accordance with the “Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies”, please describe the differences between its operation and the Principles: The Company's Board of Directors on November 10, 2015 approved the Ethical Corporate Management Best Practice Principles for Sunrex Technology Corporation.</p>				
<p>VII. State of ethical corporate management and any difference from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and reasons thereof (such as the Company's review and revision of the Company's ethical management best practice principles):</p> <ol style="list-style-type: none"> 1. The Company's suppliers are required to pass the Supplier Corporate Social Responsibility Survey and Assessment, and we expect suppliers to fulfill their corporate social responsibilities. 2. The Company's major policies, major investments, acquisition or disposal of assets, bank financing, loans to others, endorsements and guarantees are all evaluated and analyzed by relevant units and reported to the Board of Directors for resolution. 				

Note 1: “Yes” and “No” is checked for the state of operations with the Company being the main body. Please refer to the description.

(VII) Corporate Governance System Principles and related regulations:

Corporate governance-related rules and regulations: Rules of Procedures for Shareholders' Meeting, Rules of Procedures for Meetings of the Board of Directors, Procedures for Election of Directors and Supervisors, Charter of the Remuneration Committee, Ethical Corporate Management Best Practice Principles, Code of Ethical Conduct, and the Ethical Corporate Management Procedure and Code of Conduct are disclosed on the Company's website at www.sunrex.com.tw.

(VIII) Other significant information that will provide a better understanding of the state of the company's implementation of corporate governance:

Information on corporate governance is disclosed at www.sunrex.com.tw.

(IX) Implementation of internal control policies

1. Statement of Internal Control System.

Sunrex Technology Corporation
Statement of Internal Control System

Date: March 17, 2023

The Company declares the following concerning its internal control system during the fiscal year 2022, based on the findings of a self-assessment:

- I. The Company acknowledges that the establishment, implementation and maintenance of the internal control system are the responsibilities of the Board of Directors and Managers of the Company. As such, the Company has established the aforementioned system. Its objectives are to provide reasonable assurance for the effectiveness and efficiency of its operations (including profitability, performance, and the guarantee of assets safety, etc.), reliable, timely and transparent reporting, and conformity to applicable rules, regulations, and laws.
- II. The internal control system has its inherent limitations. Regardless of how exhaustive the design is, an effective internal control system can only provide reasonable assurance for the achievement of the aforementioned three objectives. Further, due to changes in the environment or circumstances, the effectiveness of the internal control system may vary accordingly. Nevertheless, the Company's internal control system has set up a self-supervision mechanism. Once a deficiency has been identified, the Company will take immediate remedial action.
- III. In accordance with the determining criteria for the effectiveness of the internal control system prescribed in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (hereafter the "Regulations"), the Company evaluated the effectiveness of the design and execution for its internal control system. The determining criteria of the internal control system prescribed in the "Regulations" are based on the process of management control, dividing the internal control system into five composite factors: 1. Control of the environment, 2. Risk evaluation, 3. Control of operations, 4. Information and communication, and 5. Supervision. The composition of each element also includes several items. Please refer to the "Regulations" for the aforesaid items.
- IV. The Company has adopted the aforementioned determining criteria of the internal control system to evaluate the effectiveness of design and execution for its own internal control system.
- V. Based on the evaluation result of the preceding paragraph, the Company believes that its internal control system (including the supervision and management of its subsidiaries) as of December 31, 2022, including understanding the achievement for the objectives of effectiveness and efficiency of its operations, reliability, timeliness and transparency of its reporting and compliance with the applicable law and regulations, was effective in design and execution, and can be reasonably assured of the achievement of the aforementioned objectives.
- VI. This Statement will serve as the main content of the Company's annual report and prospectus and will be made available to the public. If the aforesaid public content has any illegal events including falseness or concealment etc., it shall be liable to the legal liabilities stipulated in Article 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. VII. The Statement was passed by the meeting of the Board of Directors on March 17, 2023, where none of the 7 attending directors expressed dissenting opinions, and all affirmed the content of this Statement.

Sunrex Technology Corporation

Chairman: Tsai Huo-Lu

General Manager: Li Ming-Tse

2. Internal control system review report by CPAs: None.

(X) If there has been any legal penalty against the company or its internal personnel, or any disciplinary penalty by the company against its internal personnel for violation of the internal control system in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, where the result of such penalty could have a material effect on shareholder equity or securities prices, the annual report shall disclose the penalty, the main shortcomings, and condition of improvement: None.

(XI) Major resolutions reached in shareholders meetings and meeting of the board of directors meetings in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

1. The Company's 2022 general shareholders' meeting was held on June 17, 2022 in the conference room on the 2nd floor of Zhong Ke Hotel, Taichung. The resolutions and implementation status are as follows:

Ratification, discussion and election matters:

Motion 1: 2022 Business Report and Financial Statements, submitted for ratification. (Proposed by the Board of Directors)

Clarification: 1. The Company's 2021 business report and financial statements (including consolidated and individual financial statements) have been passed by the Board of Directors, and submitted to the supervisors for review.
2. Business Report, Balance Sheet, Comprehensive Income Statement, Statement of Changes in Equity, Statement of Cash Flows.

Resolution: The motion was passed as proposed when the number of votes in favor reached the required number.

Implementation: Significant information on the day of the shareholders' meeting and completion of important resolutions at the general shareholders' meeting.

Motion 2: Motion for 2021 earnings appropriation. (Proposed by the Board of Directors)

Clarification: 1. The total earnings available for distribution as of 2021 of the Company were NT\$4,668,307,745. For the distribution of earnings, refer to the 2021 Earnings Distribution Statement.
2. It is intended to set aside NT\$585,753,153 as cash dividends to shareholders at NT\$3 per share (chopped off to the nearest integer). Fractional shares are counted as part of other income of the Company. Once it is approved through the shareholders' meeting, the Board of Directors is authorized to set the ex-dividend date, the payment date, and other applicable matters separately.
3. If the payout ratio for shareholders changes because of subsequent buyback of the Company's shares or assignment, conversion, and cancellation of treasury stock shares that impacted the number of outstanding shares, the Board of Directors is authorized to take care of related matters.

Sunrex Technology Corporation
2021 Earnings Distribution Statement

	Unit: NTD
2021 Net profit after-tax	1,024,902,736
Allocation of legal reserve of 10%	(102,869,191)
Actuarial losses/gains from defined benefit plan	4,736,467
Income tax related to items not to be reclassified	(947,293)
Earnings available for distribution at beginning of period	<u>3,742,485,026</u>
Total accumulated earnings available for distribution	4,668,307,745
Distribution of dividends (cash dividends)	<u>(585,753,153)</u>

Undistributed earnings at the end of the period 4,082,554,592

Resolution: The motion was passed as proposed when the number of votes in favor reached the required number.

Implementation: August 17, 2022 was the ex-dividend date, and cash dividends were distributed on September 7, 2022. (cash dividend of NT\$3 per share)

Motion 3: Motion for amendments to the "Articles of Incorporation". (Proposed by the Board of Directors)

Clarification: In lines with the requirements for establishing an Audit Committee, some provisions of the "Articles of Incorporation" are to be amended.

Resolution: The motion was passed as proposed when the number of votes in favor reached the required number.

Implementation: The change of company registration was approved by the Ministry of Economic Affairs under Letter Jing-Shou-Shang-Zi No. 11101185840 dated October 4, 2022.

Motion 4: Motion for name change of and amendments to the "Procedures for Election of Directors and Supervisors". (Proposed by the Board of Directors)

Clarification: In lines with the requirements for establishing an Audit Committee, some provisions of the "Procedures for Election of Directors and Supervisors" are to be amended.

Resolution: The motion was passed as proposed when the number of votes in favor reached the required number.

Implementation: This has been handled in accordance with the revised Guidelines, and has been announced on the Company's website.

Motion 5: Motion for amendments to the "Procedure for Loaning of Funds to Others". (Proposed by the Board of Directors)

Clarification: In lines with the requirements for establishing an Audit Committee, some provisions of the "Procedure for Loaning of Funds to Others" are to be amended.

Resolution: The motion was passed as proposed when the number of votes in favor reached the required number.

Implementation: This has been handled in accordance with the revised Guidelines, and has been announced on the Company's website.

Motion 6: Motion for amendments to the "Procedures for Endorsements and Guarantees". (Proposed by the Board of Directors)

Clarification: In lines with the requirements for establishing an Audit Committee, some provisions of the "Procedures for Endorsements and Guarantees" are to be amended.

Resolution: The motion was passed as proposed when the number of votes in favor reached the required number.

Implementation: This has been handled in accordance with the revised Guidelines, and has been announced on the Company's website.

Motion 7: Motion for amendments to the "Procedures for the Acquisition and Disposal of Assets". (Proposed by the Board of Directors)

Clarification: In lines with the requirements for establishing an Audit Committee, some provisions of the "Procedures for the Acquisition and Disposal of Assets" are to be amended.

Resolution: The motion was passed as proposed when the number of votes in favor reached the required number.

Implementation: This has been handled in accordance with the revised Guidelines, and has been announced on the Company's website.

Motion 8: Motion for amendments to the "Procedures for Derivatives Transactions". (Proposed by the Board of Directors)

Clarification: In lines with the requirements for establishing an Audit Committee, some provisions of the “Procedures for Derivatives Transactions” are to be amended.
Resolution: The motion was passed as proposed when the number of votes in favor reached the required number.
Implementation: This has been handled in accordance with the revised Guidelines, and has been announced on the Company's website.

Election matters:

Motion for election of Directors. . (Proposed by the Board of Directors)

Clarification: I. The term of office of the Company's directors and supervisors expired on June 13, 2022. According to Article 18 of the Company's Articles of Incorporation, re-election shall be held.
II. It is planned to re-elect 7 directors (including 3 independent directors through the nomination of candidates by the independent directors) at the 2022 annual general meeting. The existing directors and supervisors will be relieved from their offices when the new directors take office. The Audit Committee was established on June 17, 2022 after the election of the independent directors and supervisors will no longer be elected in accordance with the law.
III. The term of office of the newly elected directors is three years, commencing on June 17, 2022 and ending on June 16, 2025.
IV. A cumulative voting system shall be adopted for this election.
V. The "Director Candidate List" was reviewed and approved by the meeting of the Board of Directors meeting held on April 29, 2022.

Election results: The elected Directors and their voting rights are as follows: Tsai Huo-Lu, Tsai-Tseng Shu-Ping, Tseng Su-E, Li Ming-Tse, Kuo Yuan-Ching, Peng Yu-Ling, Wu Yuan-Fu.

Implementation: The change of company registration was approved by the Ministry of Economic Affairs under Letter Jing-Shou-Shang-Zi No. 11101185840 dated October 4, 2022.

Other proposals:

Motion for removal of restrictions on non-competition of directors. (Proposed by the Board of Directors)

Clarification: I. Pursuant to Article 209 of the Company Act, a director who has acted within the scope of the Company's business for himself or herself or someone else, shall explain the materiality of the act to the shareholders' meeting and obtain permission.
II. The directors elected at this shareholders' meeting may invest or operate other companies with the same or similar business scope and act as directors. Without prejudice to the interests of the Company, it is proposed to submit a proposal to the shareholders' meeting to lift the prohibition on competing for business from the date the director and his or her representative. The non-compete restrictions shall be lifted from the date on which a candidate assumes office.

The competition of directors of the Company is as follows:

Director Tsai Huo-Lu is also a director at Sunrex Technology (Jiangsu) Co., Ltd., Jing Mo Electronic Technology (Shenzhen) Co., Ltd., Sunrex Technology (Jiangxi) Co., Ltd., Changsu Sunrex Technology Corp., Sunrex (Chongqing) Computer Co., Ltd., Forward Optics Co., Ltd.

Director Tsai-Tseng Shu-Ping is also a director at Sunrex Technology (Jiangsu) Co., Ltd., Jing Mo Electronic Technology (Shenzhen) Co., Ltd., Sunrex Technology (Jiangxi) Co., Ltd., Changsu Sunrex Technology Corp., Sunrex (Chongqing) Computer Co., Ltd.

Director Li Ming-Tse is also a director at Sunrex Technology (Jiangsu) Co., Ltd.,

Waltop International Corporation, Forward Optics Co., Ltd.

Resolution: The motion was passed as proposed when the number of votes in favor reached the required number.

Implementation Announcement of material information at the shareholders' meeting was completed.

2. Important resolutions of the Board of Directors as of May 15, 2023:

2022.01.26	<ol style="list-style-type: none"> 1. Motion for change of the Company's spokesperson, proposed for discussion. 2. Motion for change of the Company's deputy spokesperson, proposed for discussion.
2022.03.22	<ol style="list-style-type: none"> 1. Motion for the Company's 2021 remuneration distribution to employees, directors and supervisors, proposed for review. 2. Motion for parent company only financial statements and consolidated financial statements of the Company for 2021, proposed for discussion. 3. Motion for 2021 earnings distribution, proposed for review. 4. Motion for appointment of CPAs in 2022, proposed for review. 5. Motion for amendments to the "Management of Preparation Process of Financial Statements", proposed for review. 6. Motion for details of the Group's loaning of funds to others as of March 22, 2022, proposed for resolution. 7. Motion for loaning of funds from Best Elite Holdings Limited, a 100% owned company of the Company, to the invested company, Sunrex Technology (Jiangsu) Co., Ltd., proposed for review. 8. Motion for loaning of funds of the Company to Best Elite Holdings Limited, a 100% owned company, proposed for review. 9. Motion for adding endorsement and guarantee by the Company to Best Elite Holdings Limited, Sunrex Technology (Jiangsu) Co., Ltd., Changsu Sunrex Technology Corp., and Sunrex (Chongqing) Computer Co., Ltd., proposed for review. 10. The Company's application for and renewal of bank credit facilities are presented to the Board of Directors for review. 11. Motion for amendments to the "Procedures for Handling Internal Material Information". 12. Motion for amendments to the "Procedures for Applying for Trading Suspension and Resumption". 13. Motion for amendments to the "Procedures for Prevention of Insider Trading". 14. Motion for amendments to the "Charter of the Remuneration Committee". 15. Formulation of the Company's "Charter of the Audit Committee", proposed for resolution. 16. Amendments to the "Rules of Procedures for Meetings of the Board of Directors", proposed for resolution. 17. Motion for 2021 "Assessment of the Effectiveness of the Internal Control System" and "Declaration of Internal Control System," proposed for resolution. 18. Revision of the "Articles of Incorporation." 19. Revision of the "Procedure for the Acquisition or Disposal of Assets." 20. Motion for amendments to the "Procedures for Endorsements and Guarantees".

	<ol style="list-style-type: none"> 21. Motion for amendments to the "Procedures for Derivatives Transactions". 22. Motion for amendments to the "Procedure for Loaning of Funds to Others". 23. Motion for the name change of and amendments to the "Procedures for Election of Directors and Supervisors", proposed for resolution. 24. Motion for amendments to the "Ethical Corporate Management Best Practice Principles". 25. Motion for amendments to the "Ethical Corporate Management Procedure and Code of Conduct". 26. Motion for amendments to the "Code of Ethical Conduct". 27. Motion for election of directors, proposed for decision. 28. List of candidates for nominated directors and independent directors, presented for discussion. 29. Motion for removal of restrictions on non-competition of directors, proposed for discussion. 30. Matters regarding the Company's 2022 general shareholders' meeting, proposed for resolution.
2022.04.29	<ol style="list-style-type: none"> 1. Review of list of candidates for nominated directors and independent directors, presented for review. 2. Matters regarding update of agenda for the Company's 2022 general shareholders' meeting, proposed for resolution.
2022.05.10	<ol style="list-style-type: none"> 1. Motion for repatriation of after-tax profits of overseas subsidiaries invested by the Company, proposed for review. 2. The Company's consolidated financial statements for Q1 2022, proposed for discussion. 3. Motion for loaning of funds of the Company to Best Elite Holdings Limited, a 100% owned company, proposed for review. 4. Motion for adding the loan of funds to Sunrex Technology (Jiangsu) Co., Ltd., a 100% owned company, proposed for review. 5. Motion for loaning of funds from Jing Mo Electronic Technology (Shenzhen) Co., Ltd., to the invested company Sunrex Technology (Jiangxi) Co., Ltd., proposed for review. 6. Motion for details of the Group's loaning of funds to others as of May 10, 2022, proposed for resolution. 7. Motion for adding endorsement and guarantee by the Company to Best Elite Holdings Limited, Sunrex Technology (Jiangsu) Co., Ltd., Changsu Sunrex Technology Corp., and Sunrex (Chongqing) Computer Co., Ltd., proposed for review. 8. Motion for adding endorsement and guarantee by the Company to Best Elite Holdings Limited, Sunrex Technology (Jiangsu) Co., Ltd., Changsu Sunrex Technology Corp., and Sunrex (Chongqing) Computer Co., Ltd., proposed for review. 9. The schedule of the Company's greenhouse gas inventory and verification, proposed for discussion. 10. Motion for amendments to the "Procedures for the Supervision of Subsidiaries". 11. Motion for amendments to the "Procedures for Transfer of Repurchased Shares to Employees". 12. Motion for amendments to the "Enforcement Rules for Internal Audits".
2022.06.17	<ol style="list-style-type: none"> 1. Motion for election of the chairman, proposed for election.

	<ol style="list-style-type: none"> 2. Motion for establishment of the Audit Committee and nomination of the convener, proposed for approval. 3. Motion for appointment of members of the Company's Remuneration Committee and the election of the committee convener, proposed for approval.
2022.07.26	Motion for distribution of cash dividends from earnings for 2021.
2022.08.09	<ol style="list-style-type: none"> 1. The Company's consolidated financial statements for Q2 2022, proposed for discussion. 2. Motion for loaning of funds from Best Elite Holdings Limited, a 100% owned company of the Company, to the invested company, Sunrex Technology (Jiangsu) Co., Ltd., proposed for review. 3. Motion for loaning of funds of the Company to Best Elite Holdings Limited, a 100% owned company, proposed for review. 4. Motion for adding the loan of funds to Sunrex Technology (Jiangsu) Co., Ltd., a 100% owned company, proposed for review. 5. Motion for loaning of funds from Jing Mo Electronic Technology (Shenzhen) Co., Ltd., to the invested company Sunrex Technology (Jiangxi) Co., Ltd., proposed for review. 6. Motion for details of the Group's loaning of funds to others as of August 9, 2022, proposed for resolution. 7. Motion for adding endorsement/guarantee for the invested companies, Best Elite Holdings Limited and Sunrex Technology (Jiangsu) Co., Ltd. proposed for review. 8. The Company's application for and renewal of bank credit facilities are presented to the Board of Directors for review. 9. The schedule of the greenhouse gas inventory and verification of subsidiaries included in the consolidated statements, proposed for discussion.
2022.11.09	<ol style="list-style-type: none"> 1. The Company's consolidated financial statements for Q3 2022, proposed for discussion. 2. Motion for regular (once a year) assessment of the independence of CPAs. 3. Motion for adding the loan of funds to Sunrex Technology (Jiangsu) Co., Ltd., a 100% owned company, proposed for review. 4. Motion for loaning of funds from Jing Mo Electronic Technology (Shenzhen) Co., Ltd., to the invested company Sunrex Technology (Jiangxi) Co., Ltd., proposed for review. 5. Motion for details of the Group's loaning of funds to others as of November 9, 2022, proposed for resolution. 6. Motion for adding endorsement/guarantee for the invested company, Best Elite Holdings Limited, proposed for review. 7. The Company's application for and renewal of bank credit facilities are presented to the Board of Directors for review. 8. The Remuneration Committee has reviewed and approved the distribution of 2021 dividends to the Company's managers, proposed for review. 9. The Company's internal audit plan 2023, proposed for resolution. 10. Motion for amendments to the Company's "Rules of Procedures for Meetings of the Board of Directors", proposed for resolution. 11. Motion for amendments to the Company's "Procedures for the Acquisition and Disposal of Assets", proposed for resolution.

	<ol style="list-style-type: none"> 12. Motion for amendments to the Company's "Procedures for Derivatives Transactions", proposed for resolution. 13. Motion for amendments to the Company's "Procedures for Endorsements and Guarantees", proposed for resolution. 14. Motion for amendments to the Company's "Procedure for Loaning of Funds to Others", proposed for resolution.
2022.12.13	<ol style="list-style-type: none"> 1. Motion for adding the Company's loaning of funds to the invested company, Forward Optics Co., Ltd., proposed for review. 2. Motion for adding endorsement/guarantee for the invested company, Forward Optics Co., Ltd., proposed for review. 3. The Company's application for and renewal of bank credit facilities are presented to the Board of Directors for review. 4. Motion for amendments to the Company's "Procedures for Handling Internal Material Information", proposed for resolution. 5. Motion for amendments to the Company's "Procedures for Prevention of Insider Trading", proposed for resolution. 6. Motion for amendments to the Company's "Ethical Corporate Management Best Practice Principles", proposed for resolution. 7. Motion for amendments to the Company's "Guidelines for Ethical Corporate Management and Code of Conduct", proposed for resolution. 8. Motion for amendments to the Company's "Code of Ethical Conduct", proposed for resolution.
2023.03.17	<ol style="list-style-type: none"> 1. Motion for parent company only financial statements and consolidated financial statements of the Company for 2022, proposed for discussion. 2. Motion for 2022 earnings distribution, proposed for review. 3. Motion for the Company's 2022 remuneration distribution to employees and directors, proposed for review. 4. Motion for evaluation of the independence and suitability of the Company's certified public accountants, proposed for review. 5. Motion for appointment of CPAs in 2023, proposed for review. 6. Motion for loaning of funds of the Company to Best Elite Holdings Limited, a 100% owned company, proposed for review. 7. Motion for details of the Group's loaning of funds to others as of March 17, 2023, proposed for resolution. 8. The Company's application for and renewal of bank credit facilities are presented to the Board of Directors for review. 9. Motion for 2022 "Assessment of the Effectiveness of the Internal Control System" and "Declaration of Internal Control System," proposed for resolution. 10. Revision of the "Articles of Incorporation." 11. Matters regarding the Company's 2023 general shareholders' meeting, proposed for resolution.
2023.05.09	<ol style="list-style-type: none"> 1. The Company's consolidated financial statements for Q1 2023, proposed for discussion. 2. Motion for loaning of funds of the Company to Best Elite Holdings Limited, a 100% owned company, proposed for review. 3. Motion for loaning of funds from Jing Mo Electronic Technology (Shenzhen) Co., Ltd., to the invested company Sunrex Technology (Jiangxi) Co., Ltd., proposed for review. 4. Motion for details of the Group's loaning of funds to others as of May 9, 2023, proposed for resolution.

	<p>5. Motion for adding endorsement/guarantee for the invested companies, Best Elite Holdings Limited and Forward Optics Co., Ltd. proposed for review.</p> <p>6. The Company's application for and renewal of bank credit facilities are presented to the Board of Directors for review.</p> <p>7. Motion for amendments to the “Internal Control System” and "Enforcement Rules for Internal Audits", proposed for resolution.</p> <p>8. Motion for amendments to the Company's "Procedures for Prevention of Insider Trading”, proposed for resolution.</p> <p>9. Formulation of the Company's "Charter of the Audit Committee", proposed for resolution.</p>
--	--

Implementation: Some of the resolutions of the Board of Directors have been implemented, and some are in progress according to the estimated schedule.

- (XII) Any matter resolved by the Board of Directors with an directors or supervisors expressing an objection or reservation that has been included in records or stated in writing in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.
- (XIII) A summary of resignation in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, of the company's chairman, president, head of accounting, head of finance, chief internal auditor, head of corporate governance, and chief R&D officer:
None.

Note: Personnel related to the Company refer to the chairman, general manager, chief accounting officer, finance officer, chief internal auditor, corporate governance officer, and R&D officer.

V. Information on the professional fees of the attesting CPAs

(I) Information on the professional fees of the attesting CPAs

Unit: NT\$ thousands

Name of Accounting Firm	Name of CPAs	CPA's audit period	Audit fee	Non-audit fee	Total	Remarks
PwC Taiwan	Wu Sung-Yuan	2022/1/1-2021/12/31	6,450		6,450	
	Hsu Chien-Yeh	2022/1/1-2022/12/31				
PwC Taiwan	Li Pei-Hsuan	2022/1/1-2022/12/31		1,145	1,145	Service content: Transfer pricing research project fee for Taiwan

Please specify the non-audit services provided: (e.g. tax certification, assurance, or other financial consulting services)

Note: If the Company has replaced its CPAs or accounting firm this year, please state the audit period separately, explain the reason for the replacement in the remark column, and disclose the audit and non-audit public fees paid. Non-audit fees, and the content of the services shall be explained in notes.

- (II) Audit fee for the change of accounting firms paid in the year is less than the previous year, the decreased amount, percentage and reason of the audit fee shall be disclosed: The Company did not change its accounting firm.
- (III) Over 15% decrease in audit fee on a year-to-year basis, the decreased amount, percentage and reason of the audit fee shall be disclosed: Not applicable.

VI. Information on the change of CPAs in and before and after the last two years:

(I) About former CPAs

Date of change	March 23, 2021
Reason and explanation for the change	The Company has replaced its CPAs due to internal administrative adjustment of the CPA firm.
Has the company or the CPA terminated or discontinued the appointment	Not applicable.
An audit report issued during the most recent 2 years containing an opinion other than an unqualified opinion, state the opinion and reason	
Different opinion from the issuer	Not applicable.
Other matters for disclosure (matters listed in items 1-4, subparagraph 5, Article 10 of these Regulations should be	

disclosed)	
------------	--

(II) About successor CPAs

Name of Firm	PwC Taiwan
Name of CPAs	Wu Sung-Yuan
Date of appointment	March 23, 2021
If prior to the formal appointment of the succeeding CPA, the company consulted the new CPA regarding the accounting treatment of or application of accounting principles to a specific transaction, or the type of audit opinion that might be rendered on the company's financial report	Not applicable.
Written opinions of the former CPA on which the succeeding CPAs disagreed with the former CPAs	Not applicable.

(III) Reply letter from the former CPA regarding matters covered in items 1 and 2-3, subparagraph 5, Article 10 of these Regulations: Not applicable due to internal adjustment.: Not applicable due to the change of CPAs due to the internal administrative adjustment of TCC.

VII. Where the company's chairman, general manager, or any managers in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held, shall be disclosed:
None.

VIII. Any transfer of equity interests and/or pledge of or change in equity interests in the most recent year or up to the date of publication of the annual report by a director, supervisor, manager, or shareholder with a stake of more than 10 percent:

(I) Change in equity by a director, supervisor, manager, or major shareholder:

Unit: share

Title (Note 1)	Name	2022		Current year up to April 23	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged	Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged
Chairman	Tsai Huo-Lu	—	—	—	—
Director	Tsai-Tseng Shu-Ping	—	—	—	—
Director	Tseng Su-E	—	—	—	—
Director	Li Ming-Tse	—	—	—	—
Independent director	Kuo Yuan-Ching	—	—	—	—
Independent director	Peng Yu-Ling	—	—	—	—
Independent director	Wu Yuan-Fu	—	—	—	—
President	Li Ming-Tse	—	—	—	—
Deputy General Manager	Liao Jui-Tse	—	—	—	—
Deputy General Manager	Liu Tien-Shan	—	—	—	—
Finance/Accounting Officer	Wu Ming-Hung	—	—	—	—

Note 1: Shareholders holding more than 10% of the Company's shares shall be identified as major shareholders presented separately.
Note 2: The counterparty of equity transfer or equity pledge is a related party: None.
Note 3: The Company has already established an Audit Committee and hence no supervisor.

(II) Information on share transfer: None.

(III) Information on equity pledge: None.

IX. Information on the top ten shareholders who are related to each other under Statements of Financial Accounting Standards No. 6 or who are related to each other as spouses or relatives within the second degree of kinship

Relationship information, if among the company's 10 largest shareholders any one is a related party of another

Book closure date for general shareholders' meeting on April 23, 2023

Unit: shares; %

Name (Note 1)	Number of shares held		Shares held by spouse and minor children		Total number of shares held in the name of others		Names and relationships between the top ten shareholders including spouses and second degree of kinship. (Note 3)		Remark
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Title (or name)	Relationship	
Tsai Huo-Lu	38,476,233	19.71%	23,221,253	11.89%	—	—	Tsai-Tseng Shu-Ping	Husband and wife	—
Tsai-Tseng Shu-Ping	23,221,253	11.89%	38,476,233	19.71%	—	—	Tsai Huo-Lu	Husband and wife	—
Jing Xiang Investment Co., Ltd.	12,144,000	6.22%	—	—	—	—	—	—	—
Jing Li Investment Co., Ltd.	10,736,470	5.50%	—	—	—	—	—	—	—
Jing You Investment Co., Ltd.	9,613,000	4.92%	—	—	—	—	—	—	—
Chang You Investment Co., Ltd.	8,410,000	4.31%	—	—	—	—	—	—	—
Chase Bank as custodian for special account of JP Morgan Securities	2,696,861	1.38%	—	—	—	—	—	—	—
HSBC as	2,300,344	1.18%	—	—	—	—	—	—	—

custodian for special account of Morgan Stanley									
Jing-Yi Investment Co., Ltd.	2,250,000	1.15%	—	—	—	—	—	—	—
Tsai Yu-Hsueh	1,679,000	0.86%	—	—	—	—	—	—	—

Note 1: List the top 10 shareholders. If they are corporate shareholders, list the names of the corporate shareholders and their representatives separately.

Note 2: The calculation of the percentage of shareholding refers to the calculation of the percentage of shareholding in the name of the shareholder themselves, spouse, minor children or of another party.

Note 3: The aforementioned shareholders for disclosure shall include corporate shareholders and natural persons, with the relationships between the shareholders disclosed as required by the Criteria for the Compilation of Financial Statements by Securities Issuers.

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

Comprehensive shareholding ratio

Unit: shares; %

Investee (Note)	Investment by the Company		Investments by directors, supervisors, managers, and or directly indirectly controlled businesses		Comprehensive investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
Jing-Yi Investment Co., Ltd.	7,397,960	99.97%	680	0.01%	7,398,640	99.98%
Sunrex Technology (H.K.) Company Limited	8,400,000	100%	—	—	8,400,000	100%
American Sunrex Corporation	218,420	100%	—	—	218,420	100%
Excellent Global International Ltd.	31,907,470	100%	—	—	31,907,470	100%
Forward Optics Co., Ltd.	10,535,900	70.71%	—	—	10,535,900	70.71%

Note: Long-term investments accounted for under the equity method.

Four. Fundraising

I. Capital and shares

(I) Source of share capital:

Source of share capital

Year, Month	Issuance Price	Authorized capital		Paid-in capital stock		Remark		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Offset by any property other than cash	Other
1991.06	10	2,800,000	28,000,000	2,800,000	28,000,000	Establishment	—	-
1991.11	10	19,800,000	198,000,000	19,800,000	198,000,000	Capital increase by cash 170,000,000	—	-
1995.06	10	39,800,000	398,000,000	39,800,000	398,000,000	Capital increase by cash 200,000,000	—	Note 1
1997.07	10	48,700,000	487,000,000	48,700,000	487,000,000	Capital increase by cash 49,200,000 Capital increase by earnings 39,800,000	—	Note 2
1998.05	10	69,000,000	690,000,000	56,005,000	560,050,000	Capital increase by earnings 73,050,000	—	Note 3
1999.09	10	80,000,000	800,000,000	64,405,750	644,057,500	Capital increase by earnings 84,007,500	—	Note 4
1999.12	10	80,000,000	800,000,000	80,000,000	800,000,000	Capital increase by cash 155,942,500	—	Note 5
2000.11	10	118,000,000	896,000,000	89,600,000	896,000,000	Capital increase by earnings 56,000,000 Capital increase by capital reserve 40,000,000	—	Note 6
2001.07	10	193,000,000	1,930,000,000	98,560,000	985,600,000	Capital increase by earnings 71,680,000 Capital increase by capital reserve 17,920,000	—	Note 7
2001.12	10	300,000,000	3,000,000,000	151,476,417	1,514,764,170	Capital increase through merger with JME Group NT\$529,164,170	—	Note 8
2002.08	10	300,000,000	3,000,000,000	173,398,080	1,733,980,800	Capital increase from earnings 73,072,210 Capital increase by capital reserve 146,144,420	—	Note 9
2003.12	10	300,000,000	3,000,000,000	207,011,296	2,070,112,960	Capital increase from earnings 173,108,060 Capital increase by capital reserve 163,024,100	—	Note 10
2004.03	10	300,000,000	3,000,000,000	205,626,296	2,056,262,960	Capital reduction from treasury stock 13,850,000	—	Note 11
2004.10	10	300,000,000	3,000,000,000	236,020,241	2,360,202,410	Capital increase from earnings 303,939,450	—	Note 12
2005.02	10	300,000,000	3,000,000,000	234,224,241	2,342,242,410	Capital reduction from treasury stock 17,960,000	—	Note 13
2005.09	10	300,000,000	3,000,000,000	257,346,666	2,573,466,660	Capital increase from earnings 231,224,250	—	Note 14
2006.09	10	370,000,000	3,700,000,000	308,468,800	3,084,688,000	Capital increase from earnings 511,221,340	—	Note 15
2007.09	10	370,000,000	3,700,000,000	339,308,480	3,393,084,800	Capital increase from earnings 308,396,800	—	Note 16
2008.10	10	420,000,000	4,200,000,000	372,939,328	3,729,393,280	Capital increase from earnings 336,308,480	—	Note 17

2000.12	10	420,000,000	4,200,000,000	372,646,328	3,726,463,280	Capital reduction from treasury stock 2,930,000	—	Note 18
2011.12	10	420,000,000	4,200,000,000	371,274,328	3,712,743,280	Capital reduction from treasury stock 13,720,000	—	Note 19
2012.07	10	420,000,000	4,200,000,000	369,780,328	3,697,803,280	Capital reduction from treasury stock 14,940,000	—	Note 20
2013.11	10	420,000,000	4,200,000,000	363,780,328	3,637,803,280	Capital reduction from treasury stock 60,000,000	—	Note 21
2015.10	10	420,000,000	4,200,000,000	363,183,328	3,631,833,280	Capital reduction from treasury stock NT\$5,970,000	—	Note 22
2015.12	10	420,000,000	4,200,000,000	313,345,423	3,133,454,230	Capital reduction by cash 498,379,050	—	Note 23
2016.08	10	420,000,000	4,200,000,000	263,210,155	2,632,101,550	Capital reduction by cash 501,352,680	—	Note 24
2017.08	10	420,000,000	4,200,000,000	221,096,530	2,210,965,300	Capital reduction by cash 421,136,250	—	Note 25
2018.05	10	420,000,000	4,200,000,000	220,328,132	2,203,281,320	Capital reduction from treasury stock 7,683,980	—	Note 26
2018.10	10	420,000,000	4,200,000,000	197,112,996	1,971,129,960	Capital reduction by cash 232,151,360	—	Note 27
2018.11	10	420,000,000	4,200,000,000	196,297,952	1,962,979,520	Capital reduction from treasury stock 8,150,440	—	Note 28
2021.11	10	420,000,000	4,200,000,000	195,251,051	1,952,510,510	Capital reduction from treasury stock 10,469,010	—	Note 29

Note: The information of the current year up to the publication date of this annual report must be provided.

Note: Effective (approval) date and approval letter reference number shall be noted for capital increase.

Note: If shares are issued at less than par value, such information shall be prominently indicated.

Note: If monetary claims against the company or technology needed by the company are offset against share payments, such information shall be specified, and the type and amount of such offset shall also be noted.

Note: If a private placement, such fact shall be prominently indicated

Note 1: Approved by Letter (84) Tai-Cai-Zheng (1) No. 31361.

Note 2: Approved by Letter (86) Tai-Cai-Zheng (1) No. 53092.

Note 3: Approved by Letter (87) Tai-Cai-Zheng (1) No. 42751.

Note 4: Approved by Letter (88) Tai-Cai-Zheng (1) No. 66059.

Note 5: Approved by Letter (88) Tai-Cai-Zheng (1) No. 91805.

Note 6: Approved by Letter (89) Tai-Cai-Zheng (1) No. 85317.

Note 7: Approved by Letter (90) Tai-Cai-Zheng (1) No. 132350.

Note 8: Approved by Letter (90) Tai-Cai-Zheng (1) No. 175136.

Note 9: Approved by Letter (90) Tai-Cai-Zheng (1) No. 0910143957.

Note 10: Approved by Letter Tai-Cai-Zheng-3 No. 0920158057.

Note 11: Approved by Letter Tai-Cai-Zheng No. 09300056371.

Note 12: Approved by Tai-Cai-Zheng-1 No. 0930127234.

Note 13: Approved by Letter Tai-Cai-Zheng No. 09400039291.

Note 14: Approved by Letter Tai-Cai-Zheng No. 0940028620.

Note 15: Approved by Letter Tai-Cai-Zheng No. 0950023592.

Note 16: Approved by Letter Tai-Cai-Zheng No. 0960028202.

Note 17: Approved by Letter Tai-Cai-Zheng No. 09700310611.

Note 18: Approved by Letter Tai-Cai-Zheng No. 10000016531.

Note 19: Approved by Letter Tai-Cai-Shang-1 No. 10100007691.

Note 20: Approved by Letter Tai-Cai-Shang-1 No. 10100156161.

Note 21: Approved by Letter Approved by Letter Tai-Cai-Shang-1 No. 10200258111.

Note 22: Approved by Letter Tai-Cai-Shang-1 No. 10400201301.

Note 23: Approved by Letter Tai-Cai-Shang-1 No. 1040025282.

Note 24: Approved by Letter Tai-Cai-Shang-1 No. 1050017106.

Note 25: Approved by Letter Tai-Cai-Shang-1 No. 10600165331.

Note 26: Letter Jing-Shou-Shang-Zi No.10701054950

Note 27: Approved by Letter Tai-Cai-Shang-1 No. 10700215121.

Note 28: Letter Jing-Shou-Shang-Zi No. 10701129900

Note 29: Letter Jing-Shou-Shang-Zi No. 11001217660

Unit: share

Type of shares	Authorized capital			Remark
	Shares outstanding (Note)	Unissued shares	Total	
Common stock	195,251,051	224,748,949	420,000,000	—

Note: All are listed shares.

Shelf registration method information: Not applicable.

(II) Shareholder structure:**Shareholder structure**

Book closure date for general shareholders' meeting on April 23, 2023

Shareholder structure Quantity	Government agency	Financial institution	Other corporate entities	Individual	Foreign institutions and foreigners	Total
Number of people	0	6	36	14,767	122	14,931
Number of shares held	0	1,214,524	44,455,845	127,288,697	22,291,985	195,251,051
Shareholding ratio	0	0.62%	22.77%	65.19%	11.42%	100%

Percentage of Chinese investors: None.

Note: All companies listing for the first time on TWSE/TPEX are required to disclose Chinese investors' holding interests. A Chinese investor refers to an individual, corporation, organization, or institution of Mainland origin, or any company owned by the above party in a foreign location, as defined in Article 3 of the "Regulations Governing Mainland Residents' Investment in Taiwan".

(III) Dispersion of equity ownership:

Dispersion of equity ownership:

Par value of NT\$10 per share

Book closure date for general shareholders' meeting on April 23, 2023

Shareholding classification	Number of shareholders	Number of shares held	Shareholding ratio (%)
1 to 999	3,307	909,553	0.47%
1,000 - 5,000	9,345	18,845,566	9.65%
5,001 to 10,000	1,210	9,578,699	4.91%
10,001 - 15,000	324	4,197,703	2.15%
15,001 to 20,000	229	4,270,061	2.19%
20,001 - 30,000	182	4,647,447	2.38%
30,001 - 40,000	94	3,374,302	1.73%
40,001 - 50,000	59	2,794,969	1.43%
50,001 to 100,000	90	6,212,352	3.18%
100,001 to 200,000	37	5,181,669	2.65%
200,001 - 400,000	22	5,766,088	2.95%
400,001 to 600,000	6	2,688,896	1.38%
600,001 to 800,000	3	1,992,000	1.02%
800,001 to 1,000,000	6	5,177,145	2.65%
Over 1,000,001	17	119,614,601	61.26%
Total	14,931	195,251,051	100.00%

2. Dispersion of ownership of preferred shares: None.

(IV) List of major shareholders:

List of major shareholders

Book closure date for general shareholders' meeting on April 23, 2023

Name of major shareholder	Number of shares held	Shareholding ratio (%)
Tsai Huo-Lu	38,476,233	19.71%
Tsai-Tseng Shu-Ping	23,221,253	11.89%
Jing Xiang Investment Co., Ltd.	12,144,000	6.22%
Jing Li Investment Co., Ltd.	10,736,470	5.50%
Jing You Investment Co., Ltd.	9,613,000	4.92%
Chang You Investment Co., Ltd.	8,410,000	4.31%
Chase Bank as custodian for special account of JP Morgan Securities	2,696,861	1.38%
HSBC as custodian for special account of Morgan Stanley	2,300,344	1.18%
Jing-Yi Investment Co., Ltd.	2,250,000	1.15%
Tsai Yu-Hsueh	1,679,000	0.86%

(V) Per share market price, net worth, profit, dividend and related information for the past 2 fiscal years:

Per share market price, net worth, profit and dividend information

Unit: NT\$; shares

Item	Year	2021	2022	Current year up to March 31, 2023 (Note 8)	
Market price per share (Note 1)	Maximum	71.60	49.35	44.75	
	Minimum	41.55	33.60	37.60	
	Average	54.24	39.12	39.84	
Net worth per share (Note 2)	Before distribution	—	—	—	
	After distribution	—	—	—	
Earnings per share	Weighted average number of shares	192,920 thousand shares	193,001 thousand shares	193,001 thousand shares	
	Earnings per share (Note 3)	Before retrospective	5.31	7.48	0.15
		After retrospective	5.31	7.48	0.15
Dividends	Cash dividends	3.0	3.5	—	

per share	Employee stock options	Dividends from earnings	—	—	—
		Distribution of shares to capital surplus	—	—	—
	Accumulated unpaid dividends (Note 4)		—	—	—
Analysis of investment return	P/E ratio (Note 5)		10.21	5.23	—
	P/D ratio (Note 6)		18.08	11.18	—
	Cash dividend yield (Note 7)		0.06	0.09	—

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

Note 1: The table lists the highest and lowest market price of common stocks for each year, and the annual average market price was calculated in accordance with the annual trading value and volume of each year.

Note 2: Please fill in the number of shares issued at the end of the year and the distribution according to the resolution by the Board of Directors or general meeting of shareholders the following year.

Note 3: If there is a retroactive adjustment from distribution of bonus shares, the pre-adjustment and adjusted surplus per share shall be listed.

Note 4: If the terms and conditions of the equity securities issuance provide that the undistributed dividends of the current year can be accumulated until the release in the year with earnings, the dividends accumulated but not paid up to the current year shall be disclosed separately.

Note 5: P/E ratio = Average closing price per share in current year/earnings per share.

Note 6: P/D ratio = Average closing price per share in current year/cash dividend per share.

Note 7: Cash dividend yield = Cash dividend per share/average closing price per share in current year.

Note 8: For the net worth per share and earnings per share, the data audited (reviewed) by CPAs for the most recent quarter up to the date of printing of the annual report shall be filled in; the data of the current year up to the date of printing of the annual report shall be filled in for the other columns.

(VI) The Company's dividend policy and implementation:

(1) The Company's dividend policy

Percentage or range of employee bonus and remuneration to directors/supervisors as stated in the Articles of Incorporation:

If the Company has a profit for the year, it shall allocate more than 1% as the remuneration to employees and no more than 3% as the remuneration to directors and supervisors. In cases of accumulated deficits, on the other hand, the Company shall first retain the value sufficient to offset the deficits and then calculate proportionally the remuneration that may be distributed to employees and directors as required by the Articles of Incorporation.

In cases of earnings following annual settlement, the Company shall first set aside payable taxes and offset cumulative deficits. Then, 10% is set aside to be the compulsory surplus reserve unless the compulsory surplus reserve has reached the statutory requirement. Meanwhile, special surplus reserve is set aside reflective of the Company's operational demand and regulatory requirements. For the remainder, dividends may be distributed. Should there still be earnings, the Board of Directors is to prepare the Earnings Distribution Proposal and submit it during the shareholders' meeting for a decision on distribution of bonus to shareholders.

(2) Dividend distribution proposed in the shareholders' meeting

For the 2022 cash dividends, NT\$683,378,679, at NT\$3 per share, will be distributed to the nearest NT\$1, and the odd shares and fractions thereof will be counted into the Company's other income. The Board of Directors is authorized to set the ex-dividend base date, payment date and other related matters. If the payout ratio for shareholders changes because of subsequent buyback of the Company's shares or assignment, conversion, and cancellation of treasury stock shares that impacted the number of outstanding shares, the Board of Directors is authorized to take care of related matters.

(3) If there is a material change in the expected dividend policy, please explain:

There is no such situation.

(VII) The effect of the current bonus shares on the operating performance, EPS and return on shareholder's investment:

Unit: NTD

Item	Year	2023
Paid-in capital at opening		1,952,510,510
Dividends for the year (Note 1)	Remuneration of directors and supervisors	1,400,000
	Cash dividends	683,378,679
	Stock dividends	—
	Employee cash bonus	29,000,000
	Employee stock dividends	—
	Employees' stock dividend as a percentage of capital increase by earnings	—
Changes in business performance	Operating profit	Note 2
	Year-on-year increase (decrease) in operating profit	
	Net profit after tax	
	Year-on-year growth (decrease) of net profit after tax	
	Earnings per share (NTD)	
	Year-on-year growth (decrease) of earnings per share	
	Annual average return on investment (reciprocal of average annual PE ratio)	
Pro forma EPS and PE ratio	If all capital increase by earnings is entirely distributed as cash dividends	Pro forma EPS (NT\$)
		Pro forma annual average return on investment
	If capital increase by capital reserve was not conducted	Pro forma EPS (NT\$)
		Pro forma annual average return on investment
	If capital increase by capital reserve was not conducted and cash dividends were distributed instead	Pro forma EPS (NT\$)
		Pro forma annual average return on investment

Note 1: The estimated 2023 distribution of shares and dividends is based on the resolution reached by the Board of Directors on March 17, 2023, and will be handled in accordance with the relevant regulations.

Note 2: According to the "Regulations Governing the Publication of Financial Forecasts of Public Companies", the Company was not required to disclose financial forecasts for the year ended December 31, 2023.

Chairman: Tsai Huo-Lu

Manager: Li Ming-Tse

Head of Accounting: Wu Ming-Hung

(VIII) Remuneration to employees and directors/supervisors:

- (1) Percentage or range of employee bonus and remuneration to directors/supervisors as stated in the Articles of Incorporation:
If the Company has a profit for the year, it shall allocate more than 1% as the remuneration to employees and no more than 3% as the remuneration to directors and supervisors. In cases of accumulated deficits, on the other hand, the Company shall first retain the value sufficient to offset the deficits and then calculate proportionally the remuneration that may be distributed to employees and directors as required by the Articles of Incorporation.
In cases of earnings following annual settlement, the Company shall first set aside payable taxes and offset cumulative deficits. Then, 10% is set aside to be the compulsory surplus reserve unless the compulsory surplus reserve has reached the statutory requirement. Meanwhile, special surplus reserve is set aside reflective of the Company's operational demand and regulatory requirements. For the remainder, dividends may be distributed. Should there still be earnings, the Board of Directors is to prepare the Earnings Distribution Proposal and submit it during the shareholders' meeting for a decision on distribution of bonus to shareholders.
- (2) Information on the proposed distribution of remuneration to employees approved by the Board of Directors:
1. Remuneration to employees and directors/supervisors distributed:
Distribution of dividends (cash dividends): NT\$683,378,679.
Total number of shares allocated for remuneration to employees: 0 share.
Remuneration to directors and supervisors (in cash): NT\$1,400,000
Discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment: Not applicable.
 2. Proposal to distribute stock-based remuneration to employees as a percentage of current period after-tax profit and total employee remuneration: Not applicable.
 3. Calculated earnings per share after considering the proposed distribution of remuneration to employees or remuneration to directors and supervisors: Not applicable.
- (3) The actual distribution of remuneration to employees, directors, and supervisors for the previous fiscal year (with an indication of the number of shares, amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized distribution of remuneration to employees, directors, and supervisors, additionally the discrepancy, cause, and how it is treated: Not applicable.

1. Remuneration to employees and directors/supervisors distributed in 2022:

Unit: NTD

	Amount of distribution as resolved by the Board of Directors	Actual distribution as resolved by the shareholders' meeting	Discrepancy	Reason for discrepancy
Employee cash	29,000,000	29,000,000	—	—

bonus				
Employee stock bonus	—	—	—	—
Remuneration to directors and supervisors (cash)	1,800,000	1,800,000	—	—
Total	30,800,000	30,800,000	—	—

2. Discrepancy between the actual distribution and the recognized distribution of remuneration to employees, directors, and supervisors, additionally the discrepancy, cause, and how it is treated: Not applicable.

(IX) Shares bought back by the Company:

(1) Shares bought back by the Company (completed)

May 15, 2022

Number of buybacks	The first time	The 2nd time	The 3rd time	The 4th time
Purpose of buyback	Transferred to employees of the Company	Transferred to employees of the Company	Transferred to employees of the Company	Transferred to employees of the Company
Duration of buyback	January 30 to March 2, 2011	December 11 to December 26, 2011	December 28, 2004 to February 27, 2005	October 12, 2006 to December 11, 2006
Repurchase price range	NT\$22.82 - NT\$50.25	NT\$23.24 - NT\$45.90	NT\$17.08 - NT\$35.61	NT\$19.50 - NT\$42.25
Type and quantity of shares bought back	Common stock 3,000,000 shares	Common stock 3,000,000 shares	Common stock 3,000,000 shares	Common stock 286,000 shares
Amount of shares bought back	NT\$ 104,396,128	NT\$ 100,057,093	NT\$ 71,809,127	NT\$ 8,441,949
Ratio of quantity bought back to planned buyback (%)	100%	100%	100%	9.53%
Quantity of shares canceled and transferred	3,000,000 shares	3,000,000 shares	3,000,000 shares	286,000 shares
Accumulated quantity of the Company's shares held	0 shares	0 shares	0 shares	0 shares
Percentage of the Company's shares held to the total number of issued shares (%)	0%	0%	0%	0%

Number of buybacks	The 5th time	The 6th time	The 7th time	The 8th time
--------------------	--------------	--------------	--------------	--------------

Purpose of buyback	Transferred to employees of the Company	Transferred to employees of the Company	Transferred to employees of the Company	Transferred to employees of the Company
Duration of buyback	October 30 to December 29, 2007	October 6 to December 5, 2008	April 20 to May 4, 2009	September 8 to September 13, 2010
Repurchase price range	NT\$27.10 - NT\$58.30	NT\$17.80 - NT\$42.30	NT\$17.70 - NT\$36.20	NT\$21.00 - NT\$46.00
Type and quantity of shares bought back	Common stock 3,000,000 shares	Common stock 3,000,000 shares	Common stock 3,000,000 shares	Common stock 3,000,000 shares
Amount of shares bought back	NT\$ 110,448,865	NT\$ 52,680,126	NT\$ 75,016,317	NT\$ 92,125,877
Ratio of quantity bought back to planned buyback (%)	100%	100%	100%	100%
Quantity of shares canceled and transferred	3,000,000 shares	3,000,000 shares	3,000,000 shares	3,000,000 shares
Accumulated quantity of the Company's shares held	0 shares	0 shares	0 shares	0 shares
Percentage of the Company's shares held to the total number of issued shares (%)	0%	0%	0%	0%

Number of buybacks	The 9th time	The 10th time	The 11th time	The 12th time
Purpose of buyback	Transferred to employees of the Company	Transferred to employees of the Company	Transferred to employees of the Company	Transferred to employees of the Company
Duration of buyback	September 27 to September 30, 2010	July 2 to July 9, 2012	August 21 to August 21, 2014	March 12 to March 23, 2015
Repurchase price range	NT\$22.00 - NT\$46.00	NT\$11.00 - NT\$21.00	NT\$9.28 to NT\$20.55	NT\$15.00 to NT\$30.00
Type and quantity of shares bought back	Common stock 3,000,000 shares	Common stock 5,000,000 shares	Common stock 322,000 shares	Common stock 3,000,000 shares
Amount of shares bought back	NT\$95,824,855	NT\$75,131,302	NT\$5,279,162	NT\$64,223,640
Ratio of quantity bought back to planned buyback (%)	100%	100%	5.37%	100%
Quantity of shares	3,000,000 shares	5,000,000 shares	322,000 shares	3,000,000 shares

canceled and transferred				
Accumulated quantity of the Company's shares held	0 shares	0 shares	0 shares	0 shares
Percentage of the Company's shares held to the total number of issued shares (%)	0%	0%	0%	0%

Number of buybacks	The 13th time	The 14th time
Purpose of buyback	Transferred to employees of the Company	Transferred to employees of the Company
Duration of buyback	September 14 to October 20, 2015	November 7 to November 14, 2018,
Repurchase price range	NT\$9.00 - NT\$17.00	NT\$12.50 - NT\$20.00
Type and quantity of shares bought back	Common stock 6,000,000 shares	Common stock 3,000,000 shares
Amount of shares bought back	NT\$82,001,293	NT\$50,595,199
Ratio of quantity bought back to planned buyback (%)	100%	100%
Quantity of shares canceled and transferred	6,000,000 shares	3,000,000 shares
Accumulated quantity of the Company's shares held	0 shares	0 shares
Percentage of the Company's shares held to the total number of issued shares (%)	0%	0%

**(2) Buyback of the Company's shares by the Company (under execution):
None.**

II. Status of corporate bonds:

(I) Status of corporate bonds: None.

Note 1: The status of corporate bonds includes public offering and private placement corporate bonds. Public offering corporate bonds refer to those validated (approved) by the Commission; private placement corporate bonds refer to those approved by the Board of Directors.

Note 2: The number of fields will be adjusted based on the actual number of transactions.

Note 3: To be filled in the case of overseas corporate bonds.

Note 4: For example, restrictions on the distribution of cash dividends, external investment, or requirements to maintain a certain proportion of assets, etc.

Note 5: The private placement is to be marked in a prominent manner.

Note 6: For convertible corporate bonds, exchangeable corporate bonds, corporate bonds issued under general reporting, or corporate bonds with warrants, the information on convertible corporate bonds, exchangeable corporate bonds, corporate bonds issued under general reporting, and Information of corporate bonds with warrants attached.

Note 7: The Company repaid the principal amounting to NT\$490,000,000 on January 25, 2013.

- (II) Information on convertible corporate bonds: None.
- (III) Exchangeable corporate bonds: None.
- (IV) Information on corporate bonds issued in a consolidated manner: None.
- (V) Corporate bonds with warrants: None.

III. Status of preferred shares:

The section on preferred shares shall include both outstanding and unissued shares for which an issue is currently under preparation, and shall disclose any conditions attaching to issuance and their effect upon shareholders' equity. The information on preferred shares shall also specify the matters listed under Article 157 of the Company Act
None.

IV. Status of overseas depository receipts: None.

V. Issuance of employee stock warrants and new restricted employee shares:

- (I) Employee stock options: None.
- (II) New restricted shares: None.

VI. Mergers or acquisitions or with acquisitions of shares of other companies:

(I) Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

1. Clear opinion prepared by the managing underwriter concerning any issuance of new shares in connection with any merger or acquisition or with any acquisition of shares of any other company within the past quarter: None.
2. State of implementation of any of the aforementioned matters during the most recent quarter. If the progress or benefits of such implementation were not as good as expected, the annual report shall explain specifically how the situation is likely to affect shareholders' equity, and shall put forward a plan for corrective action: None.

(II) Where the board of directors has, in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, adopted a resolution approving any issuance of shares in connection with a merger or acquisition or with acquisition of shares of any other company, the annual report shall disclose the state of the plan's implementation together with the basic identifying information of the company (or companies) to be merged or acquired or whose shares are to be acquired: None.

VII. Implementation of the company's capital allocation plans:

For the period as of the quarter preceding the date of publication of the annual report, with respect to each uncompleted public issue or private placement of securities, and to such issues and placements that were completed in the most recent 3 years but have not yet fully yielded the planned benefits:

The Company started private placement of unsecured convertible corporate bonds for the 1st time in Taiwan in 2010. On December 24, 2012, the Company received the notice to sell all of the bonds from the bondholders. The Company had already repaid the entire amount on January 25, 2013. and completed within the last 3 years and the benefits have not yet yielded.

Five. An Overview of Operations

I. Business

(I) Business scope

(1) Main business activities:

1. Design, manufacture, processing, trading, maintenance, and rental of computers and their auxiliary equipment/software/hardware.
 2. Development, design, manufacture, and imports/exports of micro-computers.
 3. Design, development, and imports/exports of system software and applications.
 4. Development, design, manufacture, and imports/exports of computer communication control devices and control circuit boards.
 5. Development, design, manufacture, and imports/exports of electronic calculators and other electronics products.
 6. Development, design, and imports/exports of telephones, answering machines, among other telecommunication products and their parts and components.
 7. Design, development, manufacture, and imports/exports of various keyboards, plastic ejection keys, and their dies.
 8. CC01050 Manufacture of data storage and processing equipment.
 9. F401030 Manufacture and export business.
 10. CQ01010 Mold and Die Manufacturing.
 11. C805050 Industrial Plastic Products Manufacturing.
 12. CK01010 Footwear Manufacturing.
 13. CC01070 Wireless Communication Mechanical Equipment Manufacturing.
 14. C804020 Industrial Rubber Products Manufacturing.
 15. CC01060 Wired Communication Mechanical Equipment Manufacturing.
 16. F107140 Wholesale of Raw Plastic Material.
 17. F113010 Wholesale of Machinery.
 18. F113030 Wholesale of Precision Instruments.
 19. F113070 Wholesale of Telecommunications Apparatus.
 20. F118010 Wholesale of Computer Software.
 21. F119010 Wholesale of Electronic Materials.
 22. F401010 International Trade.
 23. F401021 Restrained Telecom Radio Frequency Equipments and Materials Import.
 24. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
- (2) Proportion of operating revenue: Laptop keyboards accounted for 82% of the total revenue, other products (thin/wireless keyboards, mice, touch panels, stylus and backlight modules, etc.) 18% of the total revenue.
- (3) The Company's current products (services): notebook computer keyboards, desktop computer keyboards (including wireless computer keyboards), electronic products (mouse, touch pad, digital pen) and backlight modules.
- (4) New products (services) planned to be developed: key components such as ultra-thin luminescent light input devices, automotive electronic peripherals, touch pens, and keyboards.

The main directions of research and development products:

Category 1 Keyboard Family: including notebook computer keyboards, ultra-thin keyboards, wireless keyboards, external keyboards for tablet computers, and mechanical keyboards.

Category 2 Pointing Device Family: Includes mouse and touch pad.

Category 3 Tablets, stylus.

Category 4 The wireless module technology includes 900MHz, 433MHz, 315MHz, 2.4GHz and Blue Tooth application technology.

Category 5 Development of key components for notebook keyboards, new product assembly, and applications, including stylus tablets and backlight modules.

(II) Industry overview:

(1) Current status and development of the industry:

The Company's main product is notebook computer keyboards, which are the main input device keyboard product of notebook computers. Therefore, the main product is inseparable from the development of the notebook computer industry.

With the notebook computer industry maturing day by day, the Company will continue to generate good operating results in the future by grasping the advantages of absolute economic scale in the keyboard industry, vertical integration of the production chain and automation of production lines.

(2) Upstream, midstream, and downstream industry linkages

<u>Upstream</u>	<u>Midstream</u>	<u>Downstream</u>
Keycaps		
Plunger		
Housing	Notebook keyboard	Notebook computer factory
Rubber	Desktop keyboard	Distributor
PCB (Membrane)		
Iron or aluminum plate		

(3) Product development trends and competition:

The computer keyboard industry is a mature industry, and is less likely for it to be prone to major changes in the development of the industry. However, with the trend of parity in the computer market, the growth of notebook computer keyboard products will be inhibited, causing industrial management challenges. In the future, manufacturers will be able to effectively control reasonable operating profits and maintain product competitiveness while continuing to increase production costs in China. This will become the focus of competition among manufacturers.

(4) Market competition:

The Company's main competitors are Chicony and Darfon. Both are Notebook K/B and RF K/B manufacturers with small product differences. In order to cope with the competition in the same industry and the rise of the red supply chain in Mainland China, the Company will continue to develop new products and new processes, vertical integration of production lines, production line automation and other process improvements to improve efficiency, yield, and reduce production costs for better business performance.

(III) Technology and R&D overview:

The Company continues to recruit professional and technical manpower in electronics and optoelectronics for the R&D of products to be developed. In addition, the Company also introduces external technical resources in order to maintain the dominant position in stable mass production of laptop keyboards, and to invest in the development of new products in order to create better profits for shareholders.

Unit: NT\$ thousands

	2022	2023 Q1
R&D expenses already invested	790,946	185,898

(IV) Long- and short-term business development plans:

(1) Short-term business development plans:

1. Meet the needs of customers and integrate the production capacity of various factories in mainland China to effectively reduce product costs.
 2. Actively participate in the development of new customer models and secure orders from brand manufacturers.
 3. Implement quality control and continue to improve product quality.
- (2) Long-term business development plans:
1. Leverage core technologies to upgrade new product development and production capabilities.
 2. Promote OEM marketing and the development of international major distributors.
 3. Integrate management information through the information system platform to improve operating efficiency.
 4. Develop planning and operation in the Greater China market.
 5. Continue nurturing technology and management talents at all levels.

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

(I) Market analysis

(1) Analysis of main products and sales regions

The Company's main products are notebook computer keyboards. Other products are desktop computer keyboards and other computer peripheral. The products are mainly supplied to the major computer brand assembly plants in Asia, as well as distributors in Asia, Europe, and America.

(2) Market share and demand and supply conditions for the market in the future, the market's growth potential

Supply and demand of notebook computer keyboards: Based on the market economy, notebook PC shipments in 2023 are subject to customer inventory adjustments in the post-pandemic era, and market changes require close attention. Taiwan plays a pivotal role in the world's notebook computer manufacturing. Major notebook PC ODM manufacturers include Compal, Quanta, Inventec, Wistron, and Foxconn, accounting for the major shipments of global notebook computers, and the Company is the main supplier of their keyboards. As the world's important notebook computer brands are the Company's customers, the Company plays an important role in the supply of notebook computer keyboards. At present, other important suppliers of notebook computer keyboards include Chicony, Darfon, and Lite-On.

(3) Market development and competitive niche

At present, we have absolute advantages in terms of sales volume and customer control in the notebook computer keyboard industry. With respect to production process, our vertical integration process is the most active in the industry, and the introduction of process automation in the industry is also a priority. Therefore, not only can we ensure the quality and quantity of our products, but also effectively reduce the manufacturing cost of our products and enhance our competitiveness in the industry.

(4) Favorable and unfavorable factors for development

A. Favorable factors

- (a) Our main production of notebook computers is in mainland China. For the shipment in 2023, we will pay close attention to the operation status of the customer's production line nearby to meet the needs of customers and increase the Company's revenue.

- (b) As an important supplier in the industry, the Company continues to improve service and product quality in the face of the high-quality challenge of international competition, and has considerable international competitiveness.
- (c) In response to the global division of labor in the computer industry, the Company's multi-faceted marketing and production locations around the world can meet customers' local delivery needs.
- (d) We develop various products with added value by combining the core technology of the keyboard with the research and development of electronics. In order to increase profit, we proactively develop key spare parts of the keyboard and put them into production.

B. Unfavorable factors

- (a) Due to the input of the red supply chain in Mainland China, the price has dropped and the production cost has increased, resulting in a decrease in gross profit margin and an increase in business risks.
- (b) The life cycle of electronic and computer peripheral products is short. Judging future trends incorrectly will result in inventory backlog and increasing the uncertainty and risk of operational risks.
- (c) International raw material price fluctuations may compress profit margins due to rising material prices and transportation costs.
- (d) The manpower and labor laws and environmental protection laws and regulations of the mainland China have become stricter each year, resulting in higher labor and external costs, and increased operating pressure.

C. Countermeasures

- (a) Recruit outstanding R&D talent from all directions to develop multi-functional high value-added products and maintain the overall operating gross profit margin.
- (b) Strengthen the marketing mechanism and maintain good interaction with upstream and downstream customers to grasp the latest market demand and trends.
- (c) Improve automated production equipment, strengthen process control, effectively reduce production costs, and establish the most powerful cost control system.
- (d) In pursuit of business opportunities in new markets, the Company has expanded from a manufacturer of computer input devices to a designer and manufacturer of professional input devices for all electronic products.

(II) Usage and manufacturing processes for the company's main products

(1) Main usage of products

1. Notebook PC: Equipped with all the functions of a personal computer, including the following functions:
 - Data and file management - utilization of personal data or salaries and revenues and expenditures.
 - Statistical analysis and processing - business or accounting-related statistical processing.
 - Graphics processing - advertisements or video games.
 - Network connection - through the RF or the network card on the internet.
2. Keyboard: An indispensable input device for notebook computers, and an important interface for communication between people and computers.

3.Home computer (ADS): Multimedia video conferencing applications, home audiovisual entertainment and game applications, and personal websites.

(2) Production process

Material receipt→aluminum plate installation→membrane installation→Rubber installation→plunger installation→retaining screws (or hot melt)→key insertion→printing→surface inspection→Felling test→electrical test→comparison inspection→FQC→warehousing→shipping.

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

Main raw materials	Name of supplier	Supply status
Aluminum plate	Bin Chuan	Good
Membrane	Ke Jia & Xing Xinghe	Good

(IV) Customers accounting for 10 percent or more of the company's total procurement (sales) amount in either of the 2 most recent fiscal years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each, and an explanation of the reason for increases or decreases in the above figures:

1. Suppliers accounting for 10 percent or more of the company's total procurement (sales) amount in either of the 2 most recent fiscal years

Item	2021				2022				2023 up to the previous quarter			
	Name	Amount (in thousands)	As a [percentage to annual net purchase (%)	Relationship with the issuer	Name	Amount (in thousands)	As a [percentage to annual net purchase (%)	Relationship with the issuer	Name	Amount (in thousands)	As a percentage to net purchases for the year ended the previous	Relationship with the issuer
1	—	—	—	None	—	—	—	None	—	—	—	None
	Other	15,667,780	100.00		Other	14,882,160	100.00		Other	3,621,233	100.00	
	Net purchase	15,667,780	100.00		Net purchase	14,882,160	100.00		Net purchase	3,621,233	100.00	

Note 1: A list of any suppliers accounting for 10 percent or more of the company's total procurement amount in the 2 most recent fiscal years, the amounts bought from each, the percentage of total procurement accounted for by each, and an explanation of the reason for increases or decreases in the above figures. Where the company is prohibited by contract from revealing the name of a client, or where a trading counterpart is an individual person who is not a related party, it may use a code in place of the actual name.

Note 2: If, before the date of publication of the annual report, there is any financial data of companies whose shares are listed or traded on the Taipei Exchange for the most recent period audited and attested or reviewed by a CPA, it shall also be disclosed.

Reason for increases or decreases: The Company produces diversified product models. The purchase of spare parts increases or decreases according to the market demand, and maintains a good cooperative relationship with suppliers to ensure a stable and good quality source of supply. Therefore, there is no major change.

2. Sales customers accounting for 10 percent or more of the company's total procurement (sales) amount in either of the 2 most recent fiscal years

Item	2021			2022			2023 up to the previous quarter					
	Name	Amount (in thousands)	As a percentage to annual net sales (%)	Relationship with the issuer	Name	Amount (in thousands)	As a percentage to annual net sales (%)	Relationship with the issuer	Name	Amount (in thousands)	As a percentage to net sales for the year ended the previous quarter (%)	Relationship with the issuer
1	Company A	7,466,169	31.03	None	Company A	8,932,651	36.35	None	Company A	1,359,612	31.40	None
2	Company B	3,906,305	16.24	None	Company B	5,237,262	21.31	None	Company B	814,705	18.81	None
3	Company C	4,201,100	17.46	None	Company C	3,335,715	13.58	None	Company C	464,835	10.73	None
	Other	8,484,655	35.27		Other	7,066,158	28.76		Other	1,685,391	39.06	
	Net sales	24,058,229	100.00		Net sales	24,571,786	100.00		Net sales	4,324,543	100.00	

Note 1: A list of any customers accounting for 10 percent or more of the company's total sales amount in the 2 most recent fiscal years, the amounts sold to each, the percentage of total sales accounted for by each, and an explanation of the reason for increases or decreases in the above figures. Where the company is prohibited by contract from revealing the name of a client, or where a trading counterpart is an individual person who is not a related party, it may use a code in place of the actual name.

Note 2: If, before the date of publication of the annual report, there is any financial data of companies whose shares are listed or traded on the Taipei Exchange for the most recent period audited and attested or reviewed by a CPA, it shall also be disclosed.

Reason for increases or decreases: The Company's keyboards and notebook computer keyboards have not undergone major changes due to innovative products among customers and close coordination with the demand market.

(V) Consolidated production value for the most recent two fiscal years

Consolidated production value for the most recent two fiscal years

Unit: thousand pieces/NT\$ thousands

Major commodities of the year	2022			2021		
	Production capability	Production volume	Production value	Production capability	Production volume	Production value
Keyboard	90,000	71,456	18,556,745	90,000	76,615	20,470,652
Total	90,000	71,456	18,556,745	90,000	76,615	20,470,652

Note 1: Production capability refers to the quantity that can be produced by the Company under normal operation with the existing production equipment after measuring necessary

shutdowns, holidays and other factors.

Note 2: If the production of the product is substitutable, the production capacity can be calculated on a consolidated basis, with an explanation of the notes.

(VI) Consolidated sales value for the most recent two fiscal years

Consolidated sales value for the most recent two fiscal years Unit: thousand pieces/NT\$ thousands

Year Sales Volume/ Value Major commodities (or department)	2022				2021			
	Domestic sales		Export sales		Domestic sales		Export sales	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Keyboard	702	161,362	71,631	19,847,947	684	157,452	73,352	19,995,359
Total	702	161,362	71,631	19,847,947	684	157,452	73,352	19,995,359

Note: Export sales include triangle trade

III. Information of employees in the most recent two years and up to the date of printing of the annual report

Employee information for the most recent two fiscal years and up to the publication date of the annual report

May 15, 2023

Year		2021	2022	Current year up to May 15, 2023
Number of employees	Direct personnel	22	22	22
	Indirect personnel	265	261	266
	Other personnel	—	—	—
	Total	287	283	288
Average age		44.7	45.3	45.0
Average years of service		12 years and 1 month	12 years and 6 months	12 years and 3 months
Education distribution ratio	Doctoral degree	1%	1%	1%
	Master's Degree	17%	17%	18%
	Junior College	68%	67%	67%
	Senior high school	14%	15%	15%
	Below high school	—	—	—

IV. Disbursements for environmental protection:

Any losses suffered by the company in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made,

an explanation of the facts of why it cannot be made shall be provided:

- (I) Losses due to environmental pollution in the most recent year and up to the publication date of this annual report (including compensation and environmental audit results for violations of environmental laws and regulations, the date of punishment, the name of the punishment, the provisions of the violation, the details of the violation, and the details of the punishment): No loss or compensation for environmental pollution in the past two years.
- (II) Current and future countermeasures and possible expenditure: The implementation of the predetermined environmental protection plan is not likely to cause environmental pollution, so no pollution facility installation permit or pollution discharge permit is required, and there is no need to invest in pollution prevention equipment. In the next two years There is no planned capital expenditure for environmental protection.
- (III) The Company's RoHS compliance information is as follows:
 1. The Company's current RoHS progress and practices: Currently, the Company uses the ISO-14000 document management practice, supplemented by green design, green procurement, green manufacturing, and green marketing management, to control the process from upstream raw materials to customers. RoHS requirements for suppliers and products have been completed preliminarily.
 2. The Company's Quality Assurance Department is solely responsible for incorporating the funding into the annual R&D budget (R&D budget accounts for about 2% of total revenue).
 3. Internal training and supplier training have been completed. The customer's teaching for the required hours were accepted.
 4. Document management: The relevant documents are managed according to the ISO-14000 document management method, and the product environmental quality assurance system documents, individual management of customer green requirements, management and identification of new and old documents.
 5. In terms of product development technology, green design technology is applied to product development and design. Develop an environmental management system and supporting software tools to assist with green design. In terms of manufacturing technology, the Company adopts the lead-free process technology and introduces new equipment for product production. In terms of quality testing technology, the Company regularly calibrates instruments and performs screening analysis or confirmation quantitative analysis on samples, and submits test and analysis reports to confirm whether they meet the control standards. In terms of equipment maintenance technology, we arrange external training for equipment operators, and have the supplier visit the factory regularly or from time to time to review the usage status to ensure that the equipment operation and the quality of personnel meet the requirements.

V. Labor/management relations

(I) Important labor-management agreements and various employee rights protection measures currently in place

1. Employee welfare measures: Labor insurance and health insurance are provided to all employees. Moreover, an Employee Welfare Committee has been with gift vouchers given on employees' birthdays and special holidays. As well as this, we also offer gifts for weddings and sympathy money for funerals. An employee bonus system is in place, for year-end bonus and departmental gatherings every six months In line with government regulations. The Company provides female

employees with leave for maternity checks during pregnancy. The number of paternity leave is also relaxed for male employees.

2. Continuing education and training system: The Company organizes orientation training for new employees to help them understand how the Company operates more quickly. On-the-job training is organized from time to time for existing employees.
3. Retirement system: According to the Labor Standards Act and the Labor Pension Act, a certain percentage of the total salary is appropriated to the pension fund on a monthly basis, and the accounts are deposited with the Central Trust Bureau and the Bureau of Labor Insurance.
4. Other important agreements: The Company's labor and management have always maintained a harmonious relationship through rational communication, and an Employee Welfare Committee has been established to be responsible for the planning of employee welfare matters. Both employers and employees can take advantage of the Employee Welfare Committee to maintain good labor relations.

(II) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

VI. Important contracts: None.

Six. An Overview of the Company's Financial Status

I. Condensed balance sheet and income statement, the names of auditors and their audit opinions for the most recent five fiscal years

(1) Condensed balance sheet information

Parent Company Only Condensed Balance Sheet -- IFRS Adopted

Unit: NT\$ thousands

Item	Year	Financial Information for the Most Recent Five Fiscal Years					Financial information for the current year up to March 31, 2023
		2018	2019	2020	2021	2022	
Current assets		2,672,840	2,952,434	5,233,667	5,230,611	7,690,983	Not applicable
Property, plant and equipment (Note 2)		559,811	551,482	558,868	558,362	546,371	
Right-of-use assets		—	69	—	—	—	
Intangible assets		3,240	4,135	6,696	6,833	7,072	
Other assets (Note 2)		7,720,365	6,583,638	7,042,588	7,262,142	7,675,888	
Total assets		10,956,256	10,091,758	12,841,819	13,057,948	15,920,314	
Current liabilities	Before distribution	4,090,666	3,728,994	5,140,866	4,612,418	6,490,479	
	After distribution	4,090,666	3,728,994	5,140,866	4,612,418	6,490,479	
Non-current liabilities		132,920	124,196	248,010	365,877	442,364	
Total liabilities	Before distribution	4,223,586	3,853,190	5,388,876	4,978,295	6,932,843	
	After distribution	4,223,586	3,853,190	5,388,876	4,978,295	6,932,843	
Share capital		1,962,980	1,962,980	1,962,980	1,952,510	1,952,510	
Additional paid-in capital		3,158	4,566	56,221	79,617	86,367	
Retained earnings	Before distribution	5,440,144	5,253,857	6,276,036	6,914,225	7,778,549	
	After distribution	5,440,144	5,253,857	6,276,036	6,914,225	7,778,549	
Other equity		-574,101	-913,232	-785,092	-835,828	-799,084	
Treasury stock		-99,511	-69,603	-57,202	-30,871	-30,871	
Equity attributable to owners of the parent company		6,732,670	6,238,568	7,452,943	8,079,653	8,987,471	
Non-controlling equity		—	—	—	—	—	
Total shareholders' equity	Before distribution	6,732,670	6,238,568	7,452,943	8,079,653	8,987,471	
	After distribution	6,732,670	6,238,568	7,452,943	8,079,653	8,987,471	

Note 1: The above financial information has been audited by CPAs.

Note 2: For assets revaluation in the current year, the revaluation date and the amount of revaluation appreciation shall be listed.

Note 3: If, before the date of publication of the annual report, there is any financial data of companies whose shares are listed or

traded on the Taipei Exchange for the most recent period audited and attested or reviewed by a CPA, it shall also be disclosed.

Note 4: The figures after distribution shall be filled in according to the resolution of the Board of Directors or the Shareholders' Meeting of the following year.

Note 5: When instructed by the competent authority to correct or restate financial information on its own initiative, the financial information shall be presented as adjusted or restated figures, and the circumstances and reasons thereof shall be indicated.

Consolidated Condensed Balance Sheet -- IFRS Adopted

Unit: NT\$ thousands

Item	Year	Financial Information for the Most Recent Five Fiscal Years					Financial information for the current year up to March 31, 2023
		2018	2019	2020	2021	2022	
Current assets		9,169,271	9,496,863	14,856,180	14,358,279	16,203,059	13,987,028
Financial assets measured at fair values through other comprehensive income - Non-current		—	—	4,088	70	—	—
Investment accounted for equity method		—	23,579	—	—	—	—
Financial assets measured at amortized cost - non-current		—	—	—	784,388	132,207	766,960
Property, plant and equipment (Note 2)		3,320,214	4,882,457	6,409,874	6,172,853	5,129,386	4,833,022
Right-of-use assets		—	160,839	188,446	283,878	239,157	226,723
Intangible assets		60,668	51,787	46,871	39,314	33,830	31,750
Other assets (Note 2)		324,415	856,201	682,118	271,243	118,893	107,485
Total assets		12,874,568	15,471,726	22,187,577	21,910,025	21,856,532	19,952,968
Current liabilities	Before distribution	5,244,041	6,870,712	11,742,857	11,202,386	10,469,092	8,651,657
	After distribution	5,244,041	6,870,712	11,742,857	11,202,386	10,469,092	8,651,657
Non-current liabilities		192,326	1,467,123	1,997,958	1,633,870	1,265,040	1,103,079
Total liabilities	Before distribution	5,436,367	8,337,835	13,740,815	12,836,256	11,734,132	9,754,736
	After distribution	5,436,367	8,337,835	13,740,815	12,836,256	11,734,132	9,754,736
Share capital		1,962,980	1,962,980	1,962,980	1,952,510	1,952,510	1,952,510
Additional paid-in capital		3,158	4,566	56,221	79,617	86,367	86,367
Retained earnings	Before distribution	5,440,144	5,253,857	6,276,036	6,914,225	7,778,549	7,808,199
	After distribution	5,440,144	5,253,857	6,276,036	6,914,225	7,778,549	7,808,199

Other equity	-574,101	-913,232	-785,092	-835,828	-799,084	-743,253	
Treasury stock	-99,511	-69,603	-57,202	-30,871	-30,871	-30,871	
Equity attributable to owners of the parent company	6,732,670	6,238,568	7,452,943	8,079,653	8,987,471	9,072,952	
Non-controlling equity	705,531	895,323	993,819	994,116	1,134,929	1,125,280	
Total shareholders' equity	Before distribution	7,438,201	7,133,891	8,446,762	9,073,769	10,122,400	10,198,232
	After distribution	7,438,201	7,133,891	8,446,762	9,073,769	10,122,400	10,198,232

Note 1: The above financial information has been audited by CPAs.

Note 2: For assets revaluation in the current year, the revaluation date and the amount of revaluation appreciation shall be listed.

Note 3: If, before the date of publication of the annual report, there is any financial data of companies whose shares are listed or traded on the Taipei Exchange for the most recent period audited and attested or reviewed by a CPA, it shall also be disclosed.

Note 3: The figures after distribution shall be filled in according to the resolution of the Board of Directors or the Shareholders' Meeting.

Note 4: When instructed by the competent authority to correct or restate financial information on its own initiative, the financial information shall be presented as adjusted or restated figures, and the circumstances and reasons thereof shall be indicated.

(2) Condensed Comprehensive Income Statement

Parent Company Only Comprehensive Income Statement

Unit: NT\$ thousands

Item \ Year	Financial Information for the most recent five fiscal years					Financial information for the current year up to March 31, 2023
	2018	2019	2020	2021	2022	
Operating revenue	4,782,150	5,447,897	6,846,437	8,149,010	9,935,400	Not applicable
Gross operating profit	798,166	1,007,344	1,382,909	1,012,641	1,090,381	
Operating income	540,760	777,634	1,114,192	742,710	812,066	
Non-operating income and expenses	-277,214	-588,583	365,944	487,096	912,252	
Pre-tax profit and loss	263,546	189,051	1,480,136	1,229,806	1,724,318	
Profit/loss from continuing operations	130,354	7,744	1,224,779	1,024,903	1,443,111	
Income from discontinued operations	0	0	0	0	0	
Current profit and loss	130,354	7,744	1,224,779	1,024,903	1,443,111	
Other comprehensive income, net after tax	-130,698	-336,864	126,820	-46,948	43,710	
Total comprehensive income	-344	-329,120	1,351,599	977,955	1,486,821	
Earnings per share (NTD)	0.62	0.04	6.39	5.31	7.48	

Note 1: The above financial information has been audited by CPAs.

Note 2: If, before the date of publication of the annual report, there is any financial data of companies whose shares are listed or traded on the Taipei Exchange for the most recent period audited and attested or reviewed by a CPA, it shall also be disclosed.

Note 3: Losses from discontinued operations were net of income tax.

Note 4: When instructed by the competent authority to correct or restate financial information on its own initiative, the financial information shall be presented as adjusted or restated figures, and the circumstances and reasons thereof shall be indicated.

Consolidated Condensed Comprehensive Income Statement

Unit: NT\$ thousands

Item \ Year	Financial Information for the most recent five fiscal years					Financial information for the current year up to March 31, 2023
	2018	2019	2020	2021	2022	
Operating revenue	10,437,089	12,866,741	21,179,505	24,058,229	24,571,786	4,324,543
Gross operating profit	1,234,088	1,306,218	3,338,528	2,898,224	3,339,710	555,716
Operating income	141,662	216,884	2,007,428	1,547,772	1,611,369	168,247
Non-operating income and expenses	196,525	303,519	-320,389	-127,082	509,099	-106,648
Net income before tax	338,187	520,403	1,687,039	1,420,690	2,120,468	61,599
Profit/loss from continuing operations	125,969	231,653	1,293,318	1,039,013	1,563,714	13,963
Income from discontinued operations	0	0	0	0	0	0
Current net profit (loss)	125,969	231,653	1,293,318	1,039,013	1,563,714	13,963
Other comprehensive income (net amount after tax) for the period	-130,505	-370,981	143,188	-60,698	63,920	61,869
Total comprehensive income for the period	-4,536	-139,328	1,436,506	978,315	1,627,634	75,832
Net income attributable to the owners of the parent company	130,354	7,744	1,224,779	1,024,903	1,443,111	29,650
Net income attributable to non-controlling equity	-4,385	223,909	68,539	14,110	120,603	-15,687
Total comprehensive income attributable to the owners of the parent company	-344	-329,120	1,351,599	977,955	1,486,821	85,481

Total comprehensive income attributable to non-controlling equity	-4,192	189,792	84,907	360	140,813	-9,649
Earnings per share (NTD)	0.62	0.04	6.39	5.31	7.48	0.15

Note 1: The above financial information has been audited by CPAs.

Note 2: If, before the date of publication of the annual report, there is any financial data of companies whose shares are listed or traded on the Taipei Exchange for the most recent period audited and attested or reviewed by a CPA, it shall also be disclosed.

Note 3: Losses from discontinued operations were net of income tax.

Note 4: When instructed by the competent authority to correct or restate financial information on its own initiative, the financial information shall be presented as adjusted or restated figures, and the circumstances and reasons thereof shall be indicated.

(3) CPA's audit opinion

Names of CPAs and their audit opinions for the most recent five fiscal years:

Year of certification	Name of Accounting Firm	Name of CPAs	Audit opinion
2018	PwC Taiwan	Hsu Chien-Yeh, Wang Yu-Chuan	Unqualified opinion
2019	PwC Taiwan	Wang Yu-Chuan, Hsu Chien-Yeh	Unqualified opinion
2020	PwC Taiwan	Hsu Chien-Yeh, Hung Shu-Hua	Unqualified opinion
2021	PwC Taiwan	Wu Sung-Yuan, Hsu Chien-Yeh	Unqualified opinion
2022	PwC Taiwan	Wu Sung-Yuan, Hsu Chien-Yeh	Unqualified opinion

Note: The replacement of the CPAs in the most recent five fiscal years was due to internal administrative adjustment of the CPA firm, resulting in the change in CPAs

II. Financial Analysis for the Most Recent Five Fiscal Years

(1) Financial analysis (consolidated statements)

Analysis items		Year	Financial Analysis for the Most Recent Five Fiscal Years					Financial analysis for the current year up to March 31, 2023
		2018	2019	2020	2021	2022		
Financial structure (%)	Debt to assets ratio	42.23	53.89	61.93	58.59	53.69	48.89	
	Ratio of long-term funds to property, plant, and equipment	224.03	171.60	159.16	168.58	222.00	233.84	
Solvency capacity%	Current ratio	174.85	138.22	126.51	128.17	154.77	161.67	
	Quick ratio	139.32	97.09	93.29	91.29	122.74	124.45	
	Times interest earned	16.84	20.38	27.13	18.89	16.70	2.19	
Operating ability	Receivables turnover ratio (times)	2.66	3.00	3.40	3.02	3.12	2.64	
	Average collection days	137.00	122.00	107.00	121.00	117.00	138.25	
	Inventory turnover (times)	5.25	5.10	5.70	5.41	5.49	4.32	
	Payables turnover ratio (times)	4.11	4.33	4.50	4.58	5.46	4.88	
	Average sales days of sales	70.00	72.00	64.00	67.00	66.00	84.50	
	Fixed assets turnover (times)	3.12	3.14	3.75	3.82	4.35	3.47	
	Total assets turnover ratio (times)	0.80	0.91	1.12	1.09	1.12	0.84	
Profitability	Return on assets (%)	1.10	1.79	7.14	5.00	7.64	1.08	
	Return on shareholders' equity (%)	1.66	3.18	16.60	11.86	16.29	0.56	
	Pre-tax profit as a percentage of paid-in capital (%)	17.23	26.51	85.94	72.76	108.60	12.60	
	Net profit margin (%)	1.21	1.80	6.11	4.32	6.36	0.32	
	Earnings per share (NT\$)	0.62	0.04	6.39	5.31	7.48	0.15	
Cash flow	Cash flow ratio (%)	5.81	5.37	7.60	9.31	38.76	—	
	Cash flow adequacy ratio (%)	215.07	126.53	63.17	34.59	53.98	—	
	Cash reinvestment ratio (%)	1.75	1.28	3.11	4.08	18.73	—	
Degree of leverage	Operating leverage	5.99	4.70	1.51	1.91	2.00	—	
	Financial leverage	1.18	1.14	1.03	1.05	1.09	—	

Note 1: Years not audited by CPAs shall be specified.

Note 2: If, before the date of publication of the annual report, there is any financial data of companies whose shares are listed or traded on the Taipei Exchange for the most recent period audited and attested or reviewed by a CPA, it shall also be analyzed.

Note 3: The following formulas shall be listed at the end of the table for annual reports:

1. Financial structure

(1) Ratio of liabilities to assets = Total liabilities / total assets.

(2) Ratio of long-term funds to property, plant, and equipment = (Total equity + non-current liabilities) / net property, plant and equipment.

2. Solvency

(1) Current ratio = Current assets / current liabilities.

(2) Quick ratio = (Current assets - inventory - prepayment) / current liabilities.

(3) Times interest earned = Net profit before income tax and interest expenses / interest expenses for the period.

3. Operating capabilities

(1) Receivables (including accounts receivable and notes receivable from operation) turnover ratio = Net sales / average of accounts receivable (including accounts receivable and notes receivable from operation) balance.

(2) Average collection days = 365 / accounts receivable turnover ratio.

(3) Inventory turnover = cost of goods sold/average inventory.

(4) Payables (including accounts payable and notes payable from operation) turnover ratio = Cost of sales / average of accounts payable (including accounts payable and notes payable from operation) balance.

(5) Average sales days = 365 / inventory turnover.

(6) Property, plant and equipment turnover ratio = Net sales / average net property, plant and equipment.

(7) Total assets turnover ratio = Net sales / average total assets.

4. Profitability

(1) Return on assets = [Profit and loss after tax + interest expense × (1 - tax rate)] / average total assets.

(2) Return on equity = Profit and loss after tax / average total equity.

(3) Net profit margin = Profit and loss after tax / net sales.

(4) EPS = Profit and loss attributable to owners of parent company - dividends from preferred shares) / weighted average number of outstanding shares. (Note 4)

5. Cash flow

(1) Cash flow ratio = Net cash flow from operating activities / current liabilities.

(2) Net cash flow adequacy ratio = Net cash flow from operating activities in the most recent five years / (capital expenditure + increase in inventory + cash dividends) in the most recent five years.

(3) Cash reinvestment ratio = (Net cash flow from operating activities - cash dividends) / (gross of property, plant and equipment + long-term investment + other non-current assets + operating funds). (Note 5)

6. Leverage:

(1) Operating leverage = (Net operating revenue - variable operating costs and expenses of operations) / operating profit (Note 6).

(2) Financial leverage = Operating profit / (operating profit - interest expenses).

Note 4: The above calculation formula for earnings per shares should pay special attention to the following when measuring:

1. Based on the weighted average number of ordinary shares, rather than the number of shares issued at the end of the year.
2. Where there is a capital increase by cash or treasury stock trading, the weighted average number of shares shall be calculated during the period of circulation.
3. Where there is a surplus to capital increase or capital surplus to capital increase, the calculation of the earnings per share for the previous year and half year should be adjusted by the proportion of capital increase, rather than the period the capital increase is issued.
4. If the preferred shares are non-convertible accumulative shares, its annual dividend (whether or not it is issued) shall be deductible from the net profit after tax or increased to net loss after tax. If the preferred shares are non-cumulative, in the case of having a net profit after tax, the preferred dividend should be deducted from the net profit after tax; in the case of net loss after tax, no adjustments are required.

Note 5: Special attention should be paid to the following when analyzing cash flows:

1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditure refers to the annual cash outflow of capital flows.
3. The increase in inventories shall only be calculated when the balance at the end of the period is greater than the balance at the beginning of the period. If the inventory is reduced at the end of the year, then the inventory amount should be calculated at zero.
4. Cash dividends include cash dividends for common stock and special shares.
5. Gross property, plant and equipment represents the total amount of property, plant and equipment before accumulated depreciation.

Note 6: The issuer shall distinguish between the operating costs and operating expenses being fixed or variable. When involved in the estimation or subjective judgments, one should pay attention to its rationality and consistency.

Note 7: If the Company's shares are on par or not in the denomination of NT\$10, the calculation of the ratio of the paid-in capital shall be calculated based on the equity ratio of the balance sheet attributable to the owners of the parent company

(2) Financial analysis (parent company only statements)

Analysis items		Financial Analysis for the Most Recent Five Fiscal Years					Financial analysis for the current year up to March 31, 2023
		2018	2019	2020	2021	2022	
Financial structure (%)	Debt to assets ratio	38.55	38.18	41.96	38.12	43.55	Not applicable
	Ratio of long-term funds to property, plant, and equipment	1202.67	1131.24	1353.06	1491.20	1725.90	
Solvency capacity%	Current ratio	65.34	79.18	101.81	113.40	118.50	
	Quick ratio	59.11	70.70	93.52	104.63	109.71	
	Times interest earned	16.04	12.37	86.43	67.10	70.21	
Operating ability	Receivables turnover ratio (times)	3.03	3.20	3.47	3.16	2.75	
	Average collection days	120.00	114.00	105.00	116.00	133.00	
	Inventory turnover (times)	17.11	14.87	13.90	16.06	17.04	
	Payables turnover ratio (times)	2.36	2.44	2.42	2.69	2.53	
	Average sales days of sales	21.00	25.00	26.00	23.00	21.00	
	Fixed assets turnover (times)	8.49	9.81	12.33	14.59	17.99	
	Total assets turnover ratio (times)	0.43	0.52	0.60	0.63	0.69	
Profitability	Return on assets (%)	1.31	0.19	10.79	8.02	10.10	
	Return on shareholders' equity (%)	1.89	0.12	17.89	13.20	16.91	
	Pre-tax profit as a percentage of paid-in capital (%)	13.43	9.63	75.40	62.99	88.31	
	Net profit margin (%)	2.73	0.14	17.89	12.58	14.52	
	Earnings per share (NT\$)	0.62	0.04	6.39	5.31	7.48	
Cash flow	Cash flow ratio (%)	7.75	19.50	27.20	-1.58	17.23	
	Cash flow adequacy ratio (%)	278.88	299.00	330.08	181.42	134.21	
	Cash reinvestment ratio (%)	3.28	8.27	15.50	-5.45	5.62	
Degree of leverage	Operating leverage	1.02	1.01	1.01	1.01	1.01	
	Financial leverage	1.03	1.02	1.02	1.03	1.03	

Note 1: Years not audited by CPAs shall be specified.

Note 2: If, before the date of publication of the annual report, there is any financial data of companies whose shares are listed or traded on the Taipei Exchange for the most recent period audited and attested or reviewed by a CPA, it shall also be analyzed.

Note 3: The following formulas shall be listed at the end of the table for annual reports:

1. Financial structure

(1) Ratio of liabilities to assets = Total liabilities / total assets.

(2) Ratio of long-term funds to property, plant, and equipment = (Total equity + non-current liabilities) / net property, plant and equipment.

2. Solvency

(1) Current ratio = Current assets / current liabilities.

(2) Quick ratio = (Current assets - inventory - prepayment) / current liabilities.

(3) Times interest earned = Net profit before income tax and interest expenses / interest expenses for the period.

3. Operating capabilities

(1) Receivables (including accounts receivable and notes receivable from operation) turnover ratio = Net sales / average of accounts receivable (including accounts receivable and notes receivable from operation) balance.

(2) Average collection days = 365 / accounts receivable turnover ratio.

(3) Inventory turnover = cost of goods sold/average inventory.

(4) Payables (including accounts payable and notes payable from operation) turnover ratio = Cost of sales / average of accounts payable (including accounts payable and notes payable from operation) balance.

(5) Average sales days = 365 / inventory turnover.

(6) Property, plant and equipment turnover ratio = Net sales / average net property, plant and equipment.

(7) Total assets turnover ratio = Net sales / average total assets.

4. Profitability

- (1) Return on assets = $[\text{Profit and loss after tax} + \text{interest expense} \times (1 - \text{tax rate})] / \text{average total assets}$.
- (2) Return on equity = $\text{Profit and loss after tax} / \text{average total equity}$.
- (3) Net profit margin = $\text{Profit and loss after tax} / \text{net sales}$.
- (4) EPS = $\text{Profit and loss attributable to owners of parent company} - \text{dividends from preferred shares} / \text{weighted average number of outstanding shares}$. (Note 4)

5. Cash flow

- (1) Cash flow ratio = $\text{Net cash flow from operating activities} / \text{current liabilities}$.
- (2) Net cash flow adequacy ratio = $\text{Net cash flow from operating activities in the most recent five years} / (\text{capital expenditure} + \text{increase in inventory} + \text{cash dividends}) \text{ in the most recent five years}$.
- (3) Cash reinvestment ratio = $(\text{Net cash flow from operating activities} - \text{cash dividends}) / (\text{gross of property, plant and equipment} + \text{long-term investment} + \text{other non-current assets} + \text{operating funds})$. (Note 5)

6. Leverage:

- (1) Operating leverage = $(\text{Net operating revenue} - \text{variable operating costs and expenses of operations}) / \text{operating profit}$ (Note 6).
- (2) Financial leverage = $\text{Operating profit} / (\text{operating profit} - \text{interest expenses})$.

Note 4: The above calculation formula for earnings per shares should pay special attention to the following when measuring:

1. Based on the weighted average number of ordinary shares, rather than the number of shares issued at the end of the year.
2. Where there is a capital increase by cash or treasury stock trading, the weighted average number of shares shall be calculated during the period of circulation.
3. Where there is a surplus to capital increase or capital surplus to capital increase, the calculation of the earnings per share for the previous year and half year should be adjusted by the proportion of capital increase, rather than the period the capital increase is issued.
4. If the preferred shares are non-convertible accumulative shares, its annual dividend (whether or not it is issued) shall be deductible from the net profit after tax or increased to net loss after tax. If the preferred shares are non-cumulative, in the case of having a net profit after tax, the preferred dividend should be deducted from the net profit after tax; in the case of net loss after tax, no adjustments are required.

Note 5: Special attention should be paid to the following when analyzing cash flows:

1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditure refers to the annual cash outflow of capital flows.
3. The increase in inventories shall only be calculated when the balance at the end of the period is greater than the balance at the beginning of the period. If the inventory is reduced at the end of the year, then the inventory amount should be calculated at zero.
4. Cash dividends include cash dividends for common stock and special shares.
5. Gross property, plant and equipment represents the total amount of property, plant and equipment before accumulated depreciation.

Note 6: The issuer shall distinguish between the operating costs and operating expenses being fixed or variable. When involved in the estimation or subjective judgments, one should pay attention to its rationality and consistency.

Note 7: If the Company's shares are on par or not in the denomination of NT\$10, the calculation of the ratio of the paid-in capital shall be calculated based on the equity ratio of the balance sheet attributable to the owners of the parent company

III. Audit Committee's review report on the financial report for the most recent fiscal year:

Sunrex Technology Corporation
Audit Committee's Review Report

The 2022 Financial Statements, Business Report, and Earnings Distribution Proposal are prepared by the Board of Directors and the 2022 Financial Statements, in particular, have been audited by PwC Taiwan, with the Audit Report issued. The above-mentioned 2022 Financial Statements, Business Report, and Earnings Distribution Statement have been reviewed by the Audit Committee and no inconsistency has been found, Therefore, the Report was issued as required by Article 219 of the Company Act; your review and approval are cordially requested.

To
Sunrex Technology Corporation - 2023 General Shareholders' Meeting

Sunrex Technology Corporation

Convener of Audit Committee: Kuo Yuan-Ching

March 17, 2023

SUNREX TECHNOLOGY CORP.
DECLARATION OF CONSOLIDATED FINANCIAL STATEMENTS OF AFFILIATED
ENTERPRISES

For the year ended December 31, 2022, pursuant to “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises,” the Company that is required to be included in the consolidated financial statements of affiliates, is the same as the Company required to be included in the consolidated financial statements of parent and subsidiary companies under International Financial Reporting Standard No. 10. Also, if relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare separate consolidated financial statements of affiliates.

Hereby declare,

SUNREX TECHNOLOGY CORP.

Representative: Tsai, Huo-Lu

March 17, 2023

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR22004487

To the Board of Directors and Shareholders of Sunrex Technology Corp.

Opinion

We have audited the accompanying consolidated balance sheets of Sunrex Technology Corp. and subsidiaries (the “Group”) as at December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, 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 at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountants in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the report of other auditors are 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 significant in our audit of the consolidated financial statements of the current period. These matters were addressed in the

context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's financial statements of the current period are stated as follows:

The appropriateness of the timing of revenue recognition from distribution warehouse sales

Description

Refer to Note 4(26) for accounting policies on revenue recognition.

The Group mainly manufactures and sells laptop computer keyboards and related products, has marketing channels all over the world and has two primary types of sales, specifically, sales of goods directly shipped from factories and sales of goods from distribution warehouses. For sales of goods directly shipped from factories, sales to customers involve different types of transaction terms and revenue is recognised after confirming the control of the goods is transferred based on terms of each customer contract and performance obligations. Especially, whether the control of the sales revenue of goods shipped before the balance sheet date is transferred to the buyer in accordance with the terms stipulated in the contract will affect to which financial reporting period sales revenue is attributed.

For sales of goods from distribution warehouses, revenue is recognised when goods are picked up at the distribution warehouses by customers (the transfer of controls) based on movements of inventories in the distribution warehouses shown in the statements or other information provided by the warehouse custodians. The distribution warehouses are located in many areas with numerous warehouse custodians, and the frequency of information and contents of statements provided by each custodian are different. Consequently, the process of revenue recognition usually contains many manual procedures, which would potentially result in improper timing of revenue recognition or discrepancies between the physical inventory quantities in the distribution warehouses and inventory quantities recorded in the accounting records. Given that the Group has a large number of daily sales transactions from the distribution warehouses, the transaction amounts before and after the balance sheet date are significant to the financial statements and this transaction modes also exist in the subsidiaries held by the Group and recorded as investments accounted for using the equity method, we consider the appropriateness of the timing of revenue recognition from distribution warehouse sales of the Group a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding of the Group's sales transaction methods and the control procedures over the timing of revenue recognition for performance obligations as well as assessed and tested the effectiveness of the controls.
2. Performed cut-off tests for transactions from distribution warehouse sales during a certain period before and after balance sheet date, including checking supporting documents signed by the warehouse custodians and customers to assess the appropriateness of revenue cut-off and whether the records of movements in inventory and cost of goods sold have been accounted for in the appropriate period.
3. Sent confirmation letters or observed physical inventory count for the inventories of the distribution warehouses and checked the records of inventories. In addition, inspected the reason for the difference between the confirmation replies and accounting records and tested the reconciling items made by the Group.

Assessment of allowance for inventory valuation losses

Description

Refer to Note 4(13), Note 5(2) and Note 6(4) for accounting policies on inventory, critical accounting estimates and assumptions of inventory evaluation and details of allowance for inventory valuation losses, respectively. The Group's inventories and allowance for inventory valuation losses amounted to NT\$3,597,191 thousand and NT\$503,005 thousand as at December 31, 2022, respectively.

The Group mainly manufactures and sells laptop computer keyboards and related products. Due to the rapid technology innovation and the short life cycle, there is a higher risk of incurring inventory valuation losses or obsolescence. The assessment of net realisable value for inventories without market selling value on balance sheet date and the adjustment of obsolete inventories aged over a certain period of time involve management's subjective judgment and contain estimation uncertainty. Given that the aforementioned circumstances also exist in the subsidiaries held by the Group and recorded as investments accounted for using the equity method, we consider the assessment of allowance for inventory valuation losses of the Group a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding of the operation of the Group and the consistency of related accounting policies, obtained an understanding of and assessed the internal control procedures of allowance for inventory valuation losses and tested the effectiveness of the controls.
2. Obtained an understanding of the Group warehousing control procedures, reviewed the annual physical inventory stocktaking plan as well as participated and observed the annual physical inventory stocktaking to assess obsolete and damaged inventories.
3. Verified the appropriateness of the inventory aging reports that the Group used in valuation to ascertain the information on the reports is consistent with its policies.
4. Tested the carrying amount of the inventories at the end of the year, sampled and obtained the latest purchases and sales invoices to verify its inventories are stated at the lower of cost and net realisable value as well as recalculated and assessed the reasonableness of changes in allowance for inventory valuation losses.

Other matter – Parent company only financial statements

We have audited and expressed an unqualified opinion with other matter paragraph on the parent company only financial statements of the Group as at and for the years ended December 31, 2022 and 2021.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group 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's or to cease operations, or has no realistic alternative but to do so.

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

Auditors' responsibilities for the audit of the parent company only 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or

conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period 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.

Wu, Sung-Yuan

Hsu, Chien-Yeh

For and on behalf of PricewaterhouseCoopers, Taiwan

March 17, 2023

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

SUNREX TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2022		December 31, 2021		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 4,262,302	20	\$ 2,132,091	10
1136	Current financial assets at amortised cost, net	6(2)	795,928	4	-	-
1170	Accounts receivable, net	6(3) and 7(2)	7,711,549	35	8,050,657	37
1200	Other receivables	7(2)	80,198	-	44,393	-
130X	Inventories	6(4)	3,094,186	14	3,762,439	17
1410	Prepayments		258,896	1	368,699	2
11XX	Current Assets		<u>16,203,059</u>	<u>74</u>	<u>14,358,279</u>	<u>66</u>
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(5)	-	-	70	-
1535	Non-current financial assets at amortised cost	6(2)	132,207	1	784,388	4
1600	Property, plant and equipment	6(6)	5,129,386	24	6,172,853	28
1755	Right-of-use assets	6(7)	239,157	1	283,878	1
1780	Intangible assets		33,830	-	39,314	-
1840	Deferred income tax assets	6(23)	44,198	-	37,392	-
1900	Other non-current assets	6(8)	74,695	-	233,851	1
15XX	Non-current assets		<u>5,653,473</u>	<u>26</u>	<u>7,551,746</u>	<u>34</u>
1XXX	Total assets		<u>\$ 21,856,532</u>	<u>100</u>	<u>\$ 21,910,025</u>	<u>100</u>

(Continued)

SUNREX TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(9)	\$ 4,282,119	20	\$ 4,057,315	19
2130	Current contract liabilities	6(16)	79,472	-	30,237	-
2150	Notes payable		28	-	41	-
2170	Accounts payable	7(2)	3,421,783	16	4,357,185	20
2200	Other payables	6(10) and 7(2)	1,780,374	8	2,073,210	10
2230	Current income tax liabilities	6(23)	195,158	1	95,307	-
2280	Current lease liabilities	6(7)	50,490	-	47,408	-
2320	Long-term liabilities, current portion	6(11)	646,414	3	530,069	2
2399	Other current liabilities, others		13,254	-	11,614	-
21XX	Current Liabilities		<u>10,469,092</u>	<u>48</u>	<u>11,202,386</u>	<u>51</u>
Non-current liabilities						
2540	Long-term borrowings	6(11)	888,902	4	1,332,498	6
2570	Deferred income tax liabilities	6(23)	95,725	1	65,024	-
2580	Non-current lease liabilities	6(7)	94,088	-	132,356	1
2600	Other non-current liabilities	6(12)	186,325	1	103,992	1
25XX	Non-current liabilities		<u>1,265,040</u>	<u>6</u>	<u>1,633,870</u>	<u>8</u>
2XXX	Total Liabilities		<u>11,734,132</u>	<u>54</u>	<u>12,836,256</u>	<u>59</u>
Equity attributable to owners of parent						
Share capital						
3110	Share capital - common stock	6(13)	1,952,510	9	1,952,510	9
Capital surplus						
3200	Capital surplus	6(14)	86,367	1	79,617	-
Retained earnings						
3310	Legal reserve	6(15)	1,332,686	6	1,229,816	6
3320	Special reserve		913,232	4	913,232	4
3350	Unappropriated retained earnings		5,532,631	25	4,771,177	22
Other equity interest						
3400	Other equity interest		(799,084)	(4)	(835,828)	(4)
3500	Treasury shares	6(13)	(30,871)	-	(30,871)	-
31XX	Equity attributable to owners of the parent		<u>8,987,471</u>	<u>41</u>	<u>8,079,653</u>	<u>37</u>
36XX	Non-controlling interest		<u>1,134,929</u>	<u>5</u>	<u>994,116</u>	<u>4</u>
3XXX	Total equity		<u>10,122,400</u>	<u>46</u>	<u>9,073,769</u>	<u>41</u>
Significant contingent liabilities and unrecognised contract commitments						
Significant events after the balance sheet date						
3X2X	Total liabilities and equity		<u>\$ 21,856,532</u>	<u>100</u>	<u>\$ 21,910,025</u>	<u>100</u>

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

SUNREX TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

	Items	Notes	Year ended December 31			
			2022		2021	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(16) and 7(2)	\$ 24,571,786	100	\$ 24,058,229	100
5000	Operating costs	6(4)(21)(22) and 7(2)	(21,232,076)	(86)	(21,160,005)	(88)
5900	Net operating margin		<u>3,339,710</u>	<u>14</u>	<u>2,898,224</u>	<u>12</u>
	Operating expenses	6(21)(22)				
6100	Selling expenses		(289,598)	(1)	(303,094)	(1)
6200	Administrative expenses		(643,069)	(3)	(696,584)	(3)
6300	Research and development expenses		(790,946)	(3)	(350,774)	(2)
6450	Impairment loss determined in accordance with IFRS 9	12(2)	(4,728)	-	-	-
6000	Total operating expenses		(<u>1,728,341</u>)	(<u>7</u>)	(<u>1,350,452</u>)	(<u>6</u>)
6900	Operating profit		<u>1,611,369</u>	<u>7</u>	<u>1,547,772</u>	<u>6</u>
	Non-operating income and expenses					
7100	Interest income	6(17)	40,149	-	22,494	-
7010	Other income	6(18)	267,573	1	108,474	1
7020	Other gains and losses	6(19)	336,452	1	(178,617)	(1)
7050	Finance costs	6(20)	(135,075)	-	(79,433)	-
7000	Total non-operating income and expenses		<u>509,099</u>	<u>2</u>	(<u>127,082</u>)	<u>-</u>
7900	Profit before income tax		<u>2,120,468</u>	<u>9</u>	<u>1,420,690</u>	<u>6</u>
7950	Income tax expense	6(23)	(556,754)	(2)	(381,677)	(2)
8200	Profit for the year		<u>\$ 1,563,714</u>	<u>7</u>	<u>\$ 1,039,013</u>	<u>4</u>

(Continued)

SUNREX TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

Items	Notes	Year ended December 31			
		2022		2021	
		AMOUNT	%	AMOUNT	%
Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Other comprehensive income, before tax, actuarial gains on defined benefit plans	6(12)			
		\$	8,707	-	\$ 4,736
8316	Total expenses, by nature	6(5)	(70)	-	(4,018)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(23)			
		(1,741)	-	(948)
Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		57,024	-	(60,468)
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss		57,024	-	(60,468)
8300	Total other comprehensive income (loss) for the year		\$ 63,920	-	(\$ 60,698)
8500	Total comprehensive income for the year		\$ 1,627,634	7	\$ 978,315
Profit attributable to:					
8610	Owners of the parent		\$ 1,443,111	7	\$ 1,024,903
8620	Non-controlling interest		120,603	-	14,110
			\$ 1,563,714	7	\$ 1,039,013
Comprehensive income attributable to:					
8710	Owners of the parent		\$ 1,486,821	6	\$ 977,955
8720	Non-controlling interest		140,813	1	360
			\$ 1,627,634	7	\$ 978,315
Basic earnings per share 6(24)					
9750	Total basic earnings per share		\$ 7.48		\$ 5.31
9850	Total diluted earnings per share		\$ 7.44		\$ 5.29

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

SUNREX TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent												
Notes	Retained Earnings					Other equity interest						
	Share capital - common stock	Capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury shares	Total	Non-controlling interest	Total equity	
2021												
	Balance at January 1, 2021	\$ 1,962,980	\$ 56,221	\$ 1,107,470	\$ 913,232	\$ 4,255,334	(\$ 782,884)	(\$ 2,208)	(\$ 57,202)	\$ 7,452,943	\$ 993,819	\$ 8,446,762
	Profit for the year	-	-	-	-	1,024,903	-	-	-	1,024,903	14,110	1,039,013
	Other comprehensive income (loss)	-	-	-	-	3,788	(46,718)	(4,018)	-	(46,948)	(13,750)	(60,698)
	Total comprehensive income (loss)	-	-	-	-	1,028,691	(46,718)	(4,018)	-	977,955	360	978,315
	Appropriation and distribution of 2020 earnings											
	Legal reserve	-	-	122,346	-	(122,346)	-	-	-	-	-	-
	Cash dividends	-	-	-	-	(390,502)	-	-	(390,502)	-	-	(390,502)
	Treasury shares											
	Retirement of treasury shares	(10,470)	(8,622)	-	-	-	-	-	19,092	-	-	-
	Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	4,500	-	-	-	-	-	-	4,500	-	4,500
	Disposal of company's share by subsidiaries recognized as treasury share transactions	-	27,518	-	-	-	-	-	7,239	34,757	-	34,757
	Acquisition of non-controlling interests in a subsidiary	-	-	-	-	-	-	-	-	-	(63)	(63)
	Balance at December 31, 2021	\$ 1,952,510	\$ 79,617	\$ 1,229,816	\$ 913,232	\$ 4,771,177	(\$ 829,602)	(\$ 6,226)	(\$ 30,871)	\$ 8,079,653	\$ 994,116	\$ 9,073,769
2022												
	Balance at January 1, 2022	\$ 1,952,510	\$ 79,617	\$ 1,229,816	\$ 913,232	\$ 4,771,177	(\$ 829,602)	(\$ 6,226)	(\$ 30,871)	\$ 8,079,653	\$ 994,116	\$ 9,073,769
	Profit for the year	-	-	-	-	1,443,111	-	-	-	1,443,111	120,603	1,563,714
	Other comprehensive income (loss)	-	-	-	-	6,966	36,814	(70)	-	43,710	20,210	63,920
	Total comprehensive income (loss)	-	-	-	-	1,450,077	36,814	(70)	-	1,486,821	140,813	1,627,634
	Appropriation and distribution of 2021 earnings											
	Legal reserve	-	-	102,870	-	(102,870)	-	-	-	-	-	-
	Cash dividends	-	-	-	-	(585,753)	-	-	(585,753)	-	-	(585,753)
	Treasury shares											
	Adjustments of capital surplus for company's cash dividends received by subsidiaries	-	6,750	-	-	-	-	-	-	6,750	-	6,750
	Balance at December 31, 2022	\$ 1,952,510	\$ 86,367	\$ 1,332,686	\$ 913,232	\$ 5,532,631	(\$ 792,788)	(\$ 6,296)	(\$ 30,871)	\$ 8,987,471	\$ 1,134,929	\$ 10,122,400

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

SUNREX TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 2,120,468	\$ 1,420,690
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(21)	1,607,531	1,397,820
Amortisation	6(21)	9,593	9,313
Expected credit loss	12(2)	4,728	-
Loss on disposal of property, plant and equipment	6(19)	101,831	30,304
Gain on disposal of investments	6(19)	(12,627)	-
Gain on disposal of right-of-use assets		-	(1,682)
Interest expense	6(20)	135,075	79,433
Interest revenue	6(17)	(40,149)	(22,494)
Loss on disposal of lease modification	6(19)	3,378	-
Unrealised foreign exchange loss		23,441	7,905
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		12,627	-
Notes receivable		-	2,849
Accounts receivable (including related parties)		660,347	(297,615)
Other receivables (including related parties)		102,246	37,933
Inventories		735,291	(357,014)
Prepayments		114,331	98,278
Other current assets		1,272	(1,207)
Changes in operating liabilities			
Contract liabilities		(26,305)	(329,802)
Notes payable		(13)	(1,230)
Accounts payable (including related parties)		(958,242)	(509,698)
Other payables (including related parties)		(103,172)	(71,423)
Other current liabilities		76,825	(2,155)
Other non-current liabilities		81,903	3,239
Cash inflow generated from operations		4,650,379	1,493,444
Interest received		28,885	22,494
Interest paid		(228,378)	(74,755)
Income taxes paid		(393,326)	(407,387)
Net cash flows from operating activities		<u>4,057,560</u>	<u>1,033,796</u>

(Continued)

SUNREX TECHNOLOGY CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31	
		2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Proceeds from financial assets at amortised cost		(\$ 132,689)	(\$ 784,094)
Acquisition of investment properties	6(25)	(1,145,869)	(1,761,116)
Proceeds from disposal of property, plant and equipment		564,017	364,352
Proceeds from disposal of right-of-use assets		-	17,587
Increase in intangible assets		(3,026)	(1,948)
Increase (decrease) in other non-current assets		(18,118)	72,481
Decrease in refundable deposits paid		3,006	237
Net cash flows used in investing activities		(732,679)	(2,092,501)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(26)	168,406	605,153
Increase in long-term borrowings	6(26)	279,804	200,000
Decrease in long-term borrowings	6(26)	(756,828)	(141,029)
Repayments of principal portion of lease liabilities	6(26)	(70,844)	(36,326)
Cash dividends paid	6(15)(26)	(579,003)	(386,002)
Change in non-controlling interests		-	(63)
Proceeds from disposal of treasury stock	6(13)	-	34,757
Net cash flows (used in) from financing activities		(958,465)	276,490
Effect of exchange rate changes on cash and cash equivalents		(236,205)	(85,707)
Net increase (decrease) in cash and cash equivalents		2,130,211	(867,922)
Cash and cash equivalents at beginning of year		2,132,091	3,000,013
Cash and cash equivalents at end of year		\$ 4,262,302	\$ 2,132,091

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

SUNREX TECHNOLOGY CORP. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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

1. History and Organisation

Sunrex Technology Corp. (the “Company”) was incorporated on July 22, 1991, merged Jing Mold Plastic Electronics (Shen-Zhen) Co., Ltd. with January 10, 2002 as the effective date and is primarily engaged in manufacturing and trading of laptop computer keyboards and its auxiliary equipment. The Company’s shares have been listed on the Taiwan Stock Exchange starting from January 1999. The Company and its subsidiaries collectively referred herein as the “Group’s”.

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

These parent company only financial statements were authorised for issuance by the Board of Directors on March 17, 2023.

3. Application of New Standards, Amendments and Interpretations

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 3, ‘Reference to the conceptual framework’	January 1, 2022
Amendments to IAS 16, ‘Property, plant and equipment: proceeds before intended use’	January 1, 2022
Amendments to IAS 37, ‘Onerous contracts - cost of fulfilling a contract’	January 1, 2022
Annual improvements to IFRS Standards 2018-2020	January 1, 2022

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

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

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

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

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

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024

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

4. Summary of Significant Accounting Policies

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.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

A. Except for the following items, the Group's financial statements have been prepared under the historical cost convention:

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

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

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are 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 begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-Group transactions, balances and unrealised 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.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

B. Subsidiaries included in the consolidated financial statements

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2022	December 31, 2021	
The Company	Ching Yi Investment Co., Ltd.	Various investments	100.00	100.00	Note 3
The Company	American Sunrex Corporation (A.S.C)	Sales of computers and their ancillary equipment	100.00	100.00	
The Company	Sunrex Technology (HK) Co Ltd	Sales of computers and their ancillary equipment	100.00	100.00	
The Company	Excellent Global International(Excellent)	Various investments	100.00	100.00	
The Company	Forward Optocs Co., LTD.	Manufacture of industrial plastic products, moulds and electronic components	74.59	74.59	
Sunrex Technology (HK) Co Ltd and Excellent	Leading Growth Industrial Co.,Ltd.(Leading)	Various investments	100.00	100.00	
Excellent	Golden Point Trading International Ltd.(G.P.I.)	Import and export trades	100.00	100.00	
Excellent	Golden Point Trading Intl. Limited(G.P.I. H.K)	Import and export trades	100.00	100.00	
Excellent	Crown Trading International Ltd.(CROWN)	Import and export trades	-	-	Note 5
Excellent	Crown Trading International Limited.(CROWN.H.K)	Import and export trades	100.00	100.00	
Excellent	Amiable Development Incorporated(Amiable)	Import and export trades	100.00	100.00	
Excellent	Elated Develope Limited	Import and export trades	100.00	100.00	
Leading	Best Elite Holdings Limited(Best Elite)	Various investments	100.00	100.00	

Name of investor	Name of subsidiary	Main business activities	Ownership(%)		Description
			December 31, 2022	December 31, 2021	
Sunrex Technology (HK) Co Ltd and Best Elite	Sunrex Technology (Jiangsu) Co., Ltd.	Manufacture of production data telecommunications multimedia system equipment, stamping dies, and new display devices	100.00	100.00	Note 1
Best Elite	Changshu Sunrex Technology Co.,ltd.	Production of laptop computer keyboards and related products	100.00	100.00	Note 1
Best Elite	Sunrex Technology (Chongqing) Co., Ltd.	Production of laptop computer keyboards and related products	100.00	100.00	Note 1
Best Elite	Jing Mold Electronic Technology (Shenzhen) Co.,ltd.	Production and operation of plastic moulds, computer (telephone) keyboards, plastic injection mould products	50.00	50.00	Note 2
Jing Mold Electronic Technology (Shenzhen) Co.,ltd.	Sunrex Technoloy (Jiangxi) Co., Ltd	Production and operation of plastic moulds, computer (telephone) keyboards, plastic injection mould products	100.00	100.00	
Sunrex Technology (Jiangsu) Co., Ltd.	Kai Zhao (Suzhou)dian Zi You Xian Gong Si	Production of laptop computer keyboards and related products	100	100	Note 4

Note 1: Significant subsidiary.

Note 2: The Company's subsidiary held half seats in the Board of Directors of Jing Mold Electronics Technology (Shen Zhen) Co., Ltd. and had control over the company, thus, the company was included in the consolidated financial statements.

Note 3: On March 30, 2021, the Company acquired Jing Yi Investment Co., Ltd.'s outstanding shares of 798 shares (0.3%), and accordingly, the shareholding ratio was increased from 99.97% to 100%.

Note 4: On July 13, 2021, the Company incorporated a wholly-owned subsidiary in Mainland China.

Note 5: On December 2, 2021, the liquidation of Crown Trading International Ltd. was completed, and the remaining capital was remitted back to Excellent Global International Ltd. on January 21, 2022.

C. Subsidiaries not included in the consolidated financial statements:

None.

D. Adjustments for subsidiaries with different balance sheet dates:

None.

E. Significant restrictions

None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

As of December 31, 2022 and 2021, the non-controlling interest amounted to \$1,134,929 and \$994,116, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest				Description
		December 31, 2022		December 31, 2021		
		Amount	Ownership (%)	Amount	Ownership (%)	
Jing Mold Electronic Technology (Shenzhen) Co.,ltd.	China	\$ 1,124,403	50%	\$ 983,745	50%	-

	Jing Mold Electronics Technology (Shen Zhen) Co., Ltd.	
	December 31, 2022	December 31, 2021
Current assets	\$ 1,901,706	\$ 1,607,825
Non-current assets	1,216,716	1,196,734
Current liabilities	(773,958)	(827,773)
Non-current liabilities	(95,658)	(9,296)
Total net assets	\$ 2,248,806	\$ 1,967,490

	Jing Mold Electronics Technology (Shen Zhen) Co., Ltd.	
	Year ended December 31, 2022	Year ended December 31, 2021
Revenue	\$ 2,175,445	\$ 2,278,869
Profit before income tax	285,953	45,272
Income tax expense	(32,661)	(4,009)
Net Income	\$ 253,292	\$ 41,263
Other Comprehensive Income (net income after tax)	-	-
Total comprehensive income for the period	\$ 253,292	\$ 41,263
Comprehensive income attributable to non-controlling interest	\$ 126,646	\$ 20,632
Dividends paid to non-controlling interest	\$ -	\$ -

Jing Mold Electronics Technology (Shen Zhen) Co., Ltd.

	Year ended December 31, 2022	Year ended December 31, 2021
Net cash provided by (used in) operating activities	\$ 270,938	(\$ 51,693)
Net cash used in investing activities	(33,441)	(64,972)
Net cash provided by (used in) financing activities	99,528	(16,799)
Effect of exchange rates on cash and cash equivalents	1,564	(2,476)
Increase (decrease) in cash and cash equivalents	338,589	(135,940)
Cash and cash equivalents, beginning of period	175,319	311,259
Cash and cash equivalents, end of period	\$ 513,908	\$ 175,319

(4) 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 Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

The operating results and financial position of all the Group entities and associates that have a functional currency different from the presentation currency are translated into the presentation

currency as follows:

- (a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at 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 recognised in other comprehensive income.

(5) Classification of current and non-current items

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

- (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
- (b) Assets held mainly for trading purposes;
- (c) Assets that are expected to be realised within twelve months from the balance sheet date;
- (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

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

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

- (a) Liabilities that are expected to be settled within the normal operating cycle;
- (b) Liabilities arising mainly from trading activities;
- (c) Liabilities that are to be settled within twelve months from the balance sheet date;
- (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

(6) Cash equivalents

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

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using settlement date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value,

and recognises the gain or loss in profit or loss.

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

(8) Financial assets at amortised cost

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

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

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

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

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

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

(9) Accounts receivable

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

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

(10) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortised cost (including forward-looking), at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

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

(12) Leasing arrangements (lessor) - operating leases

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

(13) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the

weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

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

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.
- B. The Group's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognizes change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- E. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

(15) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
- B. 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 repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated

using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

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

Buildings and structures	5 ~ 55 years
Machinery and equipment	5 years
Molding equipment	5 years
Other equipment	5 years

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

- A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of the following:
- (a) Fixed payments, less any lease incentives receivable; and
 - (b) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The Group subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
- (a) The amount of the initial measurement of lease liability;
 - (b) Any lease payments made at or before the commencement date; and
 - (c) Any initial direct costs incurred by the lessee.

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

(17) Intangible assets

- A. Computer software

Computer software is stated at cost and amortized on a straight-line basis over its estimated useful

life of 1 to 10 years.

B. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

(18) Impairment of non-financial assets

- A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized 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 recognizing 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 amortized historical cost would have been if the impairment had not been recognized.
- B. 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 recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognized in profit or loss shall not be reversed in the following years.
- C. 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.

(19) Borrowings

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

(20) Notes and accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(21) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability specified group classified the contract is discharged or cancelled or expires.

(22) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to

be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

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

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

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

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

(23) Income tax

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

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

C. Deferred tax is recognized, using the balance sheet liability method, on temporary differences

arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the 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.

- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed
- E. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from technology, research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(24) Share capital

- A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.
- B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(25) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities.

(26) Revenue recognition

The Group manufactures and sells laptop computer keyboards, their auxiliary equipment and related products. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer. There is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

(27) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the

Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate.

(28) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group's chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments.

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

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

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

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of December 31, 2022, the carrying amount of inventories was \$3,094,186 thousand.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash on hand and petty cash	\$ 1,177	\$ 1,757
Checking accounts	1,450	697
Demand deposits	3,389,232	2,129,630
Time deposits	870,443	7
	<u>\$ 4,262,302</u>	<u>\$ 2,132,091</u>

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

B. The Group's time deposits pledged to others as collateral, were classified as financial assets at amortized cost. Details are provided in Notes 6(2) and 8.

(2) Financial assets at amortised cost

Items	December 31, 2022	December 31, 2021
Current items:		
Current pledged time certificates of deposit	\$ 795,928	\$ -
Non-current items:		
Time deposits over three months	\$ 132,207	\$ -
Non-current pledged time certificate of deposit	-	784,388
Total	<u>\$ 132,207</u>	<u>\$ 784,388</u>

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

	2022	2021
Interest revenue	\$ 26,137	\$ 17,113

B. Without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was as follows:

	December 31, 2022	December 31, 2021
Maximum credit risk exposure amount	\$ 928,135	\$ 784,388

C. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

D. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 12(2).

(3) Notes and accounts receivable

	December 31, 2022	December 31, 2021
Accounts receivable	\$ 7,712,852	\$ 8,052,378
Less: Allowance for uncollectible accounts	(1,303)	(1,721)
	<u>\$ 7,711,549</u>	<u>\$ 8,050,657</u>

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

	December 31, 2022	December 31, 2021
Not past due	\$ 7,630,535	\$ 8,033,140
Up to 90 days	80,982	17,495
91 to 180 days	-	22
Over 180 days	1,335	1,721
	<u>\$ 7,712,852</u>	<u>\$ 8,052,378</u>

The above ageing analysis was based on past due date.

B. As of December 31, 2022, December 31, 2021 and January 1, 2021, the Group had receivables

(including notes receivable) due to contract with customers in the amounts are listed below:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>January 1, 2021</u>
Receivables(including notes receivable)	\$ <u>7,711,549</u>	\$ <u>8,050,657</u>	\$ <u>7,871,969</u>

C. The Group did not hold any collateral.

D. As at December 31, 2022 and 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group was \$7,711,549 and \$8,050,657 respectively.

E. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(4) Inventories

	<u>December 31, 2022</u>		
	<u>Cost</u>	<u>Allowance for slow-moving and valuation</u>	<u>Book amounts</u>
Raw materials	\$ 527,171	(\$ 71,576)	\$ 455,595
Work in progress	1,221,221	(69,668)	1,151,553
Finished goods	<u>1,848,799</u>	<u>(361,761)</u>	<u>1,487,038</u>
	<u>\$ 3,597,191</u>	<u>(\$ 503,005)</u>	<u>\$ 3,094,186</u>
	<u>December 31, 2021</u>		
	<u>Cost</u>	<u>Allowance for slow-moving and valuation</u>	<u>Book amounts</u>
Raw materials	\$ 405,776	(\$ 45,783)	\$ 359,993
Work in progress	1,434,310	(75,484)	1,358,826
Finished goods	<u>2,294,820</u>	<u>(251,200)</u>	<u>2,043,620</u>
	<u>\$ 4,134,906</u>	<u>(\$ 372,467)</u>	<u>\$ 3,762,439</u>

Inventory-related expenses recognised for the year:

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Cost of goods sold	\$ 20,842,578	\$ 20,912,007
Loss on slow-moving inventories and valuation loss	289,013	214,971
Loss on decline in market value	117,029	121,356
Others	<u>(16,544)</u>	<u>(88,329)</u>
	<u>\$ 21,232,076</u>	<u>\$ 21,160,005</u>

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

Items	December 31, 2022	December 31, 2021
Non-current items:		
Equity instruments		
Unlisted stocks	\$ 6,296	\$ 6,296
Valuation adjustment	(6,296)	(6,226)
	\$ -	\$ 70

A. As of December 31, 2022 and 2021, the Group has elected to classify stocks that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted are listed below:

	December 31, 2022	December 31, 2021
The fair value	\$ -	\$ 70

B. For the years ended December 31, 2022 and 2021, the amounts recognised in other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	December 31, 2022	December 31, 2021
The amounts recognised in other comprehensive income	(\$ 70)	(\$ 4,018)

C. On April 28, 2021 and August 5, 2021, the shareholders of Waltop International Corporation resolved to offset accumulated deficits in the amounts of \$61,260 thousand and \$49,260 thousand by decreasing capital. Additionally, on October 28, 2021, the Board of Directors resolved to increase cash capital by transferring debts into equity in the amount of \$71,039 thousand. The Company did not participate in the capital increase, and thus the shareholding ratio decreased from 11.10% to 1.60%. On August 16, 2022, the shareholders resolved to reduce capital to offset accumulated deficits amounting to \$79,881 thousand. The capital reduction ratio was 64.50%. The effective date for the capital reduction was set on August 22, 2022. After the capital reduction, the Company's shareholding ratio was 1.60%.

D. Information relating to price risk is provided in Note 12(3).

(6) Property, plant and equipment

	Year ended December 31, 2022					
	Beginning balance	Additions	Decreases	Transfers	Exchange rate differences	Ending balance
<u>Cost</u>						
Land	\$ 486,291	\$ -	(\$ 7,477)	\$ -	\$ -	\$ 478,814
Buildings and structures	2,080,852	56,297	(17,071)	-	29,342	2,149,420
Machinery and equipment	4,482,817	115,206	(171,288)	193,153	64,532	4,684,420
Molding and equipment	3,681,794	341,440	(220,263)	136,062	52,923	3,991,956
Other equipment	1,470,095	449,999	(689,017)	60,643	21,779	1,313,499
Unfinished construction	403,864	106,210	(35,386)	(367,893)	6,428	113,223
	<u>12,605,713</u>	<u>\$ 1,069,152</u>	<u>(\$ 1,140,502)</u>	<u>\$ 21,965</u>	<u>\$ 175,004</u>	<u>12,731,332</u>
<u>Accumulated depreciation</u>						
Buildings and structures	1,043,425	148,574	(12,204)	-	14,051	1,193,846
Machinery and equipment	2,023,454	650,505	(150,218)	-	27,290	2,551,031
Molding and equipment	2,635,491	571,199	(203,812)	335	36,714	3,039,927
Other equipment	730,490	184,743	(108,420)	(335)	10,664	817,142
	<u>6,432,860</u>	<u>\$ 1,555,021</u>	<u>(\$ 474,654)</u>	<u>\$ -</u>	<u>\$ 88,719</u>	<u>7,601,946</u>
Book value	<u>\$ 6,172,853</u>					<u>\$ 5,129,386</u>

	Year ended December 31, 2021					Ending balance
	Beginning balance	Additions	Decreases	Transfers	Exchange rate differences	
Cost						
Land	\$ 477,542	\$ 8,749	\$ -	\$ -	\$ -	\$ 486,291
Buildings and structures	2,057,043	104,584	(65,246)	-	(15,529)	2,080,852
Machinery and equipment	3,935,168	369,001	(392,666)	601,188	(29,874)	4,482,817
Molding and equipment	3,561,859	230,334	(333,956)	250,969	(27,412)	3,681,794
Other equipment	1,415,060	358,234	(403,310)	110,860	(10,749)	1,470,095
Unfinished construction	928,659	561,834	(39,171)	(1,040,372)	(7,086)	403,864
	<u>12,375,331</u>	<u>1,632,736</u>	<u>(1,234,349)</u>	<u>(77,355)</u>	<u>(90,650)</u>	<u>12,605,713</u>
Accumulated depreciation						
Buildings and structures	977,324	133,334	(59,943)	-	(7,290)	\$ 1,043,425
Machinery and equipment	1,812,592	558,466	(334,131)	158	(13,631)	2,023,454
Molding and equipment	2,463,374	514,785	(324,090)	-	(18,578)	2,635,491
Other equipment	712,167	145,879	(121,734)	(158)	(5,664)	730,490
	<u>5,965,457</u>	<u>1,352,464</u>	<u>(839,898)</u>	<u>-</u>	<u>(45,163)</u>	<u>6,432,860</u>
Book value	<u>6,409,874</u>					<u>6,172,853</u>

- A. Amount of borrowing costs capitalised as part of property, plant and equipment and the range of the interest rates for such capitalisation: None.
- B. The group had no property, plant and equipment pledge to others as collateral.
- C. The significant components of buildings and structures include buildings and the subsequent engineering works such as fire protection and power distribution, which are depreciated over 5~55 years and 5~30 years, respectively.

(7) Lease arrangements – lessee

- A. The Group leases various assets including land, buildings, machinery and equipment as well as business vehicles. Rental contracts are typically made for periods of 1 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. The lease period of the employee dormitories leased by the Group does not exceed 12 months, and the underlying assets leased are low-value multi-functional business machines.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	2022	2021
	Carrying amount	Carrying amount
Land	\$ 77,467	\$ 79,448
Buildings	161,690	203,848
Transportation equipment (Business vehicles)	-	582
	<u>\$ 239,157</u>	<u>\$ 283,878</u>

	Year ended December 31	
	2022	2021
	Depreciation charge	Depreciation charge
Land	\$ 3,161	\$ 5,101
Buildings	48,757	39,188
Transportation equipment (Business vehicles)	592	1,067
	<u>\$ 52,510</u>	<u>\$ 45,356</u>

- D. Acquisition of right-of-use assets:

	2022	2021
Acquisition of right-of-use assets	<u>\$ 26,977</u>	<u>\$ 156,738</u>

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

	Year ended December 31	
	2022	2021
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 9,384	\$ 9,266
Expense on short-term lease contracts	48,285	33,651
Loss on disposal of lease modification	3,378	-
	<u>\$ 61,047</u>	<u>\$ 42,917</u>

F. For the years ended December 31, 2022 and 2021, the Group's total cash outflow for leases are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
The cash outflow for leases	\$ 128,513	\$ 79,243

(8) Other non-current assets

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Prepayments for equipment	\$ 36,108	\$ 192,444
Refundable deposits	20,759	23,765
Others	17,828	17,642
	<u>\$ 74,695</u>	<u>\$ 233,851</u>

(9) Short-term borrowings

<u>Type of borrowings</u>	<u>December 31, 2022</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Secured borrowings	\$ 557,179	2.90%-4.30%	Time deposites
Unsecured borrowings	3,724,940	1.27%-5.55%	None
	<u>\$ 4,282,119</u>		

<u>Type of borrowings</u>	<u>December 31, 2021</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Secured borrowings	\$ 692,240	0.62%-0.93%	Time deposites
Unsecured borrowings	3,365,075	0.68%-1.95%	None
	<u>\$ 4,057,315</u>		

Interest expense recognised in profit or loss amounted for the years ended December 31, 2022 and 2021 are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Interest expense	\$ 124,030	\$ 70,167

(10) Other payables

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Salary payable	\$ 368,337	\$ 486,576
Processing payable	694,710	503,609
Miscellaneous payable	410,051	607,533
Equipment payment payable	168,133	401,186
Employees' compensation and remuneration payable to directors	30,800	30,800
Accumulation fund and social insurance payable	13,590	6,722
Labor insurance and health insurance payable	3,864	4,036
Others	90,889	32,748
	<u>\$ 1,780,374</u>	<u>\$ 2,073,210</u>

(11) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2022</u>
Unsecured borrowings	Borrowing period is to August 23, 2025; interest is repayable monthly; principal is repayable in installments.	1.68%	None	\$ 200,000
Unsecured borrowings	Borrowing period is to September 23, 2023; interest is repayable monthly; principal is repayable in maturity date.	1.68%	None	50,000
Unsecured borrowings	Borrowing period is to October 29, 2024; interest is repayable monthly; principal is repayable in installments.	1.73%	None	200,000
Unsecured borrowings	Borrowing period is to January 22, 2024; interest is repayable monthly; principal is repayable in maturity date.	1.83%	None	50,000
Unsecured borrowings	Borrowing period is to January 16, 2025; interest is repayable monthly; principal is repayable in installments.	2.77%~2.83%	None	383,752
Unsecured borrowings	Borrowing period is to December 5, 2024; interest is repayable monthly; principal is repayable in installments.	1.35%~2.68%	None	257,964
Unsecured borrowings	Borrowing period is to October 7, 2024; interest is repayable monthly; principal is repayable in installments.	3.00%~3.28%	None	255,405
Unsecured borrowings	Borrowing period is to November 30, 2023; interest is repayable monthly; principal is repayable in maturity date.	3.62%~5.35%	None	138,195
Less: Current portion				(646,414)
				<u>\$ 888,902</u>

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2021
Unsecured borrowings	Borrowing period is to September 3, 2023; interest is repayable monthly; principal is repayable in installments.	0.99%	None	\$ 108,889
Unsecured borrowings	Borrowing period is to October 29, 2024; interest is repayable monthly; principal is repayable in installments.	1.10%	None	200,000
Unsecured borrowings	Borrowing period is to January 15, 2025; interest is repayable monthly; principal is repayable in installments.	1.17%~1.28%	None	692,000
Unsecured borrowings	Borrowing period is to December 5, 2024; interest is repayable monthly; principal is repayable in installments.	1.21%	None	354,304
Unsecured borrowings	Borrowing period is to October 7, 2024; interest is repayable monthly; principal is repayable in installments.	1.06%~1.16%	None	507,374
Less: Current portion				(530,069)
				<u>\$ 1,332,498</u>

(12) Pensions

A. (a) The Company and its domestic subsidiaries has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with the trust department of the Bank of Taiwan and the Mega International Commercial Bank, the trustees, under the name of the independent retirement fund committee. Additionally, starting from April 2009, the Company makes pension contribution of 4% for appointed managers. Furthermore, the Company would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Present value of defined benefit obligations	(\$ 115,049)	(\$ 119,345)
Fair value of plan assets	<u>76,124</u>	<u>67,989</u>
Net defined benefit liability	<u>(\$ 38,925)</u>	<u>(\$ 51,356)</u>

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

	<u>2022</u>		
	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
At January 1	(\$ 119,345)	\$ 67,989	(\$ 51,356)
Current service cost	(150)	-	(150)
Interest (expense) income	<u>(820)</u>	<u>474</u>	<u>(346)</u>
	<u>(120,315)</u>	<u>68,463</u>	<u>(51,852)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	4,892	4,892
Change in demographic assumptions	-	-	5,008
Change in financial assumptions	5,008	-	
Experience adjustments	<u>(1,193)</u>	<u>-</u>	<u>(1,193)</u>
	<u>3,815</u>	<u>4,892</u>	<u>8,707</u>
Pension fund contribution	<u>1,451</u>	<u>2,769</u>	<u>4,220</u>
At December 31	<u>(\$ 115,049)</u>	<u>\$ 76,124</u>	<u>(\$ 38,925)</u>

	2021		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	(\$ 127,083)	\$ 67,112	(\$ 59,971)
Current service cost	(228)	-	(228)
Interest (expense) income	(374)	200	(174)
Remeasurements:	(127,685)	67,312	(60,373)
Return on plan assets (excluding amounts included in interest income or expense)	-	946	946
Change in demographic assumptions			
Change in financial assumptions	(158)	-	(158)
Experience adjustments	4,060	-	4,060
	(112)	-	(112)
Pension fund contribution	3,790	946	4,736
At December 31	4,550	(269)	4,281
	(\$ 119,345)	\$ 67,989	(\$ 51,356)

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

	Year ended December 31	
	2022	2021
Discount rate	1.25%	0.70%
Future salary increases	2.00%	2.00%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

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

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2022				
Effect on present value of defined benefit obligation	(\$ 2,168)	\$ 2,235	\$ 2,213	(\$ 2,158)
December 31, 2021				
Effect on present value of defined benefit obligation	(\$ 2,462)	\$ 2,542	\$ 2,502	(\$ 2,437)

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

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

- (f) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2023 amount to \$3,670 thousand.
- (g) As of December 31, 2022, the weighted average duration of the retirement plan is 7 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	\$ 6,092
1-2 year(s)	7,220
2-5 years	31,752
Over 5 years	81,621
	<u>\$ 126,685</u>

B. (a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the

“New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) Sunrex Technology (Jiangsu) Co., Ltd., Jing Mold Electronics Technology (Shen Zhen) Co., Ltd., Changshu Sunrex Technology Co., Ltd., Sunrex (Chongqing) Computer Co., Ltd., Jiangxi Sunrex Technology Co., Ltd. and Kaizhao (Suzhou) Electronics Co., Ltd. have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People’s Republic of China (PRC) are based on certain percentage of employees’ monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.

(c) The pension costs under defined contribution pension plans of the Group were as follows:

	2022	2021
Pension costs	\$ 483,014	\$ 361,816

(d) Since American Sunrex Corporation has no pension plan, no pension cost is recognized.

(13) Share capital

A. As of December 31, 2022, the Company’s authorised capital was \$4,200,000 thousand, consisting of 420,000 thousand shares of ordinary share, and the paid-in capital was \$1,952,510 thousand with a par value of \$10 (in dollars) per share. As of December 31, 2022, the number of outstanding shares was 193,001 thousand shares.

Movements in the number of the Company’s ordinary shares (in thousands) outstanding are as follows:

	Year ended December 31	
	2022	2021
At January 1	193,001	192,474
Add: Disposal of treasury shares	-	527
At December 31	193,001	193,001

B. Treasury shares

(a) Reason for share reacquisition and movements in the number of the Company’s treasury shares are as follows:

Name of company holding the shares	Reason for reacquisition	December 31, 2022	
		Number of shares	Carrying amount
Subsidiary - Ching Yi Investment Co., Ltd.	Operational and management considerations	2,250 thousand shares	\$ 30,871

Name of company holding the shares	Reason for reacquisition	December 31, 2021	
		Number of shares	Carrying amount
Subsidiary - Ching Yi Investment Co., Ltd.	Operational and management considerations	2,250 thousand shares	\$ 30,871

- (b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.
- (c) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.
- (d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within five years from the reacquisition date and shares not reissued within the three-year period are to be retired. Treasury shares to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition.
- (e) On November 9, 2021, the Board of Directors of the Company resolved to cancel 1,047 thousand treasury shares, thereby decreasing the capital by \$19,092 thousand. The effective date of capital reduction was November 14, 2021 and the capital reduction had been registered on December 10, 2021.

(14) Capital surplus

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

	December 31, 2022	December 31, 2021
Used to offset deficits, distributed as cash dividends or transferred to share capital		
Treasury share transactions	\$ 86,367	\$ 79,617

(15) Retained earnings

- A. The Company operates in the electronics industry. To accompany the growth and overall environment of the industry and the Company's long-term financial planning for the sustainable and stable operation, in accordance with the Company's dividend policy, the Board of Directors shall take into consideration its future operations and capital expenditure needs when proposing the appropriation of earnings. Such appropriation is subject to a resolution of the shareholders' meeting. The amount and type of dividend distribution may be flexibly adjusted by the Board of Directors depending on the subjective environment and actual operational needs. The current year's earnings, if any, shall be appropriated as follows:
- (a) Provision of profit-seeking enterprise income tax.
 - (b) Offsetting accumulated deficits of prior years.
 - (c) Setting aside 10% as legal reserve.
 - (d) Special reserve should be provisioned from the remaining plus accumulated undistributed surplus earnings of prior year, and then the remaining is the accumulated distributable earnings. The appropriation of the aforementioned accumulated distributable earnings shall be proposed by the Board of Directors and resolved by the shareholders.
 - (e) The remaining amount is distributable as dividends to shareholders according to their shareholding ratios.
- B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- C. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (b) The amount previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1010012865, dated April 6, 2012, shall be the same as the amount reclassified from accumulated translation adjustment under shareholders' equity to retained earnings for the exemptions elected by the Company. The special reserve increased as a result of retained earnings arising from the adoption of IFRS was \$257,070 thousand.
- D. The appropriations of 2021 and 2020 earnings had been approved by the shareholders during their meeting on June 17, 2022 and July 7, 2021, respectively. Details are summarised below:

	Year ended December 31			
	2021		2020	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 102,869		\$ 122,346	
Cash dividends	585,753	\$ 3.00	390,502	\$ 2.00
	<u>\$ 688,622</u>		<u>\$ 512,848</u>	

E. The appropriation of 2022 earnings as proposed by the Board of Directors on March 17, 2023 is as follows:

	Year ended December 31, 2022	
	Amount	Dividends per share (in dollars)
Legal reserve	\$ 145,007	
Cash dividends	683,379	\$ 3.50
	<u>\$ 828,386</u>	

As of March 17, 2023, the aforementioned appropriation of 2022 earnings has not yet been resolved at the shareholders' meeting.

(16) Operating revenue

	Year ended December 31	
	2022	2021
Revenue from contracts with customers	<u>\$ 24,571,786</u>	<u>\$ 24,058,229</u>

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods at a point in time, and the revenue can be distinguished according to the geographic type. The related disclosure information is provided in Note 14(3).

B. Contract liabilities

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

	December 31, 2022	December 31, 2021	January 1, 2021
Contract liabilities	<u>\$ 79,472</u>	<u>\$ 30,237</u>	<u>\$ 359,275</u>

Revenue recognised that was included in the contract liability balance at the beginning of the year

	Year ended December 31	
	2022	2021
Revenue recognised that was included in the contract liability balance at the beginning of the year	<u>\$ 26,305</u>	<u>\$ 329,802</u>

(17) Interest income

	Year ended December 31	
	2022	2021
Interest income from bank deposits	\$ 40,149	\$ 22,494

(18) Other income

	Year ended December 31	
	2022	2021
Rental income	\$ 307	\$ 1,044
Other income, others	267,266	107,430
	<u>\$ 267,573</u>	<u>\$ 108,474</u>

Other income, others mainly refer to the land improvement program of Xin Qiao community implemented in Shenzhen. In the first quarter of 2022, the Company's second-tier subsidiary, Jing Mold Electronics Technology (Shen Zhen) Co., Ltd. ('Jing Mold Electronics Technology (Shen Zhen)') returned part of the land and buildings leased from Shenzhen Xinqiao Xinda Company ('Xinqiao Company') to Xinqiao Company. The company compensated the plant relocation fee of Jing Mold Electronics Technology (Shen Zhen) and recognised in other income after deducting the expenses which were incurred in the plant relocation.

(19) Other gains and losses

	Year ended December 31	
	2022	2021
Foreign exchange gains (losses), net	\$ 452,357	(\$ 131,753)
Losses on disposals of property, plant and equipment	(101,831)	(30,304)
Gains on disposals of investments	12,627	-
Loss lease modification	(3,378)	-
Mixcellaneous Disbursements	(23,323)	(16,560)
	<u>\$ 336,452</u>	<u>(\$ 178,617)</u>

(20) Finance costs

	Year ended December 31	
	2022	2021
Interest expense-Bank borrowings	\$ 124,030	\$ 68,430
Interest expense-Lease	9,384	9,266
Interest expense-Management of the company	1,661	1,737
	<u>\$ 135,075</u>	<u>\$ 79,433</u>

(21) Expenses by nature

	Year ended December 31, 2022		
	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense	\$ 3,629,488	\$ 769,365	\$ 4,398,853
Depreciation charge	1,392,428	215,103	1,607,531
Amortisation charge	1,933	7,660	9,593
	<u>\$ 5,023,849</u>	<u>\$ 992,128</u>	<u>\$ 6,015,977</u>

	Year ended December 31, 2022		
	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense	\$ 4,237,440	\$ 532,359	\$ 4,769,799
Depreciation charge	1,279,082	118,738	1,397,820
Amortisation charge	1,655	7,658	9,313
	<u>\$ 5,518,177</u>	<u>\$ 658,755</u>	<u>\$ 6,176,932</u>

(22) Employee benefit expense

	Year ended December 31	
	2022	2021
Wages and salaries	\$ 3,271,474	\$ 3,820,915
Labour and health insurance fees	263,061	184,268
Pension costs	483,510	362,218
Directors' remuneration	1,400	1,400
Other personnel expenses	379,408	400,998
	<u>\$ 4,398,853</u>	<u>\$ 4,769,799</u>

- A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall not be lower than 1% for employees' compensation and shall not be higher than 3% for directors' and supervisors' remuneration.
- B. The company set up an audit committee after reelection of the board of directors at June, 2022.
- C. The estimated amount of the company's employee remuneration and directors' remuneration is as follows, and the above mentioned amount is included in the account of salary expenses :

	2022	2021
Employees' compensation	\$ 29,000	\$ 29,000
Directors' and supervisors' remuneration	1,800	1,800
	<u>\$ 30,800</u>	<u>\$ 30,800</u>

The aforementioned amounts were recognised in salary expenses. For the year ended December 31, 2022, the employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on the distributable profit of current year as of the end of reporting period. The employees' compensation and directors' and supervisors' remuneration resolved by the Board of Directors were \$29,000 thousand and \$1,800 thousand, and the employees' compensation will be distributed in the form of cash.

Employees' compensation and directors' and supervisors' remuneration of 2021 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2021 financial statements.

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

(23) Income tax

A. Income tax expense

(a) Components of income tax expense:

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Current tax		
Current tax on profits for the year	\$ 526,180	\$ 351,495
Income exempted from tax according to the Income Tax Act	(9,593)	-
Tax on undistributed earnings	17,003	42,048
Prior year income tax underestimation (overestimation)	<u>1,011</u>	<u>(5,963)</u>
Total current tax	<u>534,601</u>	<u>387,580</u>
Deferred tax:		
Origination and reversal of temporary differences	<u>22,153</u>	<u>(5,903)</u>
Total deferred tax	<u>22,153</u>	<u>(5,903)</u>
Income tax expense	<u>\$ 556,754</u>	<u>\$ 381,677</u>

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Remeasurements of defined benefit obligations	<u>(\$ 1,741)</u>	<u>(\$ 948)</u>

B. Reconciliation between income tax expense and accounting profit

	Year ended December 31	
	2022	2021
Tax calculated based on profit before tax and statutory tax rate(Note 1)	\$ 610,326	\$ 410,291
Effects from items disallowed by the regulation (Note 2)	(61,993)	(64,699)
Income exempted from tax according to the Income Tax Act	(9,593)	-
Prior year income tax overestimation	1,011	(5,963)
Tax on undistributed earnings	17,003	42,048
Income tax expense	<u>\$ 556,754</u>	<u>\$ 381,677</u>

Note 1: The tax rates applied were according to the tax authorities' regulation of entities located.

Note 2: Items that cannot be recognised according to laws and regulations are mainly unrealised investment profit or loss.

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

	2022			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
— Deferred tax assets:				
Temporary differences:				
Allowance for losses from inventories obsolescence	\$ 7,651	\$ 30	\$ -	\$ 7,681
Pensions	2,721	(744)	(1,741)	236
Loss tax credit	15,048	-	-	15,048
Others	13,916	7,317	-	21,233
	<u>\$ 39,336</u>	<u>\$ 6,603</u>	<u>(\$ 1,741)</u>	<u>\$ 44,198</u>
— Deferred tax liabilities:				
Gain on overseas long-term investment	(\$ 35,410)	(\$ 10,906)	\$ -	(\$ 46,316)
Provision for land increment tax	(29,614)	2,869	-	(26,745)
Others	(1,944)	(20,720)	-	(22,664)
	<u>(\$ 66,968)</u>	<u>(\$ 28,757)</u>	<u>\$ -</u>	<u>(\$ 95,725)</u>
		<u>(\$ 22,154)</u>	<u>(\$ 1,741)</u>	

	2021			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
– Deferred tax assets:				
Temporary differences:				
Allowance for losses				
from inventories	\$ 6,781	\$ 870	\$ -	\$ 7,651
obsolescence				
Pensions	4,444	(775)	(948)	2,721
Loss tax credit	15,048	-	-	15,048
Others	14,646	(2,674)	-	11,972
	<u>\$ 40,919</u>	<u>(\$ 2,579)</u>	<u>(\$ 948)</u>	<u>\$ 37,392</u>
– Deferred tax liabilities:				
Gain on overseas long-				
term investment	(\$ 43,892)	\$ 8,482	\$ -	(\$ 35,410)
Provision for land				
increment tax	(29,614)	-	-	(29,614)
	<u>(\$ 73,506)</u>	<u>\$ 8,482</u>	<u>\$ -</u>	<u>(\$ 65,024)</u>
		<u>\$ 5,973</u>	<u>(\$ 948)</u>	

D. Considering several factors such as the operating result, degree of expansion and dividend policy of each overseas subsidiary, and based on the assessment, as of December 31, 2022 and 2021, the amounts of temporary difference unrecognised as deferred tax liabilities were \$1,285,140 thousand and \$1,223,509 thousand, respectively.

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

(24) Earnings per share

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,443,111	193,001	\$ 7.48
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,443,111	193,001	
Assumed conversion of all dilutive potential ordinary shares Employees' compensation	-	917	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 1,443,111	193,918	\$ 7.44

	Year ended December 31, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,024,903	192,920	\$ 5.31
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,024,903	192,920	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	702	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 1,024,903	\$ 193,622	\$ 5.29

A. The number of weighted-average outstanding shares is included for assumed conversion of all dilutive potential ordinary shares at the calculation of diluted earnings per share, based on the assumption that employees' compensation will all be distributed in the form of shares.

B. For the years ended December 31, 2022 and 2021, the weighted average number of outstanding shares was calculated based on the weighted average number of treasury shares.

(25) Supplemental cash flow information

Investing activities with partial cash payments:

	Year ended December 31	
	2022	2021
Purchase of property, plant and equipment	\$ 1,069,152	\$ 1,632,736
Add: Opening balance of payable on equipment	401,186	936,409
Add: Ending balance of prepayments for business facilities	36,108	192,444
Less: Ending balance of payable on equipment	(168,133)	(401,186)
Less: Opening balance of prepayments for business facilities	(192,444)	(599,287)
Cash paid during the year	\$ 1,145,869	\$ 1,761,116

(26) Changes in liabilities from financing activities

	Short-term borrowings	Lease liabilities	Dividends payable	Long-term borrowings (including current portion)	Liabilities from financing activities -gross
At January 1, 2022	\$ 4,057,315	\$ 179,764	\$ -	\$ 1,862,567	\$ 6,099,646
Changes in cash flow from financing activities	168,406	(70,844)	(585,753)	(477,024)	(965,215)
Changes in other non-cash items	-	26,977	585,753	-	612,730
Impact of changes in foreign exchange rate	56,398	8,681	-	149,773	214,852
At December 31, 2022	<u>\$ 4,282,119</u>	<u>\$ 144,578</u>	<u>\$ -</u>	<u>\$ 1,535,316</u>	<u>\$ 5,962,013</u>

	Short-term borrowings	Lease liabilities	Dividends payable	Long-term borrowings (including current portion)	Liabilities from financing activities -gross
At January 1, 2021	\$ 3,473,500	\$ 86,274	\$ -	\$ 1,848,800	\$ 5,408,574
Changes in cash flow from financing activities	605,153	(36,326)	(386,002)	58,971	241,796
Changes in other non-cash items	-	134,996	386,002	-	520,998
Impact of changes in foreign exchange rate	(21,338)	(5,180)	-	(45,204)	(71,722)
At December 31, 2021	<u>\$ 4,057,315</u>	<u>\$ 179,764</u>	<u>\$ -</u>	<u>\$ 1,862,567</u>	<u>\$ 6,099,646</u>

7. Related Party Transactions

(1) Names of related parties and relationship

<u>Name of related parties</u>	<u>Relationship with the Group</u>
Jiangxi Jinyou Technology Co., Ltd.	Associate
Tsai, Huo-Lu	Chairman of the Company

(2) Significant related party transactions

A. Operating revenue

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Operating revenue:		
Associates	\$ <u>42,446</u>	\$ <u>29,964</u>

Goods are sold by the Group to related parties at general prices plus transportation costs. The collection term was 30~120 days after monthly billings, T/T. The collection term to domestic general customers was 30~120 days after monthly billings, T/T, and to overseas general customers was advance receipts or 30~120 days after monthly billings, T/T.

B. Purchases

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Purchases:		
Associates	\$ <u>230,159</u>	\$ <u>277,253</u>

The inventories purchased by the Group from related parties were primarily finished goods and semi-finished goods of laptop keyboards. There were no comparable data of prices because the finished goods and semi-finished goods were outsourced based on machinery models. The payment term was 30-120 days after monthly billings, T/T. For domestic general suppliers, the payment term was 30-120 days after monthly billings, T/T or L/C.

C. Accounts receivable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts receivable:		
Associates	\$ <u>19,510</u>	\$ <u>8,227</u>

D. Accounts payable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts payable:		
Associates	\$ <u>106,721</u>	\$ <u>90,133</u>

E. Other receivables

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Other receivables:		
Associates	\$ <u>37</u>	\$ <u>-</u>

F. Other payables

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Other payables:		
Management of the company	\$ <u>-</u>	\$ <u>34,921</u>

G. Interest expense

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Interest expense:		
Key management of the company	\$ <u>1,661</u>	\$ <u>1,737</u>

H. Rental income

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Rental income:		
Associates	\$ <u>90</u>	\$ <u>315</u>

I. Other expense

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Processing expense:		
Associates	\$ <u>438</u>	\$ <u>-</u>

J. Endorsements and guarantees provided to related parties:

Information about endorsements and guarantees to others is provided in Note 13(1)B.

(3) Key management compensation

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Short-term employee benefits	\$ 25,472	\$ 28,946
Post-employment benefits	603	708
Total	<u>\$ 26,075</u>	<u>\$ 29,654</u>

8. Pledged Assets

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

<u>Pledged assets</u>	<u>Book value</u>		<u>Purpose</u>
	<u>December 31, 2022</u>	<u>December 31, 2021</u>	
Current financial assets at amortised cost	\$ 795,928	\$ -	Short-term borrowings
Non-current financial assets at amortised cost	-	784,388	Short-term borrowings
	<u>\$ 795,928</u>	<u>\$ 784,388</u>	

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

None.

(2) Commitments

Capital expenditures contracted and not yet incurred

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Property, plant and equipment	\$ <u>46,204</u>	\$ <u>178,176</u>

(3) Commitments and contingencies

Information about guarantees provided to related parties is provided in Note 13.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

Information about the appropriation of 2022 earnings is provided in Note 6(15)E.

12. Others

(1) Capital management

The Group's capital management is based on the scale of the industry which the Group is in, along with the industry's future growth and product development to set an appropriate market share. Furthermore, the Group determines an appropriate capital structure by planning a corresponding capital expenditure, calculating operation funds in accordance with operating plans, and considering the operating profits and cash flows that can be generated by products' competitiveness.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial assets</u>		
Non-current financial assets at fair value through other comprehensive income	\$ -	\$ 70
Financial assets at amortised cost/Loans and receivables		
Cash and cash equivalents	4,262,302	2,132,091
Current financial assets at amortised cost	795,928	-
Non-current financial assets at amortised cost	132,207	784,388
Accounts receivable (Including related parties)	7,711,549	8,050,657
Other receivables (Including related parties)	80,198	44,393
Guarantee deposits paid	20,759	23,765
	<u>\$ 13,002,943</u>	<u>\$ 11,035,364</u>

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 4,282,119	\$ 4,057,315
Notes payable	28	41
Accounts payable (Including related parties)	3,421,783	4,357,185
Other accounts payable (Including related parties)	1,780,374	2,073,210
Contract liabilities	79,472	30,237
Long-term borrowings (including current portion)	1,535,316	1,862,567
Deposits received	26,596	16,279
	<u>\$ 11,125,688</u>	<u>\$ 12,396,834</u>
Leased liabilities (including current and non-current portion)	<u>\$ 144,578</u>	<u>\$ 179,764</u>

B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price rate risk and interest rate risk), credit risk and liquidity risk.
- (b) For the risk management, the Group's treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units, such as exchange rate risk, interest rate risk and investment of current residual capital.

C. Significant financial risks and degrees of financial risks

- (a) Market risk

Exchange rate risk

- i. The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Foreign exchange rate risk arises from future commercial transactions and recognised assets and liabilities.
- ii. The Group's businesses involve some non-functional currency operations (the Group's functional currency: NTD; other certain subsidiaries' functional currency: USD or RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

December 31, 2022			
(Foreign currency: functional currency)	Foreign currency amount		Book amounts
	(In thousands)	Exchange rate	(NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 171,953	30.71	\$ 5,280,677
USD:RMB	145,493	6.97	1,014,086
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	331	30.71	10,165
USD:RMB	170,878	6.97	1,191,020

December 31, 2021			
(Foreign currency: functional currency)	Foreign currency amount		Book amounts
	(In thousands)	Exchange rate	(NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 111,359	27.68	\$ 3,082,417
USD:RMB	167,573	6.37	1,067,440
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	11,745	27.68	325,102
USD:RMB	150,350	6.37	957,730

iii. Please refer to the following table for the details of total exchange gain (loss), including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Foreign exchange gains (losses), net	\$ 452,357	(\$ 131,753)

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

	Year ended December 31, 2022		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 52,807	\$ -
USD:RMB	1%	10,141	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	102	-
USD:RMB	1%	11,910	-
	Year ended December 31, 2021		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	\$ 30,824	\$ -
USD:RMB	1%	10,674	-
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	3,251	-
USD:RMB	1%	9,577	-

Price risk

The investments held by the Group were classified as financial assets at fair value through other comprehensive income on the consolidated balance sheet. 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.

Cash flow and fair value interest rate risk

- i. The Group's interest rate risk arises from long-term and short-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. During 2022 and 2021, the Group's borrowings at variable rate were mainly denominated in New Taiwan dollars and United States dollars.
- ii. As of December 31, 2022 and 2021, if the borrowing interest rate had increased/decreased by 0.1% with all other variables held constant, pre-tax profit for the years ended December 31, 2022 and 2021 were as follows:

	2022		
	Sensitivity analysis		
	the borrowing interest rate		pre-tax profit
NTD Borrowings	0.1%	\$	1, 708
RMB Borrowings	0.1%		1, 995
USD Borrowings	0.1%		951

	2021		
	Sensitivity analysis		
	the borrowing interest rate		pre-tax profit
NTD Borrowings	0.1%	\$	1, 566
RMB Borrowings	0.1%		1, 634
USD Borrowings	0.1%		1, 112

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost.
- ii. The Group manages their credit risk taking into consideration the entire group's concern. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings. The utilisation of credit limits is regularly monitored.
- iii. For banks and financial institutions, the Group mainly transacts with famous domestic and foreign financial intuitions. To reduce credit risk, the Group maintains the cooperation with various banks and financial institutions to avoid concentrating on the same transaction counterparty. The transaction of financial services or loan approval conditions provided by banks and financial institutions can only be carried out in accordance with the Company's internal control authority, and approval by the Board of Directors or the approval supervisor. Documents signed with banks and financial institutions must be inspected by specialised personnel of legal affairs or legal consultant before they can be officially signed to avoid legal risks. The Group periodically reviews the rating from the credit agency, service conditions, quality, and transaction situation of banks and financial institutions, and periodically monitors and maintains reasonable credit limits and utilisation of credit limits in accordance with the Group's operation conditions to accurately meet operating needs.
- iv. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
If the contract payments were past due over 30 days based on the terms, there has been a

significant increase in credit risk on that instrument since initial recognition.

- v. The Group adopts the default occurs when the contract payments are past due over 180 days.
- vi. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (A) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
 - (B) The disappearance of an active market for that financial asset because of financial;
 - (C) Default or delinquency in interest or principal repayments;
 - (D) Adverse changes in national or regional economic conditions that are expected to cause a default.
- vii. The Group classifies customer's accounts receivable in accordance with credit rating of customer. The Group applies the modified approach using a provision matrix based on the loss rate methodology to estimate expected credit loss under the provision matrix basis.
- viii. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights.
- ix. The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2022 and 2021, the provision matrix, loss rate methodology is as follows:

	Individual	Group			Total
		Not past due	Within 1 year	Over 1 year	
<u>December 31,2022</u>					
Expected loss rate	100%	0%	0%	100%	
Total book value	\$ 1,303	\$ 7,630,535	\$ 81,014	\$ -	\$ 7,712,852
Loss allowance	\$ 1,303	\$ -	\$ -	\$ -	\$ 1,303

	Individual	Group			Total
		Not past due	Within 1 year	Over 1 year	
<u>December 31,2021</u>					
Expected loss rate	100%	0%	0%	100%	
Total book value	\$ 1,721	\$ 8,033,140	\$ 17,517	\$ -	\$ 8,052,378
Loss allowance	\$ 1,721	\$ -	\$ -	\$ -	\$ 1,721

- x. The overdue loss rate of financial assets, other receivables, and deposits held by the Group measured at amortized cost is minimal, so the provisions on December 31, 2022 and 2021 are not significant.
- xi. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable is as follows:

	<u>2022</u>
At January 1	\$ 1,721
Provision for impairment	5,285
Reversal of impairment loss on assets	(557)
Write-offs	(5,285)
Effect of foreign exchange	139
At December 31	<u>\$ 1,303</u>
	<u>2021</u>
At January 1	\$ 1,759
Effect of foreign exchange	(38)
At December 31	<u>\$ 1,721</u>

The Group did not hold collateral for accounts receivable.

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.
- ii. The Group has the following undrawn borrowing facilities:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Floating rate		
Expiring within one year	\$ 2,235,883	\$ 714,236
Fixed rate		
Expiring within one year	<u>7,848,569</u>	<u>6,480,107</u>
	<u>\$ 10,084,452</u>	<u>\$ 7,194,343</u>

- iii. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

December 31, 2022	Within one year	Between 1 and 2 year(s)	Over 2 years	Total
Short-term borrowings	\$ 4,303,995	\$ 17,484	\$ -	\$4,321,479
Notets payable	28			28
Accounts payable	3,421,783	-	-	3,421,783
Other payables	1,780,374	-	-	1,780,374
Lease liabilities	57,352	48,331	56,796	162,479
Long-term borrowings (including current portion)	689,531	846,072	67,217	1,602,820

Non-derivative financial liabilities:

December 31, 2021	Within one year	Between 1 and 2 year(s)	Over 2 years	Total
Short-term borrowings	\$4,082,398	\$ -	\$ -	\$4,082,398
Notets payable	41	-	-	41
Accounts payable	4,357,185	-	-	4,357,185
Other payables	2,073,210	-	-	2,073,210
Lease liabilities	55,961	55,692	94,189	205,842
Long-term borrowings (including current portion)	713,692	697,453	653,942	2,065,087

(3) Fair value information

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

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

B. Financial instruments not measured at fair value

Except for those listed in the table below, the carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, short-term borrowings, notes payable, accounts payable and other payables are approximate to their fair values.

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

The related information of natures of the assets and liabilities is as follows:

<u>December 31, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>December 31, 2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70</u>	<u>\$ 70</u>

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

The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company's financial and non-financial instruments. Therefore, the estimated value of valuation model would be adequately adjusted based on extra parameters, such as model risk or liquidity risk, etc. In accordance with the Company'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 at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

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

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

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

	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ -	Market comparable companies	Price to book ratio multiple	1.37	The higher the multiple and control premium, the higher the fair value
	Fair value at December 31, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 70	Market comparable companies	Price to book ratio multiple	1.37	The higher the multiple and control premium, the higher the fair value

13. Supplementary Disclosures

(1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 4.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 5.
- I. Trading in derivative instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: Please refer to table 6.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 7.

(3) Information on investments in Mainland China

A. Basic information and limit of reinvestment in Mainland China: Please refer to table 8.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area:

For the year ended December 31, 2022, significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: please refer to tables 1, 2, 4, 5 and 6.

(4) Major shareholders information

Please refer to table 9.

14. Operating segments information

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions. Business organisation is divided into Taiwan, Central China, Southern China and other regions based on operation regions.

(2) Measurement of segment information

The Board of Directors of the Company evaluates the performance of the operating segments based on the segment profit (loss) before tax

(3) Segment Information

	December 31, 2022					
	Taiwan	Central China	Southern China	Other areas	Write-off	Total
External-segment revenue	\$ 9,653,929	\$ 8,485,016	\$ 1,186,016	\$ 5,246,825	\$ -	\$ 24,571,786
Inter-segment revenue	281,471	12,506,110	989,429	3,629,513	(17,406,523)	-
Income total	<u>\$ 9,935,400</u>	<u>\$ 20,991,126</u>	<u>\$ 2,175,445</u>	<u>\$ 8,876,338</u>	<u>(\$ 17,406,523)</u>	<u>\$ 24,571,786</u>
Segment Earnings Before Interest and Tax	<u>\$ 1,160,636</u>	<u>\$ 1,037,036</u>	<u>\$ 244,252</u>	<u>(\$ 378,668)</u>	<u>\$ 57,212</u>	<u>\$ 2,120,468</u>
Segment assets (Note)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Segment income (loss), including:						
Interest income	\$ 76,953	\$ 4,158	\$ 17,696	\$ 83,413	(\$ 142,071)	\$ 40,149
Depreciation and amortization expense	9,034	1,298,341	66,137	245,363	(1,751)	1,617,124
Finance costs	24,916	180,423	2,234	69,648	(142,146)	135,075
Income tax expense	281,207	203,502	32,662	39,383	-	556,754

Note: The chief operating decision-maker does not use the measured amount of the assets as a measurement indicator; therefore, the measured amount of the Group's assets shall be disclosed as zero.

December 31, 2021

	Taiwan	Central China	Southern China	Other areas	Write-off	Total
External-segment revenue	\$ 7,916,940	\$ 7,959,577	\$ 1,674,376	\$ 6,507,336	\$ -	\$ 24,058,229
Inter-segment revenue	232,070	10,464,301	604,493	2,693,356	(13,994,220)	-
Income total	<u>\$ 8,149,010</u>	<u>\$ 18,423,878</u>	<u>\$ 2,278,869</u>	<u>\$ 9,200,692</u>	<u>(\$ 13,994,220)</u>	<u>\$ 24,058,229</u>
Segment Earnings Before Interest and Tax	<u>\$ 1,229,806</u>	<u>\$ 618,463</u>	<u>\$ 41,237</u>	<u>\$ 27,414</u>	<u>(\$ 496,230)</u>	<u>\$ 1,420,690</u>
Segment assets (Note)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Segment income (loss), including:						
Interest income	\$ 64,992	\$ 1,327	\$ 16,102	\$ 104,860	(\$ 164,787)	\$ 22,494
Depreciation and amortization expense	9,669	1,096,518	79,434	223,260	(1,748)	1,407,133
Finance costs	18,606	186,638	2,812	36,441	(165,064)	79,433
Income tax expense	204,903	120,005	52,760	4,009	-	381,677

Note: The chief operating decision-maker does not use the measured amount of the assets as a measurement indicator; therefore, the measured amount of the Group's assets shall be disclosed as zero.

(4) Reconciliation for segment income (loss)

Sales between segments are carried out at arm's length. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income.

A reconciliation of segment profit (loss) before tax for the years ended December 31, 2022 and 2021 is provided as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Reportable segments profit/(loss) before tax after adjustment	\$ 2,441,924	\$ 1,889,506
Other segments income/(loss) before tax after adjustment	(378,668)	27,414
Total segments	2,063,256	1,916,920
Elimination of profit (loss) between segments	57,212	(496,230)
Consolidated profit before tax	<u>\$ 2,120,468</u>	<u>\$ 1,420,690</u>

(5) Geographical information

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

	<u>December 31, 2022</u>		<u>December 31, 2021</u>	
	<u>Revenue</u>	<u>Non-current Assets</u>	<u>Revenue</u>	<u>Non-current Assets</u>
China	\$ 23,434,193	\$ 4,902,082	\$ 22,987,449	\$ 6,140,876
Germany	694,370	-	289,076	-
United States of America	152,089	83	380,935	-
Taiwan	161,436	554,144	298,353	564,684
Others	129,698	-	102,416	-
Total	<u>\$ 24,571,786</u>	<u>\$ 5,456,309</u>	<u>\$ 24,058,229</u>	<u>\$ 6,705,560</u>

The Group's geographic revenue is calculated based on countries where sales incur. Other countries include Singapore, Czechia, Netherlands and Hong Kong, etc. Non-current assets pertain to property, plant and equipment, right-of-use assets, intangible assets and other non-current assets, but excluded investments accounted for using equity method, financial instruments and deferred tax assets.

(6) Major customer information

Major customer information of the Group for the years ended December 31, 2022 and 2021 is as follows:

	<u>December 31, 2022</u>		<u>December 31, 2021</u>	
	<u>Revenue</u>	<u>Department</u>	<u>Revenue</u>	<u>Department</u>
Company S	\$ 8,932,651	Taiwan	\$ 7,466,169	Taiwan
Company T	5,237,262	Taiwan	3,906,305	Taiwan
Company U	3,335,715	China	4,201,100	China
	<u>\$ 17,505,628</u>		<u>\$ 15,573,574</u>	

SUNREX TECHNOLOGY CORP. AND SUBSIDIARIES

LOANS TO OTHERS

YEAR ENDED DECEMBER 31, 2022

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2022	Balance at December 31, 2022	Actual amount drawn down	Interest rate	Nature of loan (Note 3)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 2)	Ceiling on total loans granted (Note 2)	Footnote
													Item	Value			
0	Sunrex Technology Corp.	BEST ELITE HOLDINGS LTD	Other receivables	Yes	\$ 825,300	\$ 614,200	\$ 353,165	2.5%	(2)	\$ -	Working capital	\$ -	None	\$ -	\$ 3,594,988	\$ 3,594,988	
0	Sunrex Technology Corp.	Sunrex Technology (Jiangsu) Co., Ltd.	Other receivables	Yes	2,563,870	2,548,930	1,274,465	5.0%	(2)	-	Working capital	-	None	-	3,594,988	3,594,988	
0	Sunrex Technology Corp.	Forward Optics Co., Ltd	Other receivables	Yes	15,000	15,000	-	3.0%	(2)	-	Working capital	-	None	-	3,594,988	3,594,988	
1	BEST ELITE HOLDINGS LTD	Sunrex Technology (Jiangsu) Co., Ltd.	Other receivables	Yes	2,704,412	1,936,750	-	5.0%	(2)	-	Working capital	-	None	-	7,400,734	7,400,734	
2	Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	Sunrex Technology (Jiangxi) Co., Ltd	Other receivables	Yes	511,405	424,935	290,928	5.0%	(2)	-	Working capital	-	None	-	899,522	899,522	

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is '0'.

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

Note 2: Ceiling on total loans granted is 40% of the creditor's net assets and limit on loans granted between the foreign companies which are directly or indirectly wholly owned by the Company is 100% of the creditor's net assets.

Note 3: (1) Business transaction.

(2) Short-term financing.

Note 4: Has been eliminated in the consolidated financial statements.

SUNREX TECHNOLOGY CORP. AND SUBSIDIARIES
PROVISION OF ENDORSEMENTS AND GUARANTEES TO OTHERS
YEAR ENDED DECEMBER 31, 2022

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/guarantor	Party being endorsed/ guaranteed		Limit on endorsements/guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2022	Outstanding endorsement/ guarantee amount at December 31, 2022	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/guarantor company	Ceiling on total amount of endorsements /guarantees provided (Note 2)	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
		Relationship with the endorser/guarantor (Note 1)	Company name											
0	Sunrex Technology Corp.	BEST ELITE HOLDINGS LTD	Note 1	\$ 4,493,736	\$ 3,172,403	\$ 3,153,917	\$ 1,188,866	\$ -	35.09%	\$ 8,987,471	Y	N	N	
0	Sunrex Technology Corp.	Sunrex Technology (Jiangsu) Co., Ltd.	Note 1	4,493,736	1,347,300	921,300	276,390	-	10.25%	8,987,471	Y	N	Y	
0	Sunrex Technology Corp.	Changshu Sunrex Technology Co., Ltd.	Note 1	4,493,736	88,425	-	-	-	0.00%	8,987,471	Y	N	Y	
0	Sunrex Technology Corp.	Sunrex Technology (Chongqing) Co., Ltd.	Note 1	4,493,736	117,900	-	-	-	0.00%	8,987,471	Y	N	Y	
0	Sunrex Technology Corp.	Forward Optocs Co., LTD.	Note 1	4,493,736	30,000	30,000	15,000	-	0.33%	8,987,471	Y	N	N	

Note 1: The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.

Note 2: Ceiling on total amount of endorsements/guarantees provided by the Company is 100% of the Company's net assets.

Note 3: Limit on endorsements/guarantees provided by the Company for a single party is 50% of the Company's net assets.

SUNREX TECHNOLOGY CORP. AND SUBSIDIARIES
HOLDING OF MARKETABLE SECURITIES AT THE END OF THE PERIOD (NOT INCLUDING SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES)
YEAR ENDED DECEMBER 31, 2022

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2022				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Ching Yi Investment Co., Ltd.	Sunrex Technology Corp.	The Company	Non-current financial assets at fair value through other comprehensive income	2,250,000	\$ 85,613	1.15%	\$ 85,613	Note 5
Sunrex Technology Corp.	Forward Optics Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	47,286	-	1.60%	-	Note 6

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Note 2: Leave the column blank if the issuer of marketable securities is non-related party.

Note 3: Fill in the amount after adjusted at fair value and

Note 4: The number of shares of securities and their amounts pledged

Note 5: Book value as of December 31, 2022 has been transferred to treasury share in the consolidated financial statements.

Note 6: Forward Optics Co., Ltd. reduced \$61,260 and \$49,260 of capital to offset accumulated deficits as resolved by the shareholders on April 28, 2021 and August 5, 2021, respectively and increased \$71,039 of capital by debt for equity swap as by the Board of Directors on October 28, 2021. As the Company did not participate in the capital increase, the Company's ownership decreased from 11.10% to 1.60%. Reduced \$79,881 of capital to offset accumulated deficits as resolved by the shareholders on August 16, 2022, with a capital reduction ration of 64.50%. After the capital reduction, the company's ownership decreased is 1.60% on August 16, 2022. On August 16, 2022, the shareholders resolved to reduce capital to offset accumulated deficits amounting to \$79,881 thousand. The capital reduction ratio was 64.50%. The effective date for the capital reduction was set on August 22, 2022. After the capital reduction, the Company's shareholding ratio was 1.60%.

SUNREX TECHNOLOGY CORP. AND SUBSIDIARIES
PURCHASES OR SALES OF GOODS FROM OR TO RELATED PARTIES REACHING NT\$100 MILLION OR 20% OF PAID-IN CAPITAL OR MORE
YEAR ENDED DECEMBER 31, 2022

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Transaction		Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote	
				Amount	Percentage of total purchases (sales)	Unit price	Credit term	Balance	notes/accounts receivable (payable)		
Sunrex Technology Corp.	Sunrex Technology (Jiangsu) Co., Ltd.	Same ultimate parent	Purchases	\$ 3,830,228	18.04%	Note 1	120 days after monthly billings	Collected by telegraphic transfer	Accounts payable \$ 2,483,780 thousand	72.66%	Note 2
Sunrex Technology Corp.	Changshu Sunrex Technology Co., Ltd.	Same ultimate parent	Purchases	3,267,187	15.38%	Note 1	120 days after monthly billings	Collected by telegraphic transfer	Accounts payable 1,180,915 thousand	0.35%	Note 2
Sunrex Technology Corp.	Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	Same ultimate parent	Purchases	900,059	4.24%	Note 1	120 days after monthly billings	Collected by telegraphic transfer	Accounts payable 484,384 thousand	14.17%	Note 2
Sunrex Technology Corp.	Sunrex Technology (Chongqing) Co., Ltd.	Same ultimate parent	Purchases	757,454	3.57%	Note 1	120 days after monthly billings	Collected by telegraphic transfer	Accounts payable 163,089 thousand	4.77%	Note 2
Sunrex Technology Corp.	Sunrex Technoloy (Jiangxi) Co., Ltd	Same ultimate parent	Purchases	108,872	0.51%	Note 1	120 days after monthly billings	Collected by telegraphic transfer	Accounts payable 35,437 thousand	1.04%	Note 2
Sunrex Technology (Jiangsu) Co., Ltd.	Crown Trading International Limited	Same ultimate parent	Sales	1,394,453	5.67%	Note 1	120 days after monthly billings	Collected by telegraphic transfer	Accounts receivable 587,061 thousand	7.61%	Note 2
Sunrex Technology (Jiangsu) Co., Ltd.	Sunrex Technology Corp.	The Company	Sales	3,825,915	15.57%	Note 1	120 days after monthly billings	Collected by telegraphic transfer	Accounts receivable 2,487,587 thousand	32.26%	Note 2
Sunrex Technology (Jiangsu) Co., Ltd.	Kai Zhao (Suzhou)dian Zi You Xian Gong Si Ltd.	Same ultimate parent	Purchases	297,800	1.40%	Note 1	120 days after monthly billings	Other payables	Others payables 73,267 thousand	2.14%	Note 2
Sunrex Technology (Jiangsu) Co., Ltd.	Changshu Sunrex Technology Co., Ltd.	The Company	Purchases	198,528	0.93%	Note 1	120 days after monthly billings	Collected by telegraphic transfer	Accounts payable 185,977 thousand	5.44%	Note 2
Sunrex Technology (Jiangsu) Co., Ltd.	Sunrex Technoloy (Jiangxi) Co., Ltd	Same ultimate parent	Purchases	148,140	0.70%	Note 1	120 days after monthly billings	Collected by telegraphic transfer	Accounts payable 302 thousand	0.01%	Note 2
Sunrex Technology (Jiangsu) Co., Ltd.	Crown Trading International Limited	Same ultimate parent	Purchases	336,821	1.59%	Note 1	120 days after monthly billings	Collected by telegraphic transfer	Accounts payable 127,043 thousand	3.72%	Note 2
Sunrex Technology (Jiangsu) Co., Ltd.	Amiable Development Incorporated	Same ultimate parent	Purchases	1,895,770	8.93%	Note 1	120 days after monthly billings	Collected by telegraphic transfer	Accounts payable 1,069,019 thousand	31.27%	Note 2
Changshu Sunrex Technology Co., Ltd.	Sunrex Technology (Jiangsu) Co., Ltd.	Same ultimate parent	Sales	199,424	0.81%	Note 1	120 days after monthly billings	Collected by telegraphic transfer	Accounts receivable 185,293 thousand	2.40%	Note 2
Changshu Sunrex Technology Co., Ltd.	Amiable Development Incorporated	Same ultimate parent	Sales	2,084,440	8.48%	Note 1	120 days after monthly billings	Collected by telegraphic transfer	Accounts receivable 1,144,124 thousand	14.84%	Note 2
Changshu Sunrex Technology Co., Ltd.	Sunrex Technology Corp.	The Company	Sales	3,252,162	13.23%	Note 1	120 days after monthly billings	Collected by telegraphic transfer	Accounts receivable 1,179,134 thousand	15.29%	Note 2
Changshu Sunrex Technology Co., Ltd.	Amiable Development Incorporated	Same ultimate parent	Purchases	379,521	1.79%	Note 1	120 days after monthly billings	Collected by telegraphic transfer	Accounts payable 198,234 thousand	5.80%	Note 2
Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	Sunrex Technology Corp.	The Company	Sales	898,245	3.65%	Note 1	120 days after monthly billings	Collected by telegraphic transfer	Accounts receivable 486,349 thousand	6.31%	Note 2
Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	Sunrex Technoloy (Jiangxi) Co., Ltd	Same ultimate parent	Purchases	251,382	1.18%	Note 1	120 days after monthly billings	Collected by telegraphic transfer	Accounts payable 131,773 thousand	3.86%	Note 2
Sunrex Technology (Chongqing) Co., Ltd.	Sunrex Technology Corp.	The Company	Sales	753,650	3.07%	Note 1	120 days after monthly billings	Collected by telegraphic transfer	Accounts receivable 166,647 thousand	2.16%	Note 2
Sunrex Technology (Chongqing) Co., Ltd.	Elated Develop Limited	Same ultimate parent	Purchases	188,030	0.89%	Note 1	120 days after monthly billings	Collected by telegraphic transfer	Accounts payable 84,438 thousand	2.47%	Note 2
Sunrex Technoloy (Jiangxi) Co., Ltd	Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	Same ultimate parent	Sales	250,324	1.02%	Note 1	120 days after monthly billings	Collected by telegraphic transfer	Accounts receivable 133,339 thousand	1.73%	Note 2
Sunrex Technoloy (Jiangxi) Co., Ltd	Sunrex Technology (Jiangsu) Co., Ltd.	Same ultimate parent	Sales	144,144	0.59%	Note 1	120 days after monthly billings	Collected by telegraphic transfer	Accounts receivable 44,258 thousand	0.57%	Note 2
Sunrex Technoloy (Jiangxi) Co., Ltd	Crown Trading International Limited	Same ultimate parent	Sales	336,421	1.37%	Note 1	120 days after monthly billings	Collected by telegraphic transfer	Accounts receivable 154,752 thousand	2.01%	Note 2
Sunrex Technoloy (Jiangxi) Co., Ltd	Amiable Development Incorporated	Same ultimate parent	Sales	379,261	1.54%	Note 1	120 days after monthly billings	Collected by telegraphic transfer	Accounts receivable 198,234 thousand	2.57%	Note 2
Sunrex Technoloy (Jiangxi) Co., Ltd	Elated Develop Limited	Same ultimate parent	Sales	187,861	0.76%	Note 1	120 days after monthly billings	Collected by telegraphic transfer	Accounts receivable 67,980 thousand	0.88%	Note 2

SUNREX TECHNOLOGY CORP. AND SUBSIDIARIES
PURCHASES OR SALES OF GOODS FROM OR TO RELATED PARTIES REACHING NT\$100 MILLION OR 20% OF PAID-IN CAPITAL OR MORE
YEAR ENDED DECEMBER 31, 2022

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)			Footnote	
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	notes/accounts receivable (payable)		
Sunrex Technoloy (Jiangxi) Co., Ltd	Sunrex Technology Corp.	The Company	Sales	108,184	0.44%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts receivable	35,359 thousand	0.46%	Note 2
Amiable Development Incorporated	Sunrex Technology (Jiangsu) Co., Ltd.	Same ultimate parent	Sales	280,553	1.14%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts receivable	1,073,838 thousand	13.93%	Note 2
Amiable Development Incorporated	Changshu Sunrex Technology Co., Ltd.	Same ultimate parent	Purchases	308,124	1.45%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts payable	1,144,787 thousand	33.49%	Note 2
Crown Trading International Limited	Sunrex Technology (Jiangsu) Co., Ltd.	Same ultimate parent	Purchases	208,405	0.98%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts payable	587,401 thousand	17.18%	Note 2
Kai Zhao (Suzhou)dian Zi You Xian Gong Si	Sunrex Technology (Jiangsu) Co., Ltd.	Same ultimate parent	Sales	297,801	1.21%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts receivable	72,532 thousand	0.94%	Note 2

Note 1: As the finished goods and semi-finished goods purchased by the Company are outsourced according to different models, there was no relevant information for comparison.

Note 2: Has been eliminated in the consolidated financial statements.

SUNREX TECHNOLOGY CORP. AND SUBSIDIARIES
RECEIVABLES FROM RELATED PARTIES REACHING NT\$100 MILLION OR 20% OF PAID-IN CAPITAL OR MORE
YEAR ENDED DECEMBER 31, 2022

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2022	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date (Note 1)	Allowance for doubtful accounts
					Amount	Action taken		
Sunrex Technology (Jiangxi) Co., Ltd	Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	Same ultimate parent	Accounts receivable \$ 133,339 thousand	3.50	-	\$ -	\$ 46,497	\$ -
Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	Sunrex Technology (Jiangxi) Co., Ltd	Same ultimate parent	Other receivables 292,372 thousand	-	-	-	133,575	-
Changshu Sunrex Technology Co., Ltd.	Sunrex Technology (Jiangsu) Co., Ltd.	Same ultimate parent	Accounts receivable 185,293 thousand	4.21	-	-	152,136	-
Crown Trading International Limited	Sunrex Technology (Jiangsu) Co., Ltd.	Same ultimate parent	Accounts receivable 127,117 thousand	0.56	-	-	40,159	-
Sunrex Technology (Jiangsu) Co., Ltd.	Crown Trading International Limited	Same ultimate parent	Accounts receivable 587,061 thousand	3.53	-	-	161,092	-
Sunrex Technology (Jiangxi) Co., Ltd	Crown Trading International Limited	Same ultimate parent	Accounts receivable 154,752 thousand	3.14	-	-	48,146	-
Amiable Development Incorporated	Sunrex Technology (Jiangsu) Co., Ltd.	Same ultimate parent	Accounts receivable 1,073,838 thousand	0.74	-	-	398,759	-
Amiable Development Incorporated	Changshu Sunrex Technology Co., Ltd.	Same ultimate parent	Accounts receivable 198,349 thousand	0.89	-	-	82,225	-
Changshu Sunrex Technology Co., Ltd.	Amiable Development Incorporated	Same ultimate parent	Accounts receivable 1,144,124 thousand	4.67	-	-	303,756	-
Sunrex Technology (Jiangxi) Co., Ltd	Amiable Development Incorporated	Same ultimate parent	Accounts receivable 198,234 thousand	6.01	-	-	82,224	-
Sunrex Technology (Jiangsu) Co., Ltd.	Sunrex Technology Corp.	The Company	Accounts receivable 2,487,587 thousand	4.53	-	-	992,640	-
Changshu Sunrex Technology Co., Ltd.	Sunrex Technology Corp.	The Company	Accounts receivable 1,179,134 thousand	5.43	-	-	541,003	-
Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	Sunrex Technology Corp.	The Company	Accounts receivable 486,349 thousand	5.31	-	-	210,879	-
Sunrex Technology (Chongqing) Co., Ltd.	Sunrex Technology Corp.	The Company	Accounts receivable 166,647 thousand	6.91	-	-	93,739	-
Sunrex Technology Corp.	Sunrex Technology (Jiangsu) Co., Ltd.	Same ultimate parent	Other receivables 1,288,965 thousand	-	-	-	507,645	-
Sunrex Technology Corp.	BEST ELITE HOLDINGS LTD	Same ultimate parent	Other receivables 356,512 thousand	-	-	-	93,442	-

Note 1: Subsequent collection is the amount collected as of March 1, 2023.

SUNREX TECHNOLOGY CORP. AND SUBSIDIARIES
SIGNIFICANT INTER-COMPANY TRANSACTIONS DURING THE REPORTING PERIODS
YEAR ENDED DECEMBER 31, 2022

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount (Note 5)	Transaction	Percentage of consolidated total operating revenues or total assets (Note 3)
						Transaction terms	
0	Sunrex Technology Corp.	Sunrex Technology (Jiangsu) Co., Ltd.	1	Purchases	\$ 3,830,228	The price was negotiated and the payment was 120 days after monthly billings	15.58
0	Sunrex Technology Corp.	Changshu Sunrex Technology Co., Ltd.	1	Purchases	3,267,187	The price was negotiated and the payment was 120 days after monthly billings	13.29
0	Sunrex Technology Corp.	Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	1	Purchases	900,059	The price was negotiated and the payment was 120 days after monthly billings	3.66
0	Sunrex Technology Corp.	Sunrex Technology (Chongqing) Co., Ltd.	1	Purchases	757,454	The price was negotiated and the payment was 120 days after monthly billings	3.08
0	Sunrex Technology Corp.	Sunrex Technology (Jiangxi) Co., Ltd.	1	Purchases	108,872	The price was negotiated and the payment was 120 days after monthly billings	0.44
0	Sunrex Technology Corp.	Sunrex Technology (Jiangsu) Co., Ltd.	1	Accounts payable	2,483,780	The price was negotiated and the payment was 120 days after monthly billings	11.36
0	Sunrex Technology Corp.	Changshu Sunrex Technology Co., Ltd.	1	Accounts payable	1,180,915	The price was negotiated and the payment was 120 days after monthly billings	5.40
0	Sunrex Technology Corp.	Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	1	Accounts payable	484,384	The price was negotiated and the payment was 120 days after monthly billings	2.22
0	Sunrex Technology Corp.	Sunrex Technology (Chongqing) Co., Ltd.	1	Accounts payable	163,089	The price was negotiated and the payment was 120 days after monthly billings	0.75
0	Sunrex Technology Corp.	Sunrex Technology (Jiangsu) Co., Ltd.	1	Other receivables	1,288,965	The transaction was aroused from loans and the principal was repayable at the maturity date	5.90
0	Sunrex Technology Corp.	BEST ELITE HOLDINGS LTD	1	Other receivables	356,512	The transaction was aroused from loans and the principal was repayable at the maturity date	1.63
1	Sunrex Technology (Jiangsu) Co., Ltd.	KAI ZHAO(SUZHOU)DIAN ZI YOU	3	Purchases	297,800	The price was negotiated and the payment was 120 days after monthly billings	1.21
1	Sunrex Technology (Jiangsu) Co., Ltd.	Changshu Sunrex Technology Co., Ltd.	3	Purchases	198,528	The price was negotiated and the payment was 120 days after monthly billings	0.81
1	Sunrex Technology (Jiangsu) Co., Ltd.	Sunrex Technology (Jiangxi) Co., Ltd.	3	Purchases	148,140	The price was negotiated and the payment was 120 days after monthly billings	0.60
1	Sunrex Technology (Jiangsu) Co., Ltd.	Changshu Sunrex Technology Co., Ltd.	3	Accounts payable	185,977	The price was negotiated and the payment was 120 days after monthly billings	0.85
1	Sunrex Technology (Jiangsu) Co., Ltd.	Crown Trading International Limited	3	Sales	1,394,453	The price was negotiated and the payment was 120 days after monthly billings	5.67
1	Sunrex Technology (Jiangsu) Co., Ltd.	Crown Trading International Limited	3	Purchases	336,821	The price was negotiated and the payment was 120 days after monthly billings	1.37
1	Sunrex Technology (Jiangsu) Co., Ltd.	Crown Trading International Limited	3	Accounts payable	127,043	The price was negotiated and the payment was 120 days after monthly billings	0.58
1	Sunrex Technology (Jiangsu) Co., Ltd.	Crown Trading International Limited	3	Accounts receivable	587,061	The price was negotiated and the payment was 120 days after monthly billings	2.69
1	Sunrex Technology (Jiangsu) Co., Ltd.	Amiable Development Incorporated	3	Purchases	1,895,770	The price was negotiated and the payment was 120 days after monthly billings	7.71
1	Sunrex Technology (Jiangsu) Co., Ltd.	Amiable Development Incorporated	3	Accounts payable	1,069,019	The price was negotiated and the payment was 120 days after monthly billings	4.89
1	Sunrex Technology (Jiangsu) Co., Ltd.	Sunrex Technology Corp.	2	Sales	3,825,915	The price was negotiated and the payment was 120 days after monthly billings	15.57

SUNREX TECHNOLOGY CORP. AND SUBSIDIARIES
SIGNIFICANT INTER-COMPANY TRANSACTIONS DURING THE REPORTING PERIODS
YEAR ENDED DECEMBER 31, 2022

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount (Note 5)	Transaction	Percentage of consolidated total operating revenues or total assets (Note 3)
						Transaction terms	
1	Sunrex Technology (Jiangsu) Co., Ltd.	Sunrex Technology Corp.	2	Other payables	1,290,330	The transaction was aroused from loans and the principal was repayable at the maturity date	5.90
1	Sunrex Technology (Jiangsu) Co., Ltd.	Sunrex Technology Corp.	2	Accounts receivable	2,487,587	The price was negotiated and the payment was 120 days after monthly billings	11.38
2	Changshu Sunrex Technology Co., Ltd.	Sunrex Technology (Jiangsu) Co., Ltd.	3	Sales	199,424	The price was negotiated and the payment was 120 days after monthly billings	0.81
2	Changshu Sunrex Technology Co., Ltd.	Sunrex Technology (Jiangsu) Co., Ltd.	3	Accounts receivable	185,293	The price was negotiated and the payment was 120 days after monthly billings	0.85
2	Changshu Sunrex Technology Co., Ltd.	Amiable Development Incorporated	3	Sales	2,084,440	The price was negotiated and the payment was 120 days after monthly billings	8.48
2	Changshu Sunrex Technology Co., Ltd.	Amiable Development Incorporated	3	Purchases	379,521	The price was negotiated and the payment was 120 days after monthly billings	1.54
2	Changshu Sunrex Technology Co., Ltd.	Amiable Development Incorporated	3	Accounts payable	198,234	The price was negotiated and the payment was 120 days after monthly billings	0.91
2	Changshu Sunrex Technology Co., Ltd.	Amiable Development Incorporated	3	Accounts receivable	1,144,124	The price was negotiated and the payment was 120 days after monthly billings	5.23
2	Changshu Sunrex Technology Co., Ltd.	Sunrex Technology Corp.	2	Sales	3,252,162	The price was negotiated and the payment was 120 days after monthly billings	13.23
2	Changshu Sunrex Technology Co., Ltd.	Sunrex Technology Corp.	2	Accounts receivable	1,179,134	The price was negotiated and the payment was 120 days after monthly billings	5.39
3	Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	Sunrex Technology (Jiangxi) Co., Ltd	3	Purchases	251,382	The price was negotiated and the payment was 120 days after monthly billings	1.02
3	Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	Sunrex Technology (Jiangxi) Co., Ltd	3	Accounts payable	131,773	The price was negotiated and the payment was 120 days after monthly billings	0.60
3	Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	Sunrex Technology (Jiangxi) Co., Ltd	3	Other receivables	292,372	The transaction was aroused from loans and the principal was repayable at the maturity date	1.34
3	Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	Sunrex Technology Corp.	2	Sales	898,245	The price was negotiated and the payment was 120 days after monthly billings	3.65
3	Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	Sunrex Technology Corp.	2	Accounts receivable	486,349	The price was negotiated and the payment was 120 days after monthly billings	2.23
4	Sunrex Technology (Chongqing) Co., Ltd.	Sunrex Technology (Jiangxi) Co., Ltd	3	Purchases	188,030	The price was negotiated and the payment was 120 days after monthly billings	0.77
4	Sunrex Technology (Chongqing) Co., Ltd.	Sunrex Technology Corp.	2	Sales	753,650	The price was negotiated and the payment was 120 days after monthly billings	3.07
4	Sunrex Technology (Chongqing) Co., Ltd.	Sunrex Technology Corp.	2	Accounts receivable	166,647	The price was negotiated and the payment was 120 days after monthly billings	0.76
5	Sunrex Technology (Jiangxi) Co., Ltd	Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	3	Sales	250,324	The price was negotiated and the payment was 120 days after monthly billings	1.02
5	Sunrex Technology (Jiangxi) Co., Ltd	Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	3	Accounts receivable	133,339	The price was negotiated and the payment was 120 days after monthly billings	0.61
5	Sunrex Technology (Jiangxi) Co., Ltd	Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	3	Other payables	292,372	The transaction was aroused from loans and the principal was repayable at the maturity date	1.34
5	Sunrex Technology (Jiangxi) Co., Ltd	Sunrex Technology (Jiangsu) Co., Ltd.	3	Sales	144,144	The price was negotiated and the payment was 120 days after monthly billings	0.59

SUNREX TECHNOLOGY CORP. AND SUBSIDIARIES
SIGNIFICANT INTER-COMPANY TRANSACTIONS DURING THE REPORTING PERIODS
YEAR ENDED DECEMBER 31, 2022

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount (Note 5)	Transaction		Percentage of consolidated total operating revenues or total assets (Note 3)
						Transaction terms		
5	Sunrex Technoloy (Jiangxi) Co., Ltd	Crown Trading International Limited	3	Sales	336,421	The price was negotiated and the payment was 120 days after monthly billings		1.37
5	Sunrex Technoloy (Jiangxi) Co., Ltd	Crown Trading International Limited	3	Accounts receivable	154,752	The price was negotiated and the payment was 120 days after monthly billings		0.71
5	Sunrex Technoloy (Jiangxi) Co., Ltd	Amiable Development Incorporated	3	Sales	379,261	The price was negotiated and the payment was 120 days after monthly billings		1.54
5	Sunrex Technoloy (Jiangxi) Co., Ltd	Amiable Development Incorporated	3	Accounts receivable	198,234	The price was negotiated and the payment was 120 days after monthly billings		0.91
5	Sunrex Technoloy (Jiangxi) Co., Ltd	Elated Develop Limited	3	Sales	187,861	The price was negotiated and the payment was 120 days after monthly billings		0.76
5	Sunrex Technoloy (Jiangxi) Co., Ltd	Sunrex Technology Corp.	2	Sales	108,184	The price was negotiated and the payment was 120 days after monthly billings		0.44
6	BEST ELITE HOLDINGS LTD	Sunrex Technology Corp.	2	Other payables	357,061	The transaction was aroused from loans and the principal was repayable at the maturity date		1.63
7	Crown Trading International Limited	Sunrex Technology (Jiangsu) Co., Ltd.	3	Purchases	208,405	The price was negotiated and the payment was 120 days after monthly billings		0.85
7	Crown Trading International Limited	Sunrex Technology (Jiangsu) Co., Ltd.	3	Accounts payable	587,401	The price was negotiated and the payment was 120 days after monthly billings		2.69
7	Crown Trading International Limited	Sunrex Technoloy (Jiangxi) Co., Ltd	3	Accounts payable	154,841	The price was negotiated and the payment was 120 days after monthly billings		0.71
7	Crown Trading International Limited	Sunrex Technology (Jiangsu) Co., Ltd.	3	Accounts receivable	127,117	The price was negotiated and the payment was 120 days after monthly billings		0.58

SUNREX TECHNOLOGY CORP. AND SUBSIDIARIES
SIGNIFICANT INTER-COMPANY TRANSACTIONS DURING THE REPORTING PERIODS
YEAR ENDED DECEMBER 31, 2022

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount (Note 5)	Transaction		Percentage of consolidated total operating revenues or total assets (Note 3)
						Transaction terms		
8	Amiable Development Incorporated	Sunrex Technology (Jiangsu) Co., Ltd.	3	Sales	280,553	The price was negotiated and the payment was 120 days after monthly billings		1.14
8	Amiable Development Incorporated	Changshu Sunrex Technology Co., Ltd.	3	Purchases	308,124	The price was negotiated and the payment was 120 days after monthly billings		1.25
8	Amiable Development Incorporated	Changshu Sunrex Technology Co., Ltd.	3	Accounts payable	1,144,787	The price was negotiated and the payment was 120 days after monthly billings		5.24
8	Amiable Development Incorporated	Sunrex Technoloy (Jiangxi) Co., Ltd	3	Accounts payable	198,349	The price was negotiated and the payment was 120 days after monthly billings		0.91
8	Amiable Development Incorporated	Sunrex Technology (Jiangsu) Co., Ltd.	3	Accounts receivable	1,073,838	The price was negotiated and the payment was 120 days after monthly billings		4.91
8	Amiable Development Incorporated	Sunrex Technoloy (Jiangxi) Co., Ltd	3	Accounts receivable	198,349	The price was negotiated and the payment was 120 days after monthly billings		0.91
9	KAI ZHAO(SUZHOU)DIAN ZI YOU	Sunrex Technology (Jiangsu) Co., Ltd.	3	Sales	297,801	The price was negotiated and the payment was 120 days after monthly billings		1.21

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

- (1) Parent company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

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

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

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

Note 4: Only the related party transactions that reach \$10 million or more were disclosed.

Note 5: Has been eliminated in the consolidated financial statements.

SUNREX TECHNOLOGY CORP. AND SUBSIDIARIES
INFORMATION ON INVESTEES
YEAR ENDED DECEMBER 31, 2022

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee (Note 1)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value			
Sunrex Technology Corp.	Ching Yi Investment Co., Ltd.	Taiwan	Production and sales of various investments	\$ 16,723	\$ 16,723	2,900,000	100%	\$ 53,375	\$ 3,815	(\$ 2,935)	
Sunrex Technology Corp.	American Sunrex Corporation	U.S.A	Sales of computers and their ancillary equipment	35,572	35,572	218,420	100%	(2,158)	867	867	
Sunrex Technology Corp.	Sunrex Technology (HK) Co Ltd	Hong Kong	Distribute of computers and their ancillary	252,178	252,178	8,400,000	100%	1,110,058	87,040	87,040	
Sunrex Technology Corp.	Excellent Global International Ltd.	Cayman Islands	Various investments	843,471	843,471	31,907,470	100%	6,443,130	496,075	496,075	
Sunrex Technology Corp.	Forward Optocs Co., LTD.	Taiwan	Production of plastic and rubber products	332,440	332,440	19,244,220	74.59%	48,356	(23,316)	(17,365)	
Sunrex Technology (HK) Co Ltd	Leading Growth Industrial Co., Ltd.	Mauritius	Various investments	250,530	250,530	-	14.92%	1,105,210	581,984	-	Note 3
Excellent Global International Ltd.	Leading Growth Industrial Co., Ltd.	Mauritius	Various investments	1,428,081	1,428,081	-	85.08%	6,299,864	581,984	-	Note 3
Excellent Global International Ltd.	Golden Point Trading International Ltd.	British Virgin Islands	Import and export trades	-	-	-	100%	11,545	(2,113)	-	Note 3
Excellent Global International Ltd.	Golden Point Trading International Limited	Hong Kong	Import and export trades	-	-	-	100%	-	-	-	Note 3
Excellent Global International Ltd.	Crown Trading International Limited	Hong Kong	Import and export trades	-	-	-	100%	567	401	-	Note 3
Excellent Global International Ltd.	Amiable Development Incorporated	Samoa	Import and export trades	-	-	-	100%	14,688	(545)	-	Note 3
Excellent Global International Ltd.	Elated Devolop Limited	Samoa	Import and export trades	-	-	-	100%	98,059	3,395	-	Note 3
Leading Growth Industrial Co., Ltd.	Best Elite Holdings Limited	Hong Kong	Various investments	1,678,611	1,678,611	-	100%	7,400,734	582,082	-	Note 3

Note 1: Investees accounted for using the equity method by the Company.

Note 2: Investment amount as at December 31, 2022.

Note 3: The investment income (loss) was not shown as the investee was a second-tier subsidiary reinvested by the Company.

Note 4: Crown Trading International Ltd. has been liquidated on December 2, 2021 and the remaining capital has been remitted back to Excellent Global International Ltd. on January 21, 2022.

SUNREX TECHNOLOGY CORP. AND SUBSIDIARIES
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
YEAR ENDED DECEMBER 31, 2022

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2022	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2022		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Net income of investee as of December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2022 (Note 5)	Book value of investments in Mainland China as of December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2022	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Sunrex Technology (Jiangsu) Co., Ltd.	Production of laptop computer keyboards and related products	USD 29,510	2	\$ 612,103	\$ -	\$ -	\$ 612,103	\$ 601,206	100%	\$ 582,011	\$ 4,404,623	\$ 377,193	Notes 4 and 5
Changshu Sunrex Technology Co., Ltd.	Production of laptop computer keyboards and related products	USD 18,750	2	227,981	-	-	227,981	190,424	100%	185,108	1,530,056	72,818	Notes 4 and 5
Sunrex Technology (Chongqing) Co., Ltd.	Production of laptop computer keyboards and related products	USD 17,400	2	-	-	-	-	173,254	100%	174,933	1,584,766	1,077,863	Notes 4 and 5
Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	Production and operation of plastic molds, computer (phone) keyboards and plastic injection molding	USD 28,680	2	343,948	-	-	343,948	253,293	50%	126,492	1,124,244	-	Note 5
Sunrex Technology (Jiangxi) Co., Ltd.	Production and operation of plastic molds, computer (phone) keyboards and plastic injection molding	USD 16,769	3	-	-	-	-	41,701	50%	20,850	1,005,168	-	Notes 2 and 5
KAI ZHAO (SUZHOU)DIAN ZI YOU XIAN GONG SI	Production of laptop computer keyboards and related products	RMB 10,000	3	-	-	-	-	22,706	100%	22,706	70,215	-	Notes 5 and 6
		Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA										
Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022												
Sunrex Technology Corp.	\$ 1,184,032	\$ 1,398,439	\$ 5,392,482										

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
- (3) Others.

Note 2: The paid-in capital included USD 7,249 of capitalisation of earnings by Jing Mold Electronic Technology (Shenzhen) Co., Ltd. and USD 9,520 of capitalisation of loans in 2009.

Note 3: The MOEA has approved the Company to reinvest Sunrex Technology (Chongqing) Co., Ltd. with the earnings that the investees in Mainland China remitted back to existing companies in the third area in the amount of USD 17,400 on September 20, 2010, August 1, 2011 and June 25, 2013.

Note 4: Net income of investee as of December 31, 2022 included sidestream and upstream unrealised gains or losses.

Note 5: Investment income (loss) recognised by the Company for the year ended December 31, 2022 was recognised based on the audited financial statements.

Note 6: The Company established the wholly-owned subsidiary in China on July 13, 2021.

SUNREX TECHNOLOGY CORP. AND SUBSIDIARIES
 MAJOR SHAREHOLDERS INFORMATION
 YEAR ENDED DECEMBER 31, 2022

Table 9

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
Tsai, Huo-Lu	38,476,233	19.70%
Tsai Tseng, Shu-Ping	23,221,253	11.89%
Jing Hsiang Investment Co., Ltd.	15,198,000	7.78%
Jing Yu Investment Co., Ltd.	11,691,000	5.98%
Jing Li Investment Co., Ltd.	11,261,470	5.76%

INDEPENDENT AUDITORS' REPORT

PWCR22000202

To the Board of Directors and Shareholders of Sunrex Technology Corp.

Opinion

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

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

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2022 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming

our opinion thereon, we do not provide a separate opinion on these matters.

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

The appropriateness of the timing of revenue recognition from distribution warehouse sales

Description

Refer to Note 4(24) for accounting policies on revenue recognition.

The Company mainly manufactures and sells laptop computer keyboards and related products, has marketing channels all over the world and has two primary types of sales, specifically, sales of goods directly shipped from factories and sales of goods from distribution warehouses. For sales of goods directly shipped from factories, sales to customers involve different types of transaction terms and revenue is recognised after confirming the control of the goods is transferred based on terms of each customer contract and performance obligations. Especially, whether the control of the sales revenue of goods shipped before the balance sheet date is transferred to the buyer in accordance with the terms stipulated in the contract will affect to which financial reporting period sales revenue is attributed.

For sales of goods from distribution warehouses, revenue is recognised when goods are picked up at the distribution warehouses by customers (the transfer of controls) based on movements of inventories in the distribution warehouses shown in the statements or other information provided by the warehouse custodians. The distribution warehouses are located in many areas with numerous warehouse custodians, and the frequency of information and contents of statements provided by each custodian are different. Consequently, the process of revenue recognition usually contains many manual procedures, which would potentially result in improper timing of revenue recognition or discrepancies between the physical inventory quantities in the distribution warehouses and inventory quantities recorded in the accounting records. Given that the Company has a large number of daily sales transactions from the distribution warehouses, the transaction amounts before and after the balance sheet date are significant to the financial statements and this transaction modes also exist in the subsidiaries held by the Company and recorded as investments accounted for using the equity method, we consider the appropriateness of the timing of revenue recognition from distribution warehouse sales of the Company a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding of the Company's sales transaction methods and the control procedures over the timing of revenue recognition for performance obligations as well as assessed and tested the effectiveness of the controls.
2. Performed cut-off tests for transactions from distribution warehouse sales during a certain period before and after balance sheet date, including checking supporting documents signed by the warehouse custodians and customers to assess the appropriateness of revenue cut-off and whether the records of movements in inventory and cost of goods sold have been accounted for in the appropriate period.
3. Sent confirmation letters or observed physical inventory count for the inventories of the distribution warehouses and checked the records of inventories. In addition, inspected the reason for the difference between the confirmation replies and accounting records and tested the reconciling items made by the Company.

Assessment of allowance for inventory valuation losses

Description

Refer to Note 4(11), Note 5(2) and Note 6(3) for accounting policies on inventory, critical accounting estimates and assumptions of inventory evaluation and details of allowance for inventory valuation losses, respectively. The Company's inventories and allowance for inventory valuation losses amounted to NT\$602,426 thousand and NT\$38,404 thousand as at December 31, 2022, respectively.

The Company mainly manufactures and sells laptop computer keyboards and related products. Due to the rapid technology innovation and the short life cycle, there is a higher risk of incurring inventory valuation losses or obsolescence. The assessment of net realisable value for inventories without market selling value on balance sheet date and the adjustment of obsolete inventories aged over a certain period of time involve management's subjective judgment and contain estimation uncertainty. Given that the aforementioned circumstances also exist in the subsidiaries held by the Company and recorded as investments accounted for using the equity method, we consider the assessment of allowance for inventory valuation losses of the Company a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding of the operation of the Company and the consistency of related accounting policies, obtained an understanding of and assessed the internal control procedures of allowance for inventory valuation losses and tested the effectiveness of the controls.
2. Obtained an understanding of the Company warehousing control procedures, reviewed the annual physical inventory stocktaking plan as well as participated and observed the annual physical inventory stocktaking to assess obsolete and damaged inventories.
3. Verified the appropriateness of the inventory aging reports that the Company used in valuation to ascertain the information on the reports is consistent with its policies.
4. Tested the carrying amount of the inventories at the end of the year, sampled and obtained the latest purchases and sales invoices to verify its inventories are stated at the lower of cost and net realisable value as well as recalculated and assessed the reasonableness of changes in allowance for inventory valuation losses.

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

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

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

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

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

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

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

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

cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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

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

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

Wu, Sung-Yuan

Hsu, Chien-Yeh

For and on behalf of PricewaterhouseCoopers, Taiwan

March 17, 2023

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

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

Assets	Notes	December 31, 2022		December 31, 2021		
		AMOUNT	%	AMOUNT	%	
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 1,056,980	7	\$ 415,528	3
1170	Accounts receivable, net	6(2)	4,298,002	27	2,735,299	21
1180	Accounts receivable - related parties	7(2)	97,958	1	92,955	1
1200	Other receivables		1,334	-	360	-
1210	Other receivables - related parties	7(2)	1,666,475	10	1,581,968	12
130X	Inventories	5(2) and 6(3)	564,022	3	397,317	3
1410	Prepayments		6,212	-	7,184	-
11XX	Current Assets		<u>7,690,983</u>	<u>48</u>	<u>5,230,611</u>	<u>40</u>
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(4)	-	-	70	-
1550	Investments accounted for under equity method	6(5)	7,654,919	48	7,248,307	56
1600	Property, plant and equipment	6(6)	546,371	4	558,362	4
1780	Intangible assets		7,072	-	6,833	-
1840	Deferred income tax assets	6(22)	20,023	-	13,348	-
1900	Other non-current assets		946	-	417	-
15XX	Non-current assets		<u>8,229,331</u>	<u>52</u>	<u>7,827,337</u>	<u>60</u>
1XXX	Total assets		<u>\$ 15,920,314</u>	<u>100</u>	<u>\$ 13,057,948</u>	<u>100</u>

(Continued)

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

Liabilities and Equity		Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(9)	\$ 1,620,000	10	\$ 1,710,895	13
2130	Current contract liabilities	6(15)	71,536	1	15,554	-
2170	Accounts payable		9,073	-	14,119	-
2180	Accounts payable - related parties	7(2)	4,347,605	27	2,630,280	20
2200	Other payables		106,511	1	102,027	1
2220	Other payables - related parties	7(2)	3,621	-	-	-
2230	Current income tax liabilities		136,183	1	75,475	1
2320	Long-term liabilities, current portion	6(10)	194,444	1	62,222	-
2399	Other current liabilities, others		1,506	-	1,846	-
21XX	Current Liabilities		<u>6,490,479</u>	<u>41</u>	<u>4,612,418</u>	<u>35</u>
Non-current liabilities						
2540	Long-term borrowings	6(10)	305,556	2	246,667	2
2570	Deferred income tax liabilities	6(22)	95,725	1	65,024	1
2600	Other non-current liabilities	6(5)(11)	41,083	-	54,186	-
25XX	Non-current liabilities		<u>442,364</u>	<u>3</u>	<u>365,877</u>	<u>3</u>
2XXX	Total Liabilities		<u>6,932,843</u>	<u>44</u>	<u>4,978,295</u>	<u>38</u>
Equity						
Share capital						
3110	Share capital - common stock	6(12)	1,952,510	12	1,952,510	15
Capital surplus						
3200	Capital surplus	6(13)	86,367	-	79,617	1
Retained earnings						
3310	Legal reserve	6(14)	1,332,685	8	1,229,816	9
3320	Special reserve		913,232	6	913,232	7
3350	Unappropriated retained earnings		5,532,632	35	4,771,177	36
Other equity interest						
3400	Other equity interest		(799,084)	(5)	(835,828)	(6)
3500	Treasury shares	6(12)	(30,871)	-	(30,871)	-
3XXX	Total equity		<u>8,987,471</u>	<u>56</u>	<u>8,079,653</u>	<u>62</u>
Significant contingent liabilities and unrecognised contract commitments						
Significant events after the balance sheet date						
3X2X	Total liabilities and equity		<u>\$ 15,920,314</u>	<u>100</u>	<u>\$ 13,057,948</u>	<u>100</u>

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

SUNREX TECHNOLOGY CORP.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

	Items	Notes	Year ended December 31			
			2022		2021	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(15) and 7(2)	\$ 9,935,400	100	\$ 8,149,010	100
5000	Operating costs	6(3)(20)(21) and 7(2)	(8,845,019)	(89)	(7,136,369)	(88)
5950	Net operating margin		<u>1,090,381</u>	<u>11</u>	<u>1,012,641</u>	<u>12</u>
	Operating expenses	6(20)(21)				
6100	Selling expenses		(50,303)	(1)	(52,684)	-
6200	General and administrative expenses		(84,411)	(1)	(78,088)	(1)
6300	Research and development expenses		(143,601)	(1)	(139,159)	(2)
6000	Total operating expenses		<u>(278,315)</u>	<u>(3)</u>	<u>(269,931)</u>	<u>(3)</u>
6900	Operating profit		<u>812,066</u>	<u>8</u>	<u>742,710</u>	<u>9</u>
	Non-operating income and expenses					
7100	Interest income	6(16)	76,953	1	64,992	1
7010	Other income	6(17)	2,662	-	3,363	-
7020	Other gains and losses	6(18)	293,871	3	(65,943)	(1)
7050	Finance costs	6(19)	(24,916)	-	(18,606)	-
7070	Share of profit of associates and joint ventures accounted for using equity method, net	6(5)	<u>563,682</u>	<u>6</u>	<u>503,290</u>	<u>6</u>
7000	Total non-operating income and expenses		<u>912,252</u>	<u>10</u>	<u>487,096</u>	<u>6</u>
7900	Profit before income tax		<u>1,724,318</u>	<u>18</u>	<u>1,229,806</u>	<u>15</u>
7950	Income tax expense	6(22)	(281,207)	(3)	(204,903)	(2)
8200	Profit for the year		<u>\$ 1,443,111</u>	<u>15</u>	<u>\$ 1,024,903</u>	<u>13</u>
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Other comprehensive income, before tax, actuarial gains on defined benefit plans	6(11)	\$ 8,707	-	\$ 4,736	-
8316	Unrealised losses from investments in equity instruments measured at fair value through other comprehensive income	6(4)	(70)	-	(4,018)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(22)	<u>(1,741)</u>	<u>-</u>	<u>(948)</u>	<u>-</u>
8310	Components of other comprehensive income that will not be reclassified to profit or loss		<u>6,896</u>	<u>-</u>	<u>(230)</u>	<u>-</u>
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Other comprehensive income, before tax, exchange differences on translation		<u>36,814</u>	<u>-</u>	<u>(46,718)</u>	<u>(1)</u>
8360	Components of other comprehensive income that will be reclassified to profit or loss		<u>36,814</u>	<u>-</u>	<u>(46,718)</u>	<u>(1)</u>
8300	Other comprehensive income (loss) for the year		<u>\$ 43,710</u>	<u>-</u>	<u>(\$ 46,948)</u>	<u>(1)</u>
8500	Total comprehensive income for the year		<u>\$ 1,486,821</u>	<u>15</u>	<u>\$ 977,955</u>	<u>12</u>
	Basic earnings per share	6(23)				
9750	Total basic earnings per share		<u>\$ 7.48</u>		<u>\$ 5.31</u>	
9850	Total diluted earnings per share		<u>\$ 7.44</u>		<u>\$ 5.29</u>	

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

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

	Notes	Share capital - common stock	Capital surplus, additional paid-in capital	Retained Earnings		Total unappropriated retained earnings	Other equity interest		Treasury stocks	Total equity
				Legal reserve	Special reserve		Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income		
2021										
Balance at January 1,2021		\$ 1,962,980	\$ 56,221	\$ 1,107,470	\$ 913,232	\$ 4,255,334	(\$ 782,884)	(\$ 2,208)	(\$ 57,202)	\$ 7,452,943
Profit (loss)		-	-	-	-	1,024,903	-	-	-	1,024,903
Other comprehensive income (loss)		-	-	-	-	3,788	(46,718)	(4,018)	-	(46,948)
Total comprehensive income (loss)		-	-	-	-	1,028,691	(46,718)	(4,018)	-	977,955
Appropriation and distribution of 2020 earnings	6(14)									
Legal reserve		-	-	122,346	-	(122,346)	-	-	-	-
Cash dividends		-	-	-	-	(390,502)	-	-	-	(390,502)
Treasury shares										
Retirement of treasury shares	6(12)	(10,470)	(8,622)	-	-	-	-	-	19,092	-
Disposal of company's share by subsidiaries recognized as treasury share transactions	6(12)	-	27,518	-	-	-	-	-	7,239	34,757
Adjustments of capital surplus for company's cash dividends received by subsidiaries		-	4,500	-	-	-	-	-	-	4,500
Balance at December 31,2021		\$ 1,952,510	\$ 79,617	\$ 1,229,816	\$ 913,232	\$ 4,771,177	(\$ 829,602)	(\$ 6,226)	(\$ 30,871)	\$ 8,079,653
2022										
Balance at January 1,2022		\$ 1,952,510	\$ 79,617	\$ 1,229,816	\$ 913,232	\$ 4,771,177	(\$ 829,602)	(\$ 6,226)	(\$ 30,871)	\$ 8,079,653
Profit		-	-	-	-	1,443,111	-	-	-	1,443,111
Other comprehensive income (loss)		-	-	-	-	6,966	36,814	(70)	-	43,710
Total comprehensive income (loss)		-	-	-	-	1,450,077	36,814	(70)	-	1,486,821
Appropriation and distribution of 2021 earnings	6(14)									
Legal reserve		-	-	102,869	-	(102,869)	-	-	-	-
Cash dividends		-	-	-	-	(585,753)	-	-	-	(585,753)
Treasury shares										
Adjustments of capital surplus for company's cash dividends received by subsidiaries		-	6,750	-	-	-	-	-	-	6,750
Balance at December 31,2022		\$ 1,952,510	\$ 86,367	\$ 1,332,685	\$ 913,232	\$ 5,532,632	(\$ 792,788)	(\$ 6,296)	(\$ 30,871)	\$ 8,987,471

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

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

	Notes	Year ended December 31	
		2022	2021
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 1,724,318	\$ 1,229,806
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(20)	6,603	7,858
Amortisation	6(20)	2,431	1,811
(Gain) loss on disposal of property, plant and equipment	6(18)	(37,471)	8,120
Share of profit of associates and joint ventures accounted for using equity method	6(5)	(563,682)	(503,290)
Interest expense	6(19)	24,916	18,606
Interest revenue	6(16)	(76,953)	(64,992)
Gain on disposal of investments	6(18)	(12,627)	-
Unrealised foreign exchange (gain) loss		(57,139)	8,965
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		12,627	-
Accounts receivable (including related parties)		(1,634,113)	(515,593)
Other receivables		(855)	(143)
Inventories		(166,705)	22,103
Prepayments		972	(568)
Changes in operating liabilities			
Contract liabilities		55,982	(306,265)
Accounts payable (including related parties)		1,761,740	(10,219)
Other payables (including related parties)		6,824	(1,869)
Other current liabilities		(340)	(1,012)
Other non-current liabilities		(3,804)	(3,801)
Cash inflow (outflow) generated from operations		1,042,724	(110,483)
Interest received		76,833	49,040
Dividend income		180,038	243,824
Interest paid		(24,207)	(19,021)
Income taxes paid		(156,789)	(236,388)
Net cash flows from (used in) operating activities		<u>1,118,599</u>	<u>(73,028)</u>

(Continued)

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

	Notes	Year ended December 31	
		2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of investments accounted for under equity method	6(5)	\$ -	(\$ 63)
Acquisition of property, plant and equipment	6(24)	(38,883)	(46,816)
Proceeds from disposal of property, plant and equipment		80,854	31,365
Acquisition of intangible assets		(1,851)	(1,948)
Increase in other receivables (including related parties)		(29,187)	(222,506)
Decrease in refundable deposits paid		112	-
Net cash flows from (used in) investing activities		<u>11,045</u>	<u>(239,968)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Decrease in short-term borrowings	6(25)	(92,453)	(172,547)
Increase in long-term borrowings	6(25)	300,000	200,000
Decrease in long-term borrowings	6(25)	(108,889)	(31,111)
Cash dividends paid	6(25)	<u>(585,753)</u>	<u>(390,502)</u>
Net cash flows used in financing activities		<u>(487,095)</u>	<u>(394,160)</u>
Effect of exchange rate changes on cash and cash equivalents		<u>(1,097)</u>	<u>(444)</u>
Net increase (decrease) in cash and cash equivalents		641,452	(707,600)
Cash and cash equivalents at beginning of year		<u>415,528</u>	<u>1,123,128</u>
Cash and cash equivalents at end of year		<u>\$ 1,056,980</u>	<u>\$ 415,528</u>

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

SUNREX TECHNOLOGY CORP.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2022 AND 2021

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

1. History and Organisation

Sunrex Technology Corp. (the “Company”) was incorporated on July 22, 1991, merged Jing Mold Plastic Electronics (Shen-Zhen) Co., Ltd. with January 10, 2002 as the effective date and is primarily engaged in manufacturing and trading of laptop computer keyboards and its auxiliary equipment. The Company’s shares have been listed on the Taiwan Stock Exchange starting from January 1999.

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

These parent company only financial statements were authorised for issuance by the Board of Directors on March 17, 2023.

3. Application of New Standards, Amendments and Interpretations

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 3, ‘Reference to the conceptual framework’	January 1, 2022
Amendments to IAS 16, ‘Property, plant and equipment: proceeds before intended use’	January 1, 2022
Amendments to IAS 37, ‘Onerous contracts - cost of fulfilling a contract’	January 1, 2022
Annual improvements to IFRS Standards 2018-2020	January 1, 2022

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

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

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

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

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

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

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

<u>New Standards, Interpretations and Amendments</u>	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	To be determined by International Accounting Standards Board
Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’	January 1, 2024
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendment to IFRS 17, ‘Initial application of IFRS 17 and IFRS 9 – comparative information’	January 1, 2023
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2024
Amendments to IAS 1, ‘Non-current liabilities with covenants’	January 1, 2024

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

4. Summary of Significant Accounting Policies

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

(1) Compliance statement

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

(2) Basis of preparation

- A. Except for the following items, the parent company only financial statements have been prepared under the historical cost convention:
- (a) Financial assets at fair value through other comprehensive income.
 - (b) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The parent company only financial statements are presented in New Taiwan dollars, which is the Company's functional currency.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

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

- (a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at 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 recognised in other comprehensive income.

(4) Classification of current and non-current items

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

- (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
- (b) Assets held mainly for trading purposes;
- (c) Assets that are expected to be realised within twelve months from the balance sheet date;
- (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

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

- (a) Liabilities that are expected to be settled within the normal operating cycle;
- (b) Liabilities arising mainly from trading activities;
- (c) Liabilities that are to be settled within twelve months from the balance sheet date;
- (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(5) Cash equivalents

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

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

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

value in other comprehensive income.

- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using settlement date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value.

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

(7) Accounts receivable

- A. Accounts receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(8) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortised cost (including forward-looking), at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(9) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(10) Leasing arrangements (lessor) - operating leases

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

(11) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing

costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

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

- A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
- B. Inter-company transactions, balances and unrealised gains or losses on transactions between the Company and subsidiaries are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognise losses proportionate to its ownership.
- D. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
- E. When the Company loses control of a subsidiary, the Company 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 recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Company loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.
- F. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence,

if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.

- G. The Company's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- H. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Company's ownership percentage of the associate, the Company recognises the Company's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.
- I. Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- J. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
- K. Pursuant to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, profit (loss) of the current period and other comprehensive income in the parent company only financial statements shall equal to the amount attributable to owners of the parent in the financial statements prepared with basis for consolidation. Owners' equity in the parent company only financial statements shall equal to equity attributable to owners of the parent in the financial statements prepared with basis for consolidation.

(13) Property, plant and equipment

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

- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	5 ~ 55 years
Machinery and equipment	5 years
Molding equipment	5 years
Other equipment	5 years

(14) Leasing arrangements (lessee) - right-of-use assets/ lease liabilities

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of the following:
 - (a) Fixed payments, less any lease incentives receivable; and
 - (b) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

- (a) The amount of the initial measurement of lease liability;
- (b) Any lease payments made at or before the commencement date; and
- (c) Any initial direct costs incurred by the lessee.

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

(15) Intangible assets

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 1 to 5 years.

(16) Impairment of non-financial assets

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

(17) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(18) Notes and accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(19) Derecognition of financial liabilities

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

(20) Employee benefits

- A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

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

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

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

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

(21) Income tax

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

B. The current income tax expense is calculated on the basis of the tax laws enacted

at the balance sheet date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

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

(22) Share capital

- A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.
- B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(23) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities.

(24) Revenue recognition

The Company manufactures and sells laptop computer keyboards, their auxiliary equipment and related products. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer. There is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.

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

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

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

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Company must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Company evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of December 31, 2022, the carrying amount of inventories was \$564,022 thousand.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash on hand and petty cash	\$ 262	\$ 232
Checking accounts	332	332
Time deposits	490,560	-
Demand deposits	565,826	414,964
	<u>\$ 1,056,980</u>	<u>\$ 415,528</u>

A. The Company transacts with a variety of financial institutions all with high credit

quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Company has no cash and cash equivalents pledged to others.

(2) Notes and accounts receivable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts receivable	\$ 4,298,002	\$ 2,735,299
Less: Allowance for uncollectible accounts	-	-
	<u>\$ 4,298,002</u>	<u>\$ 2,735,299</u>

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Not past due	\$ 4,229,236	\$ 2,735,299
Up to 90 days	68,766	-
91 to 180 days	-	-
Over 180 days	-	-
	<u>\$ 4,298,002</u>	<u>\$ 2,735,299</u>

The above ageing analysis was based on past due date.

B. As of December 31, 2022, December 31, 2021 and January 1, 2021, the Company had receivables due to contract with customers in the amounts are listed below:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>January 1, 2021</u>
Receivables (including notes receivable)	<u>\$ 4,298,002</u>	<u>\$ 2,735,299</u>	<u>\$ 2,235,313</u>

C. The Company did not hold any collateral.

D. As at December 31, 2022 and 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Company was \$4,298,002 and \$2,735,299 respectively.

E. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(3) Inventories

	<u>December 31, 2022</u>		
	<u>Cost</u>	<u>Allowance for valuation loss</u>	<u>Book amounts</u>
Raw materials	\$ 60,512	(\$ 7,086)	\$ 53,426
Finished goods	541,914	(31,318)	510,596
	<u>\$ 602,426</u>	<u>(\$ 38,404)</u>	<u>\$ 564,022</u>

	December 31, 2021		
	Cost	Allowance for valuation loss	Book amounts
Raw materials	\$ 16,564	(\$ 6,472)	\$ 10,092
Finished goods	419,009	(31,784)	387,225
	<u>\$ 435,573</u>	<u>(\$ 38,256)</u>	<u>\$ 397,317</u>

Inventory-related expenses recognised for the year:

	Year ended December 31	
	2022	2021
Cost of goods sold	\$ 8,844,896	\$ 7,132,018
Loss on inventories and valuation loss	148	4,351
Revenue from sale of scraps	(25)	-
	<u>\$ 8,845,019</u>	<u>\$ 7,136,369</u>

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

Items	December 31, 2022	December 31, 2021
Non-current items:		
Equity instruments		
Unlisted stocks	\$ 6,296	\$ 6,296
Valuation adjustment	(6,296)	(6,226)
	<u>\$ -</u>	<u>\$ 70</u>

A. As of December 31, 2022 and 2021, the Company has elected to classify stocks that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted are listed below:

	December 31, 2022	December 31, 2021
The fair value	<u>\$ -</u>	<u>\$ 70</u>

B. For the years ended December 31, 2022 and 2021, the amounts recognised in other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	December 31, 2022	December 31, 2021
The amounts recognised in other comprehensive income	<u>(\$ 70)</u>	<u>\$ 4,018</u>

C. On April 28, 2021 and August 5, 2021, the shareholders of Waltop International Corporation resolved to offset accumulated deficits in the amounts of \$61,260 thousand and \$49,260 thousand by decreasing capital. Additionally, on October 28, 2021, the Board of Directors resolved to increase cash capital by transferring debts into equity in the amount of \$71,039 thousand. The Company did not participate in the capital increase, and thus the shareholding ratio decreased from

11.10% to 1.60%. On August 16, 2022, the shareholders resolved to reduce capital to offset accumulated deficits amounting to \$79,881 thousand. The capital reduction ratio was 64.50%. The effective date for the capital reduction was set on August 22, 2022. After the capital reduction, the Company's shareholding ratio was 1.60%.

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

(5) Investments accounted for using the equity method

Investments accounted for using the equity method	December 31, 2022	December 31, 2021
Excellent Global International Ltd.	\$ 6,443,130	\$ 6,083,692
Sunrex Technology (HK) Co., Ltd.	1,110,058	1,049,334
Forward Optocs Co., LTD.	48,356	65,721
Ching Yi Investment Co., Ltd.	<u>53,375</u>	<u>49,560</u>
	<u>\$ 7,654,919</u>	<u>\$ 7,248,307</u>
Credit balance of investments accounted for using the equity method	December 31, 2022	December 31, 2021
American Sunrex Corporation	<u>\$ 2,158</u>	<u>\$ 2,750</u>

A. Subsidiaries

Please refer to Note 4(3) in the consolidated financial statements as of and for the year ended December 31, 2022 for the information regarding the Company's subsidiaries.

B. Share of profit (loss) of subsidiaries and associates accounted for using the equity method is as follows:

	Year ended December 31	
	2022	2021
Excellent Global International Ltd.	\$ 496,075	\$ 443,812
Sunrex Technology (HK) Co., Ltd.	87,040	75,328
Forward Optocs Co., LTD.	(17,365)	(18,664)
Ching Yi Investment Co., Ltd.	(2,935)	45
American Sunrex Corporation	867	2,769
	<u>\$ 563,682</u>	<u>\$ 503,290</u>

The profit (loss) of investments recognised for the long-term equity investments accounted for using the equity method is based on the investees' audited financial statements.

(6) Property, plant and equipment

Year ended December 31, 2022

	<u>Beginning balance</u>	<u>Additions</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending balance</u>
<u>Cost</u>					
Land	\$ 486,291	\$ -	(\$ 7,477)	\$ -	\$ 478,814
Buildings and structures	59,053	-	-	-	59,053
Machinery and equipment	20,158	840	(520)	-	20,478
Other equipment	32,634	3,776	-	-	36,410
Unfinished construction	39,859	33,379	(35,386)	-	37,852
	<u>\$ 637,995</u>	<u>\$ 37,995</u>	<u>(\$ 43,383)</u>	<u>\$ -</u>	<u>\$ 632,607</u>
<u>Accumulated depreciation</u>					
Buildings and structures	38,064	2,062	-	-	40,126
Machinery and equipment	15,471	1,574	-	-	17,045
Other equipment	26,098	2,967	-	-	29,065
	<u>\$ 79,633</u>	<u>\$ 6,603</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 86,236</u>
Book value	<u>\$ 558,362</u>				<u>\$ 546,371</u>

	Year ended December 31, 2021				
	Beginning balance	Additions	Decreases	Transfers	Ending balance
<u>Cost</u>					
Land	\$ 477,542	\$ 8,749	\$ -	\$ -	\$ 486,291
Buildings and structures	59,053	-	-	-	59,053
Machinery and equipment	20,158	314	(314)	-	20,158
Other equipment	30,034	2,600	-	-	32,634
Unfinished construction	43,856	35,174	(39,171)	-	39,859
	<u>\$ 630,643</u>	<u>\$ 46,837</u>	<u>(\$ 39,485)</u>	<u>\$ -</u>	<u>\$ 637,995</u>
<u>Accumulated depreciation</u>					
Buildings and structures	35,981	2,083	-	-	38,064
Machinery and equipment	13,637	1,834	-	-	15,471
Other equipment	22,157	3,941	-	-	26,098
	<u>\$ 71,775</u>	<u>\$ 7,858</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,633</u>
Book value	<u>\$ 558,868</u>				<u>\$ 558,362</u>

- A. Amount of borrowing costs capitalised as part of property, plant and equipment and the range of the interest rates for such capitalisation: None.
- B. The company had no property, plant and equipment pledge to others as collateral.
- C. The significant components of buildings and structures include buildings and the subsequent engineering works such as fire protection and power distribution, which are depreciated over 35~55 years and 5~20 years, respectively.

(7) Lease arrangements – lessee

- A. The Company leases various assets including buildings, power supply and voltmeter. Rental contracts are typically made for periods of 1 year. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Short-term leases with a lease term of 12 months or less comprise buildings, power supply and voltmeter.
- C. The information on profit and loss accounts relating to lease contracts are as follows:

<u>Items affecting profit or loss</u>	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Expense on short-term lease contracts	\$ <u>934</u>	\$ <u>843</u>

- D. For the years ended December 31, 2022 and 2021, the Company's total cash outflow for leases are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
The cash outflow for leases	\$ <u>934</u>	\$ <u>843</u>

(8) Leasing arrangements – lessor

- A. The Company leases various assets including buildings. Rental contracts are typically made for periods of 1 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.
- B. For the years ended December 31, 2022 and 2021, the Company recognised rent income in the amounts of \$2,059 thousand and \$2,928 thousand, respectively, based on the operating lease agreement, which does not include variable lease payments.
- C. Gain arising from operating lease agreements for the years ended December 31, 2022 and 2021 are as follows:

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Rental revenue	\$ <u>2,059</u>	\$ <u>2,928</u>

(9) Short-term borrowings

<u>Type of borrowings</u>	<u>December 31, 2022</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Unsecured borrowings	\$ <u>1,620,000</u>	1.27% ~ 2.03%	None

<u>Type of borrowings</u>	<u>December 31, 2021</u>	<u>Interest rate range</u>	<u>Collateral</u>
Bank borrowings			
Unsecured borrowings	\$ <u>1,710,895</u>	0.68% ~ 1.00%	None

Interest expense recognised in profit or loss amounted for the years ended December 31, 2022 and 2021 are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Interest expense	\$ <u>24,916</u>	\$ <u>18,606</u>

(10) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2022</u>
Long-term bank borrowings				
Unsecured borrowings	Borrowing period is from October 29, 2021 to October 29, 2024; interest is repayable monthly; principal is repayable in installments.	1.73%	None	\$ 200,000
Unsecured borrowings	Borrowing period is from August 23, 2022 to August 23, 2025; interest is repayable monthly; principal is repayable in installments.	1.68%	None	200,000
Unsecured borrowings	Borrowing period is from August 23, 2022 to September 23, 2023; interest is repayable monthly; principal is repayable in maturity date.	1.68%	None	50,000
Unsecured borrowings	Borrowing period is from December 22, 2022 to January 22, 2024; interest is repayable monthly; principal is repayable in maturity date.	1.83%	None	50,000
Less: Current portion				(<u>194,444</u>)
				\$ <u>305,556</u>

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2021
Long-term bank borrowings				
Unsecured borrowings	Borrowing period is from September 3, 2020 to September 2, 2023; interest is repayable monthly; principal is repayable in installments.	0.99%	None	\$ 108,889
Unsecured borrowings	Borrowing period is from October 29, 2021 to October 29, 2024; interest is repayable monthly; principal is repayable in installments.	1.10%	None	200,000
Less: Current portion				(62,222)
				<u>\$ 246,667</u>

(11) Pensions

A. (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with the trust department of the Bank of Taiwan and the Mega International Commercial Bank, the trustees, under the name of the independent retirement fund committee. Additionally, starting from April 2009, the Company makes pension contribution of 4% for appointed managers. Furthermore, the Company would assess the balance in the aforementioned labor pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Present value of defined benefit obligations	(\$ 115,049)	(\$ 119,345)
Fair value of plan assets	<u>76,124</u>	<u>67,989</u>
Net defined benefit liability	<u>(\$ 38,925)</u>	<u>(\$ 51,356)</u>

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

	<u>2022</u>		
	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
At January 1	(\$ 119,345)	\$ 67,989	(\$ 51,356)
Current service cost	(150)	-	(150)
Interest (expense) income	(820)	474	(346)
	<u>(120,315)</u>	<u>68,463</u>	<u>(51,852)</u>
Remeasurements:			
Return on plan assets			
(excluding amounts included in interest income or expense)	-	4,892	4,892
Change in demographic assumptions	-	-	-
Change in financial assumptions	5,008	-	5,008
Experience adjustments	<u>(1,193)</u>	<u>-</u>	<u>(1,193)</u>
	<u>3,815</u>	<u>4,892</u>	<u>8,707</u>
Pension fund contribution	<u>1,451</u>	<u>2,769</u>	<u>4,220</u>
At December 31	<u>(\$ 115,049)</u>	<u>\$ 76,124</u>	<u>(\$ 38,925)</u>

	2021		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	(\$ 127,083)	\$ 67,112	(\$ 59,971)
Current service cost	(228)	-	(228)
Interest (expense) income	(374)	200	(174)
	<u>(127,685)</u>	<u>67,312</u>	<u>(60,373)</u>
Remeasurements:			
Return on plan assets			
(excluding amounts included in interest income or expense)	-	946	946
Change in demographic assumptions	(158)	-	(158)
Change in financial assumptions	4,060	-	4,060
Experience adjustments	(112)	-	(112)
	<u>3,790</u>	<u>946</u>	<u>4,736</u>
Pension fund contribution	4,550	(269)	4,281
At December 31	<u>(\$ 119,345)</u>	<u>\$ 67,989</u>	<u>(\$ 51,356)</u>

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

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

	Year ended December 31	
	2022	2021
Discount rate	1.25%	0.70%
Future salary increases	2.00%	2.00%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory. Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase	Decrease	Increase	Decrease
	<u>0.25%</u>	<u>0.25%</u>	<u>0.25%</u>	<u>0.25%</u>
December 31, 2022				
Effect on present value of defined benefit obligation	(\$ 2,168)	\$ 2,235	\$ 2,213	(\$ 2,158)
December 31, 2021				
Effect on present value of defined benefit obligation	(\$ 2,462)	\$ 2,542	\$ 2,502	(\$ 2,437)

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

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

(f) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2023 amount to \$3,670 thousand.

(g) As of December 31, 2022, the weighted average duration of the retirement plan is 7 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	\$ 6,092
1-2 year(s)	7,220
2-5 years	31,752
Over 5 years	81,621
	<u>\$ 126,685</u>

(h) Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”),

covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

	2022	2021
Pension costs	\$ 10,182	\$ 10,335

(12) Share capital

A. As of December 31, 2022, the Company's authorised capital was \$4,200,000 thousand, consisting of 420,000 thousand shares of ordinary share, and the paid-in capital was \$1,952,510 thousand with a par value of \$10 (in dollars) per share. As of December 31, 2022, the number of outstanding shares was 193,001 thousand shares.

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

	Year ended December 31	
	2022	2021
At January 1	193,001	192,474
Add: Disposal of treasury shares	-	527
At December 31	193,001	193,001

B. Treasury shares

(a) Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows:

Name of company holding the shares	Reason for reacquisition	December 31, 2022	
		Number of shares	Carrying amount
Subsidiary - Ching Yi Investment Co., Ltd.	Operational and management considerations	2,250 thousand shares	\$ 30,871

Name of company holding the shares	Reason for reacquisition	December 31, 2021	
		Number of shares	Carrying amount
Subsidiary - Ching Yi Investment Co., Ltd.	Operational and management considerations	2,250 thousand shares	\$ 30,871

(b) On November 1, 2018, the Board of Directors had approved to repurchase the Company's treasury shares of 3,000 thousand shares in order to reissue shares to employees, and on November 9, 2021, the Board of Directors of the Company resolved to cancel 1,047 thousand treasury shares, thereby decreasing

the capital by \$19,092 thousand. The effective date of capital reduction was November 14, 2021 and the capital reduction had been registered on December 10, 2021.

- (c) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.
- (d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.
- (e) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within five years from the reacquisition date and shares not reissued within the three-year period are to be retired. Treasury shares to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition.

(13) Capital surplus

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Used to offset deficits, distributed as cash dividends or transferred to share capital</u>		
Treasury shares transactions	<u>\$ 86,367</u>	<u>\$ 79,617</u>

(14) Retained earnings

A. The Company operates in the electronics industry. To accompany the growth and overall environment of the industry and the Company's long-term financial planning for the sustainable and stable operation, in accordance with the Company's dividend policy, the Board of Directors shall take into consideration its future operations and capital expenditure needs when proposing the appropriation of earnings. Such appropriation is subject to a resolution of the shareholders' meeting. The amount and type of dividend distribution may be flexibly adjusted by the Board of Directors depending on the subjective environment and actual operational needs. The current year's earnings, if any,

shall be appropriated as follows:

- (a) Provision of profit-seeking enterprise income tax.
 - (b) Offsetting accumulated deficits of prior years.
 - (c) Setting aside 10% as legal reserve.
 - (d) Special reserve should be provisioned from the remaining plus accumulated undistributed surplus earnings of prior year, and then the remaining is the accumulated distributable earnings. The appropriation of the aforementioned accumulated distributable earnings shall be proposed by the Board of Directors and resolved by the shareholders.
 - (e) The remaining amount is distributable as dividends to shareholders according to their shareholding ratios.
- B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- C. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (b) The amount previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1010012865, dated April 6, 2012, shall be the same as the amount reclassified from accumulated translation adjustment under shareholders' equity to retained earnings for the exemptions elected by the Company. The special reserve increased as a result of retained earnings arising from the adoption of IFRS was \$257,070 thousand.
- D. The appropriations of 2021 and 2020 earnings had been approved by the shareholders during their meeting on June 17, 2022 and July 7, 2021, respectively. Details are summarised below:

	Year ended December 31			
	2021		2020	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	\$ 102,869		\$ 122,346	
Cash dividends	585,753	\$ 3.00	390,502	\$ 2.00
	<u>\$ 688,622</u>		<u>\$ 512,848</u>	

E. The appropriation of 2022 earnings as proposed by the Board of Directors on March 17, 2023 is as follows:

	Year ended December 31, 2022	
	Amount	Dividends per share (in dollars)
Legal reserve	\$ 145,007	
Cash dividends	683,379	\$ 3.50
	<u>\$ 828,386</u>	

As of March 17, 2023, the aforementioned appropriation of 2022 earnings has not yet been resolved at the shareholders' meeting.

(15) Operating revenue

	Year ended December 31	
	2022	2021
Revenue from contracts with customers	<u>\$ 9,935,400</u>	<u>\$ 8,149,010</u>

A. Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods at a point in time in the following geographical regions:

<u>Year ended</u> <u>December 31,</u> <u>2022</u>	Keyboard				Total
	Mainland China	Europe and America	Taiwan	Other areas	
Total segment revenue	<u>\$ 8,797,880</u>	<u>\$ 975,948</u>	<u>\$ 161,362</u>	<u>\$ 210</u>	<u>\$9,935,400</u>
Timing of revenue recognition					
At a point in time	<u>\$ 8,797,880</u>	<u>\$ 975,948</u>	<u>\$ 161,362</u>	<u>\$ 210</u>	<u>\$9,935,400</u>

<u>Year ended</u> <u>December 31,</u> <u>2021</u>	Keyboard				Total
	Mainland China	Europe and America	Taiwan	Other areas	
Total segment revenue	<u>\$ 7,078,396</u>	<u>\$ 768,782</u>	<u>\$ 298,187</u>	<u>\$3,645</u>	<u>\$8,149,010</u>
Timing of revenue recognition					
At a point in time	<u>\$ 7,078,396</u>	<u>\$ 768,782</u>	<u>\$ 298,187</u>	<u>\$3,645</u>	<u>\$8,149,010</u>

B. Contract liabilities

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>January 1, 2021</u>
Contract liabilities	<u>\$ 71,536</u>	<u>\$ 15,554</u>	<u>\$ 321,819</u>

Revenue recognised that was included in the contract liability balance at the beginning of the year

Year ended December 31	
2022	2021

Revenue recognised that was included in the contract liability balance at the beginning of the year

\$	15,554	\$	321,740
----	--------	----	---------

(16) Interest income

Year ended December 31	
2022	2021

Interest income from bank deposits	\$	3,314	\$	292
Interest income from loans to related parties		73,639		64,700
	\$	76,953	\$	64,992

(17) Other income

Year ended December 31	
2022	2021

Rental income	\$	2,059	\$	2,928
Other income, others		603		435
	\$	2,662	\$	3,363

(18) Other gains and losses

Year ended December 31	
2022	2021

Foreign exchange gains (losses), net	\$	244,019	(\$	57,582)
Gains on disposals of investments		12,627		-
Gains (losses) on disposals of property, plant and equipment		37,471	(8,120)
Others	(246)	(241)
	\$	293,871	(\$	65,943)

(19) Finance costs

Year ended December 31	
2022	2021

Interest expense:				
Bank borrowings	\$	24,916	\$	18,606

(20) Expenses by nature

	Year ended December 31, 2022		
	Classified as <u>operating costs</u>	Classified as <u>operating expenses</u>	<u>Total</u>
Employee benefit expense	\$ 120,259	\$ 190,287	\$ 310,546
Depreciation charge	1,200	5,403	6,603
Amortisation charge	-	2,431	2,431
	<u>\$ 121,459</u>	<u>\$ 198,121</u>	<u>\$ 319,580</u>

	Year ended December 31, 2022		
	Classified as <u>operating costs</u>	Classified as <u>operating expenses</u>	<u>Total</u>
Employee benefit expense	\$ 120,344	\$ 178,724	\$ 299,068
Depreciation charge	1,192	6,666	7,858
Amortisation charge	-	1,811	1,811
	<u>\$ 121,536</u>	<u>\$ 187,201</u>	<u>\$ 308,737</u>

(21) Employee benefit expense

	Year ended December 31	
	<u>2022</u>	<u>2021</u>
Wages and salaries	\$ 269,826	\$ 257,586
Labour and health insurance fees	20,811	22,740
Pension costs	10,678	10,737
Directors' remuneration	1,400	1,400
Other personnel expenses	7,831	6,605
	<u>\$ 310,546</u>	<u>\$ 299,068</u>

A. As at December 31, 2022 and 2021, the Company had 277 and 290 employees, respectively, both including 3 non-employee directors.

B. Average employee benefit expense in current year was \$1,128 thousand ((Total employee benefit expense in current year–Total directors' remuneration in current year)/(Number of employees in current year–Number of non-employee directors in current year)). Average employee benefit expense in previous year was \$1,037 thousand ((Total employee benefit expense in previous year - Total directors' remuneration in previous year) / (Number of employees in previous year - Number of non-employee directors in previous year)).

- C. Average employee salaries in current year was \$985 thousand (Total employee salaries in current year / (Number of employees in current year–Number of non-employee directors in current year)). Average employee salaries in previous year was \$898 thousand (Total employee salaries in previous year / (Number of employees in previous year - Number of non-employee directors in previous year)).
- D. Adjustment of average employee salaries was 10% ((Average employee salaries in current year- Average employee salaries in previous year)/ Average employee salaries in previous year).
- E. The company set up an audit committee after reelection of the Board of Directors at June, 2022. There is no supervisor after audit committee set-up.
- F. In the current year, remunerations for supervisors is \$0 thousand, and in the previous year, remunerations for supervisors was \$400 thousand.
- G. The directors’ rewards includes directors’ remuneration. Directors’ remuneration from earnings are appropriated in accordance with the Articles of Incorporation of the Company, which shall be reviewed by the Remuneration Committee, resolved by the Board of Directors and approved at the shareholders’ meeting. Managers’ and employees’ rewards include salaries, bonuses, employee compensations, certificate of employees’ options, etc. Salaries are determined based on the positions and responsibilities assumed by each manager or employee by reference to the pay levels for the same position in the same industry and the individual’s performance results. The managers’ remuneration shall be reviewed by the Remuneration Committee and resolved by the Board of Directors.
- H. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees’ compensation and directors’ and supervisors’ remuneration. The ratio shall not be lower than 1% for employees’ compensation and shall not be higher than 3% for directors’ and supervisors’ remuneration.
- I. The estimated amount of the company’s employee remuneration and directors’ remuneration is as follows, and the above mentioned amount is included in the account of salary expenses :

	<u>2022</u>	<u>2021</u>
Employees' compensation	\$ 29,000	\$ 29,000
Directors' and supervisors' remuneration	<u>1,800</u>	<u>1,800</u>
	<u>\$ 30,800</u>	<u>\$ 30,800</u>

The employee’s compensation and directors’ and supervisors’ remuneration were estimated and accrued based on :

	<u>2022</u>	<u>2021</u>
Employees' compensation estimated ratios	<u>1.65%</u>	<u>2.30%</u>
Directors' and supervisors' remuneration estimated ratios	<u>1.10%</u>	<u>0.14%</u>

The employees' compensation and directors' and supervisors' remuneration resolved by the Board of Directors were \$29,000 thousand and \$1,800 thousand, and the employees' compensation will be distributed in the form of cash.

Employees' compensation and directors' and supervisors' remuneration of 2021 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2021 financial statements.

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

(22) Income tax

A. Income tax expense

(a) Components of income tax expense:

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Current tax		
Current tax on profits for the year	\$ 260,585	\$ 187,237
Income exempted from tax according to the Income Tax Act	(9,593)	-
Tax on undistributed earnings	17,003	42,048
Prior year income tax overestimation	(9,073)	(18,409)
Total current tax	<u>258,922</u>	<u>210,876</u>
Deferred tax:		
Origination and reversal of temporary differences	<u>22,285</u>	(5,973)
Total deferred tax	<u>22,285</u>	(5,973)
Income tax expense	<u>\$ 281,207</u>	<u>\$ 204,903</u>

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Remeasurements of defined benefit obligations	(\$ <u>1,741</u>)	(\$ <u>948</u>)

B. Reconciliation between income tax expense and accounting profit

	<u>Year ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Tax calculated based on profit before tax and statutory tax rate	\$ 344,863	\$ 245,961
Effects from items disallowed by the regulation (Note)	(61,993)	(64,697)
Income exempted from tax according to the Income Tax Act	(9,593)	-
Prior year income tax overestimation	(9,073)	(18,409)
Tax on undistributed earnings	<u>17,003</u>	<u>42,048</u>
Income tax expense	<u>\$ 281,207</u>	<u>\$ 204,903</u>

Note: Items disallowed by the regulation primarily comprised of unrealised profit or loss of investments.

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

	<u>2022</u>			
	<u>January 1</u>	<u>Recognised in profit or loss</u>	<u>Recognised in other comprehensive income</u>	<u>December 31</u>
— Deferred tax assets:				
Temporary differences:				
Allowance for losses from inventories obsolescence	\$ 7,651	\$ 30	\$ -	\$ 7,681
Pensions	2,721	(744)	(1,741)	236
Others	<u>4,920</u>	<u>7,186</u>	<u>-</u>	<u>12,106</u>
	<u>\$ 15,292</u>	<u>\$ 6,472</u>	<u>(\$ 1,741)</u>	<u>\$ 20,023</u>
— Deferred tax liabilities:				
Gain on overseas long-term investment	(\$ 35,410)	(\$ 10,906)	\$ -	(\$ 46,316)
Provision for land increment tax	(29,614)	2,869	-	(26,745)
Others	<u>(1,944)</u>	<u>(20,720)</u>	<u>-</u>	<u>(22,664)</u>
	<u>(\$ 66,968)</u>	<u>(\$ 28,757)</u>	<u>\$ -</u>	<u>(\$ 95,725)</u>
		<u>(\$ 22,285)</u>	<u>(\$ 1,741)</u>	

	2021			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
— Deferred tax assets:				
Temporary differences:				
Allowance for losses				
from inventories	\$ 6,781	\$ 870	\$ -	\$ 7,651
obsolescence				
Pensions	4,444	(775)	(948)	2,721
Others	5,580	(2,604)	-	2,976
	<u>\$ 16,805</u>	<u>(\$ 2,509)</u>	<u>(\$ 948)</u>	<u>\$ 13,348</u>
— Deferred tax liabilities:				
Gain on overseas long-				
term investment	(\$ 43,892)	\$ 8,482	\$ -	(\$ 35,410)
Provision for land				
increment tax	(29,614)	-	-	(29,614)
	<u>(\$ 73,506)</u>	<u>\$ 8,482</u>	<u>\$ -</u>	<u>(\$ 65,024)</u>
		<u>\$ 5,973</u>	<u>(\$ 948)</u>	

D. The amounts of deductible temporary difference that are not recognised as deferred tax assets are as follows:

	December 31, 2022	December 31, 2021
Deductible temporary differences	<u>\$ 1, 285, 140</u>	<u>\$ 1, 223, 509</u>

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

(23) Earnings per share

	<u>Year ended December 31, 2022</u>		
		<u>Weighted average number of ordinary shares outstanding</u>	<u>Earnings per share</u>
	<u>Amount after tax</u>	<u>(share in thousands)</u>	<u>(in dollars)</u>
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	<u>\$ 1,443,111</u>	<u>193,001</u>	<u>\$ 7.48</u>
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,443,111	193,001	
Assumed conversion of all dilutive potential ordinary shares Employees' compensation	<u>-</u>	<u>917</u>	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 1,443,111</u>	<u>193,918</u>	<u>\$ 7.44</u>

	Year ended December 31, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,024,903	192,920	\$ 5.31
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 1,024,903	192,920	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	702	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	<u>\$ 1,024,903</u>	<u>\$ 193,622</u>	<u>\$ 5.29</u>

- A. When calculating diluted earnings per share, the Company assumes that the employees' compensation will all be distributed in the form of shares and the resulting potential shares will be included in the weighted average number of ordinary shares outstanding if those shares have a dilutive effect.
- B. The numbers of weighted-average outstanding shares for the years ended December 31, 2022 and 2021 were calculated by taking into consideration the weighted-average number of treasury shares.

(24) Supplemental cash flow information

Investing activities with partial cash payments:

	Year ended December 31	
	2022	2021
Purchase of property, plant and equipment	\$ 37,995	\$ 46,837
Add: Opening balance of payable on equipment	1,890	1,810
Less: Ending balance of payable on equipment	(1,643)	(1,890)
Add: Ending balance of prepayments for business facilities	700	59
Less: Opening balance of prepayments for business facilities	(59)	-
Cash paid during the year	<u>\$ 38,883</u>	<u>\$ 46,816</u>

(25) Changes in liabilities from financing activities

	Short-term borrowings	Long-term borrowings (including current portion)	Dividends payable	Liabilities from financing activities - gross
At January 1, 2022	\$ 1,710,895	\$ 308,889	\$ -	\$ 2,019,784
Changes in cash flow from financing activities	(92,453)	191,111	(585,753)	(487,095)
Changes in other non-cash items	<u>1,558</u>	<u>-</u>	<u>585,753</u>	<u>587,311</u>
At December 31, 2022	<u>\$ 1,620,000</u>	<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ 2,120,000</u>
	Short-term borrowings	Long-term borrowings (including current portion)	Dividends payable	Liabilities from financing activities - gross
At January 1, 2021	\$ 1,885,000	\$ 140,000	\$ -	\$ 2,025,000
Changes in cash flow from financing activities	(172,547)	168,889	(390,502)	(394,160)
Changes in other non-cash items	<u>(1,558)</u>	<u>-</u>	<u>390,502</u>	<u>388,944</u>
At December 31, 2021	<u>\$ 1,710,895</u>	<u>\$ 308,889</u>	<u>\$ -</u>	<u>\$ 2,019,784</u>

7. Related Party Transactions

(1) Names of related parties and relationship

Refer to Note 13 for details of relationship between parent company and subsidiaries.

(2) Significant related party transactions

A. Operating revenue

	Year ended December 31	
	2022	2021
Subsidiaries	\$ 139,582	\$ 90,964

Goods are sold by the Company to related parties at general prices plus transportation costs. The collection term was 30~120 days after monthly billings, T/T. The collection term to domestic general customers was 30~120 days after monthly billings, T/T, and to overseas general customers was advance receipts or 30~120 days after monthly billings, T/T.

B. Income from technology and managerial services (shown as operating revenue)

	Year ended December 31	
	2022	2021
Subsidiaries	\$ 141,889	\$ 141,106

The Company provided subsidiaries with consulting services on production, marketing and management, charged managerial services fees based on the relevant expenses plus a markup, and collected in 90~120 days after monthly billings, T/T. Additionally, the Company provided consulting service on production technology of keyboard products, and charged service fees based on a certain percentage of net sales of specific types of machinery sold to entities other than related parties. Aforementioned proceeds were collected annually.

C. Purchases

	Year ended December 31	
	2022	2021
Subsidiaries		
Sunrex Technology (Jiangsu) Co., Ltd.	\$ 3,830,228	\$ 2,052,590
Changshu Sunrex Technology Co.,Ltd.	3,267,187	3,288,365
Jing Mold Plastic Electronics (Shen-Zhen) Co., Ltd.	900,059	451,393
Sunrex Technology (Chongqing) Co., Ltd.	757,454	1,049,687
Others	108,872	135,704
Total	\$ 8,863,800	\$ 6,977,739

The inventories purchased by the Company from related parties were primarily finished goods and semi-finished goods of laptop keyboards. There were no comparable data of prices because the finished goods and semi-finished goods were outsourced based on machinery models. The payment term was 30-120 days after

monthly billings, T/T. For domestic general suppliers, the payment term was 30-120 days after monthly billings, T/T or L/C.

D. Accounts receivable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Subsidiaries		
Changshu Sunrex Technology Co.,Ltd.	\$ 45,112	\$ 34,902
Sunrex Technology (Chongqing) Co., Ltd.	43,872	48,268
Jing Mold Plastic Electronics (Shen-Zhen) Co., Ltd.	8,974	7,297
Others	-	2,488
	<u>\$ 97,958</u>	<u>\$ 92,955</u>

E. Accounts payable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Subsidiaries		
Sunrex Technology (Jiangsu) Co., Ltd.	\$ 2,483,780	\$ 892,258
Changshu Sunrex Technology Co.,Ltd.	1,180,915	1,219,273
Jing Mold Plastic Electronics (Shen-Zhen) Co., Ltd.	484,384	190,084
Sunrex Technology (Chongqing) Co., Ltd.	163,089	266,285
Others	35,437	62,380
Total	<u>\$ 4,347,605</u>	<u>\$ 2,630,280</u>

F. Other receivables (shown as other receivables due from related parties)

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Subsidiaries		
Sunrex Technology (Jiangsu) Co., Ltd.	\$ 1,288,965	\$ 1,164,114
Best Elite	356,512	390,741
Others	20,998	27,113
Total	<u>\$ 1,666,475</u>	<u>\$ 1,581,968</u>

Note: (a) Other receivables due from Best Elite and Sunrex Technology (Jiangsu) Co., Ltd. were the Company loans to Best Elite and Sunrex Technology (Jiangsu) Co., Ltd.

(b) Other receivables, others, were generated from the Company leasing plants and selling equipment.

G. Other payables (shown as other receivables due from related parties)

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Subsidiaries		
Jing Mold Plastic Electronics (Shen-Zhen) Co., Ltd.	\$ <u>3,621</u>	\$ <u>-</u>

H. Property transactions

	<u>Year ended December 31, 2022</u>				
	<u>Property transactions</u>	<u>Disposal proceeds</u>	<u>Book value</u>	<u>Loss on disposal</u>	<u>Ending receivables</u>
Subsidiaries	Machinery and molds	\$ <u>35,311</u>	\$ <u>35,906</u>	(\$ <u>595</u>)	\$ <u>19,583</u>

	<u>Year ended December 31, 2021</u>				
	<u>Property transactions</u>	<u>Disposal proceeds</u>	<u>Book value</u>	<u>Loss on disposal</u>	<u>Ending receivables</u>
Subsidiaries	Machinery and molds	\$ <u>31,365</u>	\$ <u>39,485</u>	(\$ <u>8,120</u>)	\$ <u>25,999</u>

I. Endorsements and guarantees provided to related parties:

	<u>December 31, 2022</u>	
	<u>Guaranteed facilities</u>	<u>Facilities drawn</u>
Subsidiaries	<u>USD 103,000 thousand</u>	<u>USD 53,000 thousand</u>
	<u>NTD 15,000 thousand</u>	<u>NTD 0 thousand</u>

	<u>December 31, 2021</u>	
	<u>Guaranteed facilities</u>	<u>Facilities drawn</u>
Subsidiaries	<u>USD 122,700 thousand</u>	<u>USD 73,990 thousand</u>
	<u>NTD 15,000 thousand</u>	<u>NTD 0 thousand</u>

(3) Key management compensation

	Year ended December 31	
	2022	2021
Salaries and other short-term employee benefits	\$ 16,687	\$ 19,605
Post-employment benefits	603	708
	<u>\$ 17,290</u>	<u>\$ 20,313</u>

8. Pledged Assets

None.

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

None.

(2) Commitments

A. Capital expenditures contracted and not yet incurred

	December 31, 2022	December 31, 2021
Property, plant and equipment	<u>\$ 1,050</u>	<u>\$ -</u>

B. Information about related parties' guarantees is provided in Note 13.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

Information about the appropriation of 2021 earnings of the Company is provided in Note 6(14)E.

12. Others

(1) Capital management

The Company's capital management is based on the scale of the industry which the Company is in, along with the industry's future growth and product development to set an appropriate market share. Furthermore, the Company determines an appropriate capital structure by planning a corresponding capital expenditure, calculating operation funds in accordance with operating plans, and considering the operating profits and cash flows that can be generated by products' competitiveness.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial assets</u>		
Non-current financial assets at fair value through other comprehensive income	\$ -	\$ 70
Financial assets at amortised cost/Loans and receivables		
Cash and cash equivalents	1,056,980	415,528
Accounts receivable	4,298,002	2,735,299
Accounts receivable-related parties	97,958	92,955
Other receivables	1,334	360
Other receivables-related parties	1,666,475	1,581,968
Guarantee deposits paid	245	357
	<u>\$ 7,120,994</u>	<u>\$ 4,826,537</u>
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 1,620,000	\$ 1,710,895
Contract liabilities	71,536	15,554
Accounts payable	9,073	14,119
Accounts payable to related parties	4,347,605	2,630,280
Other payables	106,511	102,027
Other payables-related parties	3,621	-
Long-term borrowings (including current portion)	500,000	308,889
	<u>\$ 6,658,346</u>	<u>\$ 4,781,764</u>

B. Financial risk management policies

(a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price rate risk and interest rate risk), credit risk and liquidity risk.

(b) For the risk management, the Company's treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units, such as exchange rate risk, interest rate risk and investment of current residual capital.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Exchange rate risk

i. The Company operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Foreign exchange rate risk arises from future commercial transactions and

recognised assets and liabilities.

- ii. The Company's businesses involve some non-functional currency operations (the Company's functional currency: NTD; other certain subsidiaries' functional currency: USD or RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

<u>December 31, 2022</u>			
(Foreign currency: functional currency)	Foreign currency amount (In thousands)	Exchange rate	Book amounts (In thousands of NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 229,152	30.71	\$ 7,037,258
<u>Non-monetary items</u>			
USD:NTD	245,891	30.71	7,551,313
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	141,788	30.71	4,354,309
<u>December 31, 2021</u>			
(Foreign currency: functional currency)	Foreign currency amount (In thousands)	Exchange rate	Book amounts (In thousands of NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 172,379	27.68	\$ 4,771,451
<u>Non-monetary items</u>			
USD:NTD	257,597	27.68	7,130,285
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	95,091	27.68	2,632,119

- iii. Total exchange gain (loss), including realised and unrealised, arising from significant foreign exchange variation on the monetary items are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Foreign exchange gain (losses), net	\$ 244,019	\$ 57,582

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

				Year ended December 31, 2022		
				Sensitivity analysis		
						Effect on other comprehensive income
(Foreign currency: functional currency)	Degree of variation	Effect on profit or loss				
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD	1%	\$ 70,373	\$			-
<u>Non-monetary items</u>						
USD:NTD	1%	-				75,513
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD:NTD	1%	43,543				-
				Year ended December 31, 2021		
				Sensitivity analysis		
						Effect on other comprehensive income
(Foreign currency: functional currency)	Degree of variation	Effect on profit or loss				
<u>Financial assets</u>						
<u>Monetary items</u>						
USD:NTD	1%	\$ 47,715	\$			-
<u>Non-monetary items</u>						
USD:NTD	1%	-				71,303
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD:NTD	1%	26,321				-

Price risk

The Company's equity securities, which are exposed to price risk, are financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

Cash flow and fair value interest rate risk

i. The Company's interest rate risk arises from long-term and short-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. During 2022 and 2021, the Company's borrowings at variable rate were mainly denominated in New Taiwan dollars and United States dollars.

- ii. As of December 31, 2022 and 2021, if the borrowing interest rate had increased/decreased by 0.1% with all other variables held constant, pre-tax profit for the years ended December 31, 2022 and 2021 were as follows:

		2022	
		Sensitivity analysis	
		the borrowing interest rate	pre-tax profit
Borrowings		0.10%	\$ 1, 696
		2021	
		Sensitivity analysis	
		the borrowing interest rate	pre-tax profit
Borrowings		0.10%	\$ 2, 020

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost.
- ii. The Company manages their credit risk taking into consideration the entire company's concern. According to the Company's credit policy, each local entity in the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings. The utilisation of credit limits is regularly monitored.
- iii. The Company adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- iv. The Company adopts the default occurs when the contract payments are past due over 180 days.
- v. The Company classifies customer's accounts receivable in accordance with the modified approach using a provision matrix based on the loss rate methodology to estimate the expected credit loss.
- vi. The Company used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2022 and 2021, the provision matrix, loss rate methodology

is as follows:

	<u>Individual</u>		<u>Group</u>			<u>Total</u>
			<u>Not past due</u>	<u>Within 1 year</u>	<u>Over 1 year</u>	
<u>December 31,2022</u>						
Expected loss rate	100%	0%	0%		100%	
Total book value	\$ -	\$ 4,229,236	\$ 68,766	\$ -	\$ -	\$ 4,298,002
Loss allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

	<u>Individual</u>		<u>Group</u>			<u>Total</u>
			<u>Not past due</u>	<u>Within 1 year</u>	<u>Over 1 year</u>	
<u>December 31,2021</u>						
Expected loss rate	100%	0%	0%		100%	
Total book value	\$ -	\$ 2,735,299	\$ -	\$ -	\$ -	\$ 2,735,299
Loss allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Company and aggregated by Company treasury. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.
- ii. The Company has the following undrawn borrowing facilities:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Floating rate		
Expiring within one year	\$ 1,021,005	\$ 113,270
Fixed rate		
Expiring within one year	<u>544,059</u>	<u>1,556,471</u>
	<u>\$ 1,565,064</u>	<u>\$ 1,669,741</u>

- iii. The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative
financial liabilities:

December 31, 2022	Within one year	Between 1 and 2 year(s)	Over 2 years	Total
Short-term borrowings	\$3,194,971	\$ -	\$ -	\$3,194,971
Accounts payable	9,073	-	-	9,073
Accounts payable-related parties	4,347,605	-	-	4,347,605
Other payables	106,511	-	-	106,511
Other payables-related parties	3,621	-	-	3,621
Long-term borrowings (including current portion)	201,916	241,915	67,217	511,048

Non-derivative
financial liabilities:

December 31, 2021	Within one year	Between 1 and 2 year(s)	Over 2 years	Total
Short-term borrowings	\$1,716,057	\$ -	\$ -	\$1,716,057
Accounts payable	14,119	-	-	14,119
Accounts payable-related parties	2,630,280	-	-	2,630,280
Other payables	102,027	-	-	102,027
Long-term borrowings (including current portion)	65,363	148,525	100,501	314,389

(3) Fair value information

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

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

B. Financial instruments not measured at fair value

Except for those listed in the table below, the carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, short-term borrowings, notes payable, accounts payable and other payables are approximate to their fair values.

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

The related information of natures of the assets and liabilities is as follows:

<u>December 31, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
--------------------------	----------------	----------------	----------------	--------------

Assets

Recurring fair value measurements

Financial assets at fair value through other comprehensive income

Equity securities	\$ -	\$ -	\$ -	\$ -
-------------------	------	------	------	------

<u>December 31, 2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
--------------------------	----------------	----------------	----------------	--------------

Assets

Recurring fair value measurements

Financial assets at fair value through other comprehensive income

Equity securities	\$ -	\$ -	\$ 70	\$ 70
-------------------	------	------	-------	-------

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

The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company's financial and non-financial instruments. Therefore, the estimated value of valuation model would be adequately adjusted based on extra parameters, such as model risk or liquidity risk, etc. In accordance with the Company'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 at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

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

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

G. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation

model used in Level 3 fair value measurement:

	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ -	Market comparable companies	Price to book ratio multiple	1.37	The higher the multiple and control premium, the higher the fair value

	Fair value at December 31, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 70	Market comparable companies	Price to book ratio multiple	1.37	The higher the multiple and control premium, the higher the fair value

13. Supplementary Disclosures

(1) Significant transactions information

- A. Loans to others: Please refer to table 1.
- B. Provision of endorsements and guarantees to others: Please refer to table 2.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 4.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 5.
- I. Trading in derivative instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: Please refer to table 6.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 7.

(3) Information on investments in Mainland China

A. Basic information and limit of reinvestment in Mainland China: Please refer to table 8.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area:

For the year ended December 31, 2022, significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: please refer to tables 1, 2, 4, 5 and 6.

(4) Major shareholders information

Please refer to table 9.

14. Operating segments information

Not applicable.

SUNREX TECHNOLOGY CORP.
LOANS TO OTHERS
YEAR ENDED DECEMBER 31, 2022

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2022	Balance at December 31, 2022	Actual amount drawn down	Interest rate	Nature of loan (Note 3)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 2)	Ceiling on total loans granted (Note 2)	Footnote
													Item	Value			
0	Sunrex Technology Corp.	BEST ELITE HOLDINGS LTD	Other receivables	Yes	\$ 825,300	\$ 614,200	\$ 353,165	2.5%	(2)	\$ -	Working capital	\$ -	None	\$ -	\$ 3,594,988	\$ 3,594,988	
0	Sunrex Technology Corp.	Sunrex Technology (Jiangsu) Co., Ltd.	Other receivables	Yes	2,563,870	2,548,930	1,274,465	5.0%	(2)	-	Working capital	-	None	-	3,594,988	3,594,988	
0	Sunrex Technology Corp.	Forward Optics Co., Ltd	Other receivables	Yes	15,000	15,000	-	3.0%	(2)	-	Working capital	-	None	-	3,594,988	3,594,988	
1	BEST ELITE HOLDINGS LTD	Sunrex Technology (Jiangsu) Co., Ltd.	Other receivables	Yes	2,704,412	1,936,750	-	5.0%	(2)	-	Working capital	-	None	-	7,400,734	7,400,734	
2	Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	Sunrex Technology (Jiangxi) Co., Ltd	Other receivables	Yes	511,405	424,935	290,928	5.0%	(2)	-	Working capital	-	None	-	899,522	899,522	

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is '0'.

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

Note 2: Ceiling on total loans granted is 40% of the creditor's net assets and limit on loans granted between the foreign companies which are directly or indirectly wholly owned by the Company is 100% of the creditor's net assets.

Note 3: (1) Business transaction.

(2) Short-term financing.

Note 4: Has been written-off in the consolidated financial statements.

SUNREX TECHNOLOGY CORP.
PROVISION OF ENDORSEMENTS AND GUARANTEES TO OTHERS
YEAR ENDED DECEMBER 31, 2022

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Endorser/guarantor	Party being endorsed/ guaranteed		Limit on endorsements/guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2022	Outstanding endorsement/ guarantee amount at December 31, 2022	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/guarantor company	Ceiling on total amount of endorsements /guarantees provided (Note 2)	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
		Relationship with the endorser/guarantor (Note 1)	Company name											
0	Sunrex Technology Corp.	BEST ELITE HOLDINGS LTD	Note 1	\$ 4,493,736	\$ 3,172,403	\$ 3,153,917	\$ 1,188,866	\$ -	35.09%	\$ 8,987,471	Y	N	N	
0	Sunrex Technology Corp.	Sunrex Technology (Jiangsu) Co., Ltd.	Note 1	4,493,736	1,347,300	921,300	276,390	-	10.25%	8,987,471	Y	N	Y	
0	Sunrex Technology Corp.	Changshu Sunrex Technology Co., Ltd.	Note 1	4,493,736	88,425	-	-	-	0.00%	8,987,471	Y	N	Y	
0	Sunrex Technology Corp.	Sunrex Technology (Chongqing) Co., Ltd.	Note 1	4,493,736	117,900	-	-	-	0.00%	8,987,471	Y	N	Y	
0	Sunrex Technology Corp.	Forward Optocs Co., LTD.	Note 1	4,493,736	30,000	30,000	15,000	-	0.33%	8,987,471	Y	N	N	

Note 1: The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.

Note 2: Ceiling on total amount of endorsements/guarantees provided by the Company is 100% of the Company's net assets.

Note 3: Limit on endorsements/guarantees provided by the Company for a single party is 50% of the Company's net assets.

SUNREX TECHNOLOGY CORP.
HOLDING OF MARKETABLE SECURITIES AT THE END OF THE PERIOD (NOT INCLUDING SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES)
YEAR ENDED DECEMBER 31, 2022

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2022				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Ching Yi Investment Co., Ltd.	Sunrex Technology Corp.	The Company	Non-current financial assets at fair value through other comprehensive income	2,250,000	\$ 85,613	1.15%	\$ 85,613	Note 5
Sunrex Technology Corp.	Forward Optics Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	47,286	-	1.60%	-	Note 6

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Note 2: Leave the column blank if the issuer of marketable securities is non-related party.

Note 3: Fill in the amount after adjusted at fair value and

Note 4: The number of shares of securities and their amounts pledged

Note 5: Book value as of December 31, 2022 has been transferred to treasury share in the consolidated financial statements.

Note 6: Forward Optics Co., Ltd. reduced \$61,260 and \$49,260 of capital to offset accumulated deficits as resolved by the shareholders on April 28, 2021 and August 5, 2021, respectively and increased \$71,039 of capital by debt for equity swap as by the Board of Directors on October 28, 2021. As the Company did not participate in the capital increase, the Company's ownership decreased from 11.10% to 1.60%. Reduced \$79,881 of capital to offset accumulated deficits as resolved by the shareholders on August 16, 2022, with a capital reduction ratio of 64.50%. After the capital reduction, the company's ownership decreased is 1.60% on August 16, 2022. On August 16, 2022, the shareholders resolved to reduce capital to offset accumulated deficits amounting to \$79,881 thousand. The capital reduction ratio was 64.50%. The effective date for the capital reduction was set on August 22, 2022. After the capital reduction, the Company's shareholding ratio was 1.60%.

SUNREX TECHNOLOGY CORP.

PURCHASES OR SALES OF GOODS FROM OR TO RELATED PARTIES REACHING NT\$100 MILLION OR 20% OF PAID-IN CAPITAL OR MORE

YEAR ENDED DECEMBER 31, 2022

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Transaction			Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		Footnote
				Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	notes/accounts receivable (payable)	
Sunrex Technology Corp.	Sunrex Technology (Jiangsu) Co., Ltd.	Same ultimate parent	Purchases	\$ 3,830,228	18.04%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts payable \$ 2,483,780 thousand	72.66%	Note 2
Sunrex Technology Corp.	Changshu Sunrex Technology Co., Ltd.	Same ultimate parent	Purchases	3,267,187	15.38%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts payable 1,180,915 thousand	0.35%	Note 2
Sunrex Technology Corp.	Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	Same ultimate parent	Purchases	900,059	4.24%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts payable 484,384 thousand	14.17%	Note 2
Sunrex Technology Corp.	Sunrex Technology (Chongqing) Co., Ltd.	Same ultimate parent	Purchases	757,454	3.57%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts payable 163,089 thousand	4.77%	Note 2
Sunrex Technology Corp.	Sunrex Technoloy (Jiangxi) Co., Ltd	Same ultimate parent	Purchases	108,872	0.51%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts payable 35,437 thousand	1.04%	Note 2
Sunrex Technology (Jiangsu) Co., Ltd.	Crown Trading International Limited	Same ultimate parent	Sales	1,394,453	5.67%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts receivable 587,061 thousand	7.61%	Note 2
Sunrex Technology (Jiangsu) Co., Ltd.	Sunrex Technology Corp.	The Company	Sales	3,825,915	15.57%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts receivable 2,487,587 thousand	32.26%	Note 2
Sunrex Technology (Jiangsu) Co., Ltd.	Kai Zhao (Suzhou)dian Zi You Xian Gong Si Ltd.	Same ultimate parent	Purchases	297,800	1.40%	120 days after monthly billings	Note 1	Other payables	Others payables 73,267 thousand	2.14%	Note 2
Sunrex Technology (Jiangsu) Co., Ltd.	Changshu Sunrex Technology Co., Ltd.	The Company	Purchases	198,528	0.93%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts payable 185,977 thousand	5.44%	Note 2
Sunrex Technology (Jiangsu) Co., Ltd.	Sunrex Technoloy (Jiangxi) Co., Ltd	Same ultimate parent	Purchases	148,140	0.70%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts payable 302 thousand	0.01%	Note 2
Sunrex Technology (Jiangsu) Co., Ltd.	Crown Trading International Limited	Same ultimate parent	Purchases	336,821	1.59%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts payable 127,043 thousand	3.72%	Note 2
Sunrex Technology (Jiangsu) Co., Ltd.	Amiable Development Incorporated	Same ultimate parent	Purchases	1,895,770	8.93%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts payable 1,069,019 thousand	31.27%	Note 2
Changshu Sunrex Technology Co., Ltd.	Sunrex Technology (Jiangsu) Co., Ltd.	Same ultimate parent	Sales	199,424	0.81%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts receivable 185,293 thousand	2.40%	Note 2
Changshu Sunrex Technology Co., Ltd.	Amiable Development Incorporated	Same ultimate parent	Sales	2,084,440	8.48%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts receivable 1,144,124 thousand	14.84%	Note 2
Changshu Sunrex Technology Co., Ltd.	Sunrex Technology Corp.	The Company	Sales	3,252,162	13.23%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts receivable 1,179,134 thousand	15.29%	Note 2
Changshu Sunrex Technology Co., Ltd.	Amiable Development Incorporated	Same ultimate parent	Purchases	379,521	1.79%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts payable 198,234 thousand	5.80%	Note 2
Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	Sunrex Technology Corp.	The Company	Sales	898,245	3.65%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts receivable 486,349 thousand	6.31%	Note 2
Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	Sunrex Technoloy (Jiangxi) Co., Ltd	Same ultimate parent	Purchases	251,382	1.18%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts payable 131,773 thousand	3.86%	Note 2
Sunrex Technology (Chongqing) Co., Ltd.	Sunrex Technology Corp.	The Company	Sales	753,650	3.07%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts receivable 166,647 thousand	2.16%	Note 2
Sunrex Technology (Chongqing) Co., Ltd.	Elated Develop Limited	Same ultimate parent	Purchases	188,030	0.89%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts payable 84,438 thousand	2.47%	Note 2
Sunrex Technoloy (Jiangxi) Co., Ltd	Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	Same ultimate parent	Sales	250,324	1.02%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts receivable 133,339 thousand	1.73%	Note 2
Sunrex Technoloy (Jiangxi) Co., Ltd	Sunrex Technology (Jiangsu) Co., Ltd.	Same ultimate parent	Sales	144,144	0.59%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts receivable 44,258 thousand	0.57%	Note 2
Sunrex Technoloy (Jiangxi) Co., Ltd	Crown Trading International Limited	Same ultimate parent	Sales	336,421	1.37%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts receivable 154,752 thousand	2.01%	Note 2
Sunrex Technoloy (Jiangxi) Co., Ltd	Amiable Development Incorporated	Same ultimate parent	Sales	379,261	1.54%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts receivable 198,234 thousand	2.57%	Note 2
Sunrex Technoloy (Jiangxi) Co., Ltd	Elated Develop Limited	Same ultimate parent	Sales	187,861	0.76%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts receivable 67,980 thousand	0.88%	Note 2

SUNREX TECHNOLOGY CORP.
PURCHASES OR SALES OF GOODS FROM OR TO RELATED PARTIES REACHING NT\$100 MILLION OR 20% OF PAID-IN CAPITAL OR MORE
YEAR ENDED DECEMBER 31, 2022

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction			Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)			Footnote	
			Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	notes/accounts receivable (payable)		
Sunrex Technoloy (Jiangxi) Co., Ltd	Sunrex Technology Corp.	The Company	Sales	108,184	0.44%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts receivable	35,359 thousand	0.46%	Note 2
Amiable Development Incorporated	Sunrex Technology (Jiangsu) Co., Ltd.	Same ultimate parent	Sales	280,553	1.14%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts receivable	1,073,838 thousand	13.93%	Note 2
Amiable Development Incorporated	Changshu Sunrex Technology Co., Ltd.	Same ultimate parent	Purchases	308,124	1.45%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts payable	1,144,787 thousand	33.49%	Note 2
Crown Trading International Limited	Sunrex Technology (Jiangsu) Co., Ltd.	Same ultimate parent	Purchases	208,405	0.98%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts payable	587,401 thousand	17.18%	Note 2
Kai Zhao (Suzhou)dian Zi You Xian Gong Si	Sunrex Technology (Jiangsu) Co., Ltd.	Same ultimate parent	Sales	297,801	1.21%	120 days after monthly billings	Note 1	Collected by telegraphic transfer	Accounts receivable	72,532 thousand	0.94%	Note 2

Note 1: As the finished goods and semi-finished goods purchased by the Company are outsourced according to different models, there was no relevant information for comparison.

Note 2: Has been eliminated in the consolidated financial statements.

SUNREX TECHNOLOGY CORP.
RECEIVABLES FROM RELATED PARTIES REACHING NT\$100 MILLION OR 20% OF PAID-IN CAPITAL OR MORE
YEAR ENDED DECEMBER 31, 2022

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2022	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date (Note 1)	Allowance for doubtful accounts	
					Amount	Action taken			
Sunrex Technoloy (Jiangxi) Co., Ltd	Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	Same ultimate parent	Accounts receivable	\$ 133,339 thousand	3.50	-	\$ -	\$ 46,497	\$ -
Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	Sunrex Technoloy (Jiangxi) Co., Ltd	Same ultimate parent	Other receivables	292,372 thousand	-	-	-	133,575	-
Changshu Sunrex Technology Co., Ltd.	Sunrex Technology (Jiangsu) Co., Ltd.	Same ultimate parent	Accounts receivable	185,293 thousand	4.21	-	-	152,136	-
Crown Trading International Limited	Sunrex Technology (Jiangsu) Co., Ltd.	Same ultimate parent	Accounts receivable	127,117 thousand	0.56	-	-	40,159	-
Sunrex Technology (Jiangsu) Co., Ltd.	Crown Trading International Limited	Same ultimate parent	Accounts receivable	587,061 thousand	3.53	-	-	161,092	-
Sunrex Technoloy (Jiangxi) Co., Ltd	Crown Trading International Limited	Same ultimate parent	Accounts receivable	154,752 thousand	3.14	-	-	48,146	-
Amiable Development Incorporated	Sunrex Technology (Jiangsu) Co., Ltd.	Same ultimate parent	Accounts receivable	1,073,838 thousand	0.74	-	-	398,759	-
Amiable Development Incorporated	Changshu Sunrex Technology Co., Ltd.	Same ultimate parent	Accounts receivable	198,349 thousand	0.89	-	-	82,225	-
Changshu Sunrex Technology Co., Ltd.	Amiable Development Incorporated	Same ultimate parent	Accounts receivable	1,144,124 thousand	4.67	-	-	303,756	-
Sunrex Technoloy (Jiangxi) Co., Ltd	Amiable Development Incorporated	Same ultimate parent	Accounts receivable	198,234 thousand	6.01	-	-	82,224	-
Sunrex Technology (Jiangsu) Co., Ltd.	Sunrex Technology Corp.	The Company	Accounts receivable	2,487,587 thousand	4.53	-	-	992,640	-
Changshu Sunrex Technology Co., Ltd.	Sunrex Technology Corp.	The Company	Accounts receivable	1,179,134 thousand	5.43	-	-	541,003	-
Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	Sunrex Technology Corp.	The Company	Accounts receivable	486,349 thousand	5.31	-	-	210,879	-
Sunrex Technology (Chongqing) Co., Ltd.	Sunrex Technology Corp.	The Company	Accounts receivable	166,647 thousand	6.91	-	-	93,739	-
Sunrex Technology Corp.	Sunrex Technology (Jiangsu) Co., Ltd.	Same ultimate parent	Other receivables	1,288,965 thousand	-	-	-	507,645	-
Sunrex Technology Corp.	BEST ELITE HOLDINGS LTD	Same ultimate parent	Other receivables	356,512 thousand	-	-	-	93,442	-

Note 1: Subsequent collection is the amount collected as of March 1, 2023.

SUNREX TECHNOLOGY CORP.
SIGNIFICANT INTER-COMPANY TRANSACTIONS DURING THE REPORTING PERIODS
YEAR ENDED DECEMBER 31, 2022

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount (Note 5)	Transaction	Percentage of consolidated total operating revenues or total assets (Note 3)
						Transaction terms	
0	Sunrex Technology Corp.	Sunrex Technology (Jiangsu) Co., Ltd.	1	Purchases	\$ 3,830,228	The price was negotiated and the payment was 120 days after monthly billings	15.58
0	Sunrex Technology Corp.	Changshu Sunrex Technology Co., Ltd.	1	Purchases	3,267,187	The price was negotiated and the payment was 120 days after monthly billings	13.29
0	Sunrex Technology Corp.	Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	1	Purchases	900,059	The price was negotiated and the payment was 120 days after monthly billings	3.66
0	Sunrex Technology Corp.	Sunrex Technology (Chongqing) Co., Ltd.	1	Purchases	757,454	The price was negotiated and the payment was 120 days after monthly billings	3.08
0	Sunrex Technology Corp.	Sunrex Technology (Jiangxi) Co., Ltd.	1	Purchases	108,872	The price was negotiated and the payment was 120 days after monthly billings	0.44
0	Sunrex Technology Corp.	Sunrex Technology (Jiangsu) Co., Ltd.	1	Accounts payable	2,483,780	The price was negotiated and the payment was 120 days after monthly billings	11.36
0	Sunrex Technology Corp.	Changshu Sunrex Technology Co., Ltd.	1	Accounts payable	1,180,915	The price was negotiated and the payment was 120 days after monthly billings	5.40
0	Sunrex Technology Corp.	Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	1	Accounts payable	484,384	The price was negotiated and the payment was 120 days after monthly billings	2.22
0	Sunrex Technology Corp.	Sunrex Technology (Chongqing) Co., Ltd.	1	Accounts payable	163,089	The price was negotiated and the payment was 120 days after monthly billings	0.75
0	Sunrex Technology Corp.	Sunrex Technology (Jiangsu) Co., Ltd.	1	Other receivables	1,288,965	The transaction was aroused from loans and the principal was repayable at the maturity date	5.90
0	Sunrex Technology Corp.	BEST ELITE HOLDINGS LTD	1	Other receivables	356,512	The transaction was aroused from loans and the principal was repayable at the maturity date	1.63
1	Sunrex Technology (Jiangsu) Co., Ltd.	KAI ZHAO(SUZHO)DIAN ZI YOU	3	Purchases	297,800	The price was negotiated and the payment was 120 days after monthly billings	1.21
1	Sunrex Technology (Jiangsu) Co., Ltd.	Changshu Sunrex Technology Co., Ltd.	3	Purchases	198,528	The price was negotiated and the payment was 120 days after monthly billings	0.81
1	Sunrex Technology (Jiangsu) Co., Ltd.	Sunrex Technology (Jiangxi) Co., Ltd.	3	Purchases	148,140	The price was negotiated and the payment was 120 days after monthly billings	0.60
1	Sunrex Technology (Jiangsu) Co., Ltd.	Changshu Sunrex Technology Co., Ltd.	3	Accounts payable	185,977	The price was negotiated and the payment was 120 days after monthly billings	0.85
1	Sunrex Technology (Jiangsu) Co., Ltd.	Crown Trading International Limited	3	Sales	1,394,453	The price was negotiated and the payment was 120 days after monthly billings	5.67
1	Sunrex Technology (Jiangsu) Co., Ltd.	Crown Trading International Limited	3	Purchases	336,821	The price was negotiated and the payment was 120 days after monthly billings	1.37
1	Sunrex Technology (Jiangsu) Co., Ltd.	Crown Trading International Limited	3	Accounts payable	127,043	The price was negotiated and the payment was 120 days after monthly billings	0.58
1	Sunrex Technology (Jiangsu) Co., Ltd.	Crown Trading International Limited	3	Accounts receivable	587,061	The price was negotiated and the payment was 120 days after monthly billings	2.69
1	Sunrex Technology (Jiangsu) Co., Ltd.	Amiable Development Incorporated	3	Purchases	1,895,770	The price was negotiated and the payment was 120 days after monthly billings	7.71
1	Sunrex Technology (Jiangsu) Co., Ltd.	Amiable Development Incorporated	3	Accounts payable	1,069,019	The price was negotiated and the payment was 120 days after monthly billings	4.89
1	Sunrex Technology (Jiangsu) Co., Ltd.	Sunrex Technology Corp.	2	Sales	3,825,915	The price was negotiated and the payment was 120 days after monthly billings	15.57

SUNREX TECHNOLOGY CORP.
SIGNIFICANT INTER-COMPANY TRANSACTIONS DURING THE REPORTING PERIODS
YEAR ENDED DECEMBER 31, 2022

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount (Note 5)	Transaction	Percentage of consolidated total operating revenues or total assets (Note 3)
						Transaction terms	
1	Sunrex Technology (Jiangsu) Co., Ltd.	Sunrex Technology Corp.	2	Other payables	1,290,330	The transaction was aroused from loans and the principal was repayable at the maturity date	5.90
1	Sunrex Technology (Jiangsu) Co., Ltd.	Sunrex Technology Corp.	2	Accounts receivable	2,487,587	The price was negotiated and the payment was 120 days after monthly billings	11.38
2	Changshu Sunrex Technology Co., Ltd.	Sunrex Technology (Jiangsu) Co., Ltd.	3	Sales	199,424	The price was negotiated and the payment was 120 days after monthly billings	0.81
2	Changshu Sunrex Technology Co., Ltd.	Sunrex Technology (Jiangsu) Co., Ltd.	3	Accounts receivable	185,293	The price was negotiated and the payment was 120 days after monthly billings	0.85
2	Changshu Sunrex Technology Co., Ltd.	Amiable Development Incorporated	3	Sales	2,084,440	The price was negotiated and the payment was 120 days after monthly billings	8.48
2	Changshu Sunrex Technology Co., Ltd.	Amiable Development Incorporated	3	Purchases	379,521	The price was negotiated and the payment was 120 days after monthly billings	1.54
2	Changshu Sunrex Technology Co., Ltd.	Amiable Development Incorporated	3	Accounts payable	198,234	The price was negotiated and the payment was 120 days after monthly billings	0.91
2	Changshu Sunrex Technology Co., Ltd.	Amiable Development Incorporated	3	Accounts receivable	1,144,124	The price was negotiated and the payment was 120 days after monthly billings	5.23
2	Changshu Sunrex Technology Co., Ltd.	Sunrex Technology Corp.	2	Sales	3,252,162	The price was negotiated and the payment was 120 days after monthly billings	13.23
2	Changshu Sunrex Technology Co., Ltd.	Sunrex Technology Corp.	2	Accounts receivable	1,179,134	The price was negotiated and the payment was 120 days after monthly billings	5.39
3	Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	Sunrex Technology (Jiangxi) Co., Ltd	3	Purchases	251,382	The price was negotiated and the payment was 120 days after monthly billings	1.02
3	Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	Sunrex Technology (Jiangxi) Co., Ltd	3	Accounts payable	131,773	The price was negotiated and the payment was 120 days after monthly billings	0.60
3	Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	Sunrex Technology (Jiangxi) Co., Ltd	3	Other receivables	292,372	The transaction was aroused from loans and the principal was repayable at the maturity date	1.34
3	Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	Sunrex Technology Corp.	2	Sales	898,245	The price was negotiated and the payment was 120 days after monthly billings	3.65
3	Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	Sunrex Technology Corp.	2	Accounts receivable	486,349	The price was negotiated and the payment was 120 days after monthly billings	2.23
4	Sunrex Technology (Chongqing) Co., Ltd.	Sunrex Technology (Jiangxi) Co., Ltd	3	Purchases	188,030	The price was negotiated and the payment was 120 days after monthly billings	0.77
4	Sunrex Technology (Chongqing) Co., Ltd.	Sunrex Technology Corp.	2	Sales	753,650	The price was negotiated and the payment was 120 days after monthly billings	3.07
4	Sunrex Technology (Chongqing) Co., Ltd.	Sunrex Technology Corp.	2	Accounts receivable	166,647	The price was negotiated and the payment was 120 days after monthly billings	0.76
5	Sunrex Technology (Jiangxi) Co., Ltd	Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	3	Sales	250,324	The price was negotiated and the payment was 120 days after monthly billings	1.02
5	Sunrex Technology (Jiangxi) Co., Ltd	Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	3	Accounts receivable	133,339	The price was negotiated and the payment was 120 days after monthly billings	0.61
5	Sunrex Technology (Jiangxi) Co., Ltd	Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	3	Other payables	292,372	The transaction was aroused from loans and the principal was repayable at the maturity date	1.34
5	Sunrex Technology (Jiangxi) Co., Ltd	Sunrex Technology (Jiangsu) Co., Ltd.	3	Sales	144,144	The price was negotiated and the payment was 120 days after monthly billings	0.59

SUNREX TECHNOLOGY CORP.
SIGNIFICANT INTER-COMPANY TRANSACTIONS DURING THE REPORTING PERIODS
YEAR ENDED DECEMBER 31, 2022

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount (Note 5)	Transaction		Percentage of consolidated total operating revenues or total assets (Note 3)
						Transaction terms		
5	Sunrex Technoloy (Jiangxi) Co., Ltd	Crown Trading International Limited	3	Sales	336,421	The price was negotiated and the payment was 120 days after monthly billings		1.37
5	Sunrex Technoloy (Jiangxi) Co., Ltd	Crown Trading International Limited	3	Accounts receivable	154,752	The price was negotiated and the payment was 120 days after monthly billings		0.71
5	Sunrex Technoloy (Jiangxi) Co., Ltd	Amiable Development Incorporated	3	Sales	379,261	The price was negotiated and the payment was 120 days after monthly billings		1.54
5	Sunrex Technoloy (Jiangxi) Co., Ltd	Amiable Development Incorporated	3	Accounts receivable	198,234	The price was negotiated and the payment was 120 days after monthly billings		0.91
5	Sunrex Technoloy (Jiangxi) Co., Ltd	Elated Develop Limited	3	Sales	187,861	The price was negotiated and the payment was 120 days after monthly billings		0.76
5	Sunrex Technoloy (Jiangxi) Co., Ltd	Sunrex Technology Corp.	2	Sales	108,184	The price was negotiated and the payment was 120 days after monthly billings		0.44
6	BEST ELITE HOLDINGS LTD	Sunrex Technology Corp.	2	Other payables	357,061	The transaction was aroused from loans and the principal was repayable at the maturity date		1.63
7	Crown Trading International Limited	Sunrex Technology (Jiangsu) Co., Ltd.	3	Purchases	208,405	The price was negotiated and the payment was 120 days after monthly billings		0.85
7	Crown Trading International Limited	Sunrex Technology (Jiangsu) Co., Ltd.	3	Accounts payable	587,401	The price was negotiated and the payment was 120 days after monthly billings		2.69
7	Crown Trading International Limited	Sunrex Technoloy (Jiangxi) Co., Ltd	3	Accounts payable	154,841	The price was negotiated and the payment was 120 days after monthly billings		0.71
7	Crown Trading International Limited	Sunrex Technology (Jiangsu) Co., Ltd.	3	Accounts receivable	127,117	The price was negotiated and the payment was 120 days after monthly billings		0.58

SUNREX TECHNOLOGY CORP.
SIGNIFICANT INTER-COMPANY TRANSACTIONS DURING THE REPORTING PERIODS
YEAR ENDED DECEMBER 31, 2022

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount (Note 5)	Transaction		Percentage of consolidated total operating revenues or total assets (Note 3)
						Transaction terms		
8	Amiable Development Incorporated	Sunrex Technology (Jiangsu) Co., Ltd.	3	Sales	280,553	The price was negotiated and the payment was 120 days after monthly billings		1.14
8	Amiable Development Incorporated	Changshu Sunrex Technology Co., Ltd.	3	Purchases	308,124	The price was negotiated and the payment was 120 days after monthly billings		1.25
8	Amiable Development Incorporated	Changshu Sunrex Technology Co., Ltd.	3	Accounts payable	1,144,787	The price was negotiated and the payment was 120 days after monthly billings		5.24
8	Amiable Development Incorporated	Sunrex Technoloy (Jiangxi) Co., Ltd	3	Accounts payable	198,349	The price was negotiated and the payment was 120 days after monthly billings		0.91
8	Amiable Development Incorporated	Sunrex Technology (Jiangsu) Co., Ltd.	3	Accounts receivable	1,073,838	The price was negotiated and the payment was 120 days after monthly billings		4.91
8	Amiable Development Incorporated	Sunrex Technoloy (Jiangxi) Co., Ltd	3	Accounts receivable	198,349	The price was negotiated and the payment was 120 days after monthly billings		0.91
9	KAI ZHAO(SUZHOU)DIAN ZI YOU	Sunrex Technology (Jiangsu) Co., Ltd.	3	Sales	297,801	The price was negotiated and the payment was 120 days after monthly billings		1.21

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

- (1) Parent company is '0'.
- (2) The subsidiaries are numbered in order starting from '1'.

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

- (1) Parent company to subsidiary.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

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

Note 4: Only the related party transactions that reach \$10 million or more were disclosed.

Note 5: Has been written-off in the consolidated financial statements.

SUNREX TECHNOLOGY CORP.
INFORMATION ON INVESTEES
YEAR ENDED DECEMBER 31, 2022

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee (Note 1)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value			
Sunrex Technology Corp.	Ching Yi Investment Co., Ltd.	Taiwan	Production and sales of various investments	\$ 16,723	\$ 16,723	2,900,000	100%	\$ 53,375	\$ 3,815	(\$ 2,935)	
Sunrex Technology Corp.	American Sunrex Corporation	U.S.A	Sales of computers and their ancillary equipment	35,572	35,572	218,420	100%	(2,158)	867	867	
Sunrex Technology Corp.	Sunrex Technology (HK) Co Ltd	Hong Kong	Distribute of computers and their ancillary	252,178	252,178	8,400,000	100%	1,110,058	87,040	87,040	
Sunrex Technology Corp.	Excellent Global International Ltd.	Cayman Islands	Various investments	843,471	843,471	31,907,470	100%	6,443,130	496,075	496,075	
Sunrex Technology Corp.	Forward Optocs Co., LTD.	Taiwan	Production of plastic and rubber products	332,440	332,440	19,244,220	74.59%	48,356	(23,316)	(17,365)	
Sunrex Technology (HK) Co Ltd	Leading Growth Industrial Co., Ltd.	Mauritius	Various investments	250,530	250,530	-	14.92%	1,105,210	581,984	-	Note 3
Excellent Global International Ltd.	Leading Growth Industrial Co., Ltd.	Mauritius	Various investments	1,428,081	1,428,081	-	85.08%	6,299,864	581,984	-	Note 3
Excellent Global International Ltd.	Golden Point Trading International Ltd.	British Virgin Islands	Import and export trades	-	-	-	100%	11,545	(2,113)	-	Note 3
Excellent Global International Ltd.	Golden Point Trading International Limited	Hong Kong	Import and export trades	-	-	-	100%	-	-	-	Note 3
Excellent Global International Ltd.	Crown Trading International Limited	Hong Kong	Import and export trades	-	-	-	100%	567	401	-	Note 3
Excellent Global International Ltd.	Amiable Development Incorporated	Samoa	Import and export trades	-	-	-	100%	14,688	(545)	-	Note 3
Excellent Global International Ltd.	Elated Devolop Limited	Samoa	Import and export trades	-	-	-	100%	98,059	3,395	-	Note 3
Leading Growth Industrial Co., Ltd.	Best Elite Holdings Limited	Hong Kong	Various investments	1,678,611	1,678,611	-	100%	7,400,734	582,082	-	Note 3

Note 1: Investees accounted for using the equity method by the Company.

Note 2: Investment amount as at December 31, 2022.

Note 3: The investment income (loss) was not shown as the investee was a second-tier subsidiary reinvested by the Company.

Note 4: Crown Trading International Ltd. has been liquidated on December 2, 2021 and the remaining capital has been remitted back to Excellent Global International Ltd. on January 21, 2022.

SUNREX TECHNOLOGY CORP.
INFORMATION ON INVESTMENTS IN MAINLAND CHINA
YEAR ENDED DECEMBER 31, 2022

Table 8

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2022	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2022		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Net income of investee as of December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2022 (Note 5)	Book value of investments in Mainland China as of December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2022	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Sunrex Technology (Jiangsu) Co., Ltd.	Production of laptop computer keyboards and related products	USD 29,510	2	\$ 612,103	\$ -	\$ -	\$ 612,103	\$ 601,206	100%	\$ 582,011	\$ 4,404,623	\$ 377,193	Notes 4 and 5
Changshu Sunrex Technology Co., Ltd.	Production of laptop computer keyboards and related products	USD 18,750	2	227,981	-	-	227,981	190,424	100%	185,108	1,530,056	72,818	Notes 4 and 5
Sunrex Technology (Chongqing) Co., Ltd.	Production of laptop computer keyboards and related products	USD 17,400	2	-	-	-	-	173,254	100%	174,933	1,584,766	1,077,863	Notes 4 and 5
Jing Mold Electronic Technology (Shenzhen) Co., Ltd.	Production and operation of plastic molds, computer (phone) keyboards and plastic injection molding	USD 28,680	2	343,948	-	-	343,948	253,293	50%	126,492	1,124,244	-	Note 5
Sunrex Technology (Jiangxi) Co., Ltd.	Production and operation of plastic molds, computer (phone) keyboards and plastic injection molding	USD 16,769	3	-	-	-	-	41,701	50%	20,850	1,005,168	-	Notes 2 and 5
KAI ZHAO (SUZHOU)DIAN ZI YOU XIAN GONG SI	Production of laptop computer keyboards and related products	RMB 10,000	3	-	-	-	-	22,706	100%	22,706	70,215	-	Notes 5 and 6
		Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)		Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA									
Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022												
Sunrex Technology Corp.	\$ 1,184,032	\$ 1,398,439	\$ 5,392,482										

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

- (1) Directly invest in a company in Mainland China.
- (2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
- (3) Others.

Note 2: The paid-in capital included USD 7,249 of capitalisation of earnings by Jing Mold Electronic Technology (Shenzhen) Co., Ltd. and USD 9,520 of capitalisation of loans in 2009.

Note 3: The MOEA has approved the Company to reinvest Sunrex Technology (Chongqing) Co., Ltd. with the earnings that the investees in Mainland China remitted back to existing companies in the third area in the amount of USD 17,400 on September 20, 2010, August 1, 2011 and June 25, 2013.

Note 4: Net income of investee as of December 31, 2022 included sidestream and upstream unrealised gains or losses.

Note 5: Investment income (loss) recognised by the Company for the year ended December 31, 2022 was recognised based on the audited financial statements.

Note 6: The Company established the wholly-owned subsidiary in China on July 13, 2021.

SUNREX TECHNOLOGY CORP.
 MAJOR SHAREHOLDERS INFORMATION
 YEAR ENDED DECEMBER 31, 2022

Table 9

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
Tsai, Huo-Lu	38,476,233	19.70%
Tsai Tseng, Shu-Ping	23,221,253	11.89%
Jing Hsiang Investment Co., Ltd.	15,198,000	7.78%
Jing Yu Investment Co., Ltd.	11,691,000	5.98%
Jing Li Investment Co., Ltd.	11,261,470	5.76%

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

Seven. Review and Analysis of Financial Position and Financial Performance, and Assessment of Risks

I. Financial status: Main reasons and effects

Comparison and Analysis of Financial Position

Unit: NT\$ thousands; %

Item	Year	2021	2022	Difference	
				Amount	%
Current assets		14,358,279	16,203,059	1,844,780	12.85%
Financial assets measured at fair values through other comprehensive income - Non-current		70	0	-70	-100.00%
Financial assets measured at amortized cost - Non-current		784,388	132,207	-652,181	-83.15%
Property, plant and equipment		6,172,853	5,129,386	-1,043,467	-16.90%
Right-of-use assets		283,878	239,157	-44,721	-15.75%
Intangible assets		39,314	33,830	-5,484	-13.95%
Other assets		271,243	118,893	-152,350	-56.17%
Total assets		21,910,025	21,856,532	-53,493	-0.24%
Current liabilities		11,202,386	10,469,092	-733,294	-6.55%
Non-current liabilities		1,633,870	1,265,040	-368,830	-22.57%
Total liabilities		12,836,256	11,734,132	-1,102,124	-8.59%
Share capital		1,952,510	1,952,510	0	0.00%
Additional paid-in capital		79,617	86,367	6,750	8.48%
Retained earnings		6,914,225	7,778,549	864,324	12.50%
Other equity		-835,828	-799,084	36,744	-4.40%
Treasury stock		-30,871	-30,871	0	0.00%
Equity attributable to owners of the parent company		8,079,653	8,987,471	907,818	11.24%
Non-controlling equity		994,116	1,134,929	140,813	14.16%
Total shareholders' equity		9,073,769	10,122,400	1,048,631	11.56%

II. Financial performance: The annual report shall list the main reasons for any material change in operating revenues, operating income, or income before tax during the past 2 fiscal years, provide a sales volume forecast and the basis therefor, and describe the effect upon the company's financial operations as well as measures to be taken in response.

(I) Comparison and analysis of operating results

Unit: NT\$ thousands

Item \ Year	2021	2022	Increase (decrease) amount	Change ratio (%)
Net operating revenue	24,058,229	24,571,786	513,557	2.13%
Operating cost	21,160,005	21,232,076	72,071	0.34%
Gross operating profit	2,898,224	3,339,710	441,486	15.23%
Operating expenses	1,350,452	1,728,341	377,889	27.98%
Net operating profit	1,547,772	1,611,369	63,597	4.11%
Non-operating income and expenses	-127,082	509,099	636,181	500.61%
Net income before tax	1,420,690	2,120,468	699,778	49.26%
Income tax expenses	381,677	556,754	175,077	45.87%
Current net profit	1,039,013	1,563,714	524,701	50.50%
Analysis of changes exceeding 20%:				
1. Increase in operating expenses: This was mainly due to the increase in R&D expenses.				
2. Increase in non-operating income and expenses: This was mainly due to the increase in income from relocation of the factory and increase in exchange gains.				
3. Increase in net income before tax: This was mainly due to the increase in gross profit margin, income from relocation of the factory and increase in exchange gains.				
4. Increase in income tax expenses: This was mainly due to the increase in profit.				
5. Increase in net income before tax from the period: This was mainly due to the increase in gross profit margin, income from relocation of the factory and increase in exchange gains.				

Consolidated Condensed Comprehensive Income Statement

Unit: NT\$ thousands

Item \ Year	Financial Information for the most recent five fiscal years					Financial information for the current year up to March 31, 2023
	2018	2019	2020	2021	2022	
Operating revenue	10,437,089	12,866,741	21,179,505	24,058,229	24,571,786	4,324,543
Gross operating profit	1,234,088	1,306,218	3,338,528	2,898,224	3,339,710	555,716
Operating income	141,662	216,884	2,007,428	1,547,772	1,611,369	168,247
Non-operating income and expenses	196,525	303,519	-320,389	-127,082	509,099	-106,648
Pre-tax profit or loss from continuing operations	338,187	520,403	1,687,039	1,420,690	2,120,468	61,599
Profit/loss from continuing operations	125,969	231,653	1,293,318	1,039,013	1,563,714	13,963
Income from discontinued operations	0	0	0	0	0	0
Current profit and loss	125,969	231,653	1,293,318	1,039,013	1,563,714	13,963
Other comprehensive income, net after tax	-130,505	-370,981	143,188	-60,698	63,920	61,869
Total comprehensive income	-4,536	-139,328	1,436,506	978,315	1,627,634	75,832
Net income attributable to the owners of the parent company	130,354	7,744	1,224,779	1,024,903	1,443,111	29,650
Net income attributable to non-controlling equity	-4,385	223,909	68,539	14,110	120,603	-15,687
Total comprehensive income attributable to the owners of the parent company	-344	-329,120	1,351,599	977,955	1,486,821	85,481

Item \ Year	Financial Information for the most recent five fiscal years					Financial information for the current year up to March 31, 2023
	2018	2019	2020	2021	2022	
Total comprehensive income attributable to non-controlling equity	-4,192	189,792	84,907	360	140,813	-9,649
Earnings per share (NTD)	0.62	0.04	6.39	5.31	7.48	0.15

Note 1: The above financial information has been audited by CPAs.

Note 2: If, before the date of publication of the annual report, there is any financial data of companies whose shares are listed or traded on the Taipei Exchange for the most recent period audited and attested or reviewed by a CPA, it shall also be disclosed.

(II) Analysis of changes in operating profit

Gross profit amounted to NT\$3,339,710 thousand in 2022 and NT\$2,898,224 thousand in 2021, representing an increase of NT\$441,486 thousand or 15.23%. This was mainly due to the NB industry was mainly traded in U.S. dollars, resulting in the amount of gross profit in 2022 higher than that in 2021.

III. Cash flow: Analyze any cash flow changes during the most recent fiscal year, describe corrective measures to be taken in response to illiquidity, and provide a liquidity analysis for the coming year

1. Liquidity analysis for the most recent two fiscal years

Item	2021	2022	Increase (decrease) amount	Increase (decrease) ratio %
Net cash flow from operating activities	1,033,796	4,057,560	3,023,764	292.49%
Net cash flow from investing activities	(2,092,501)	(732,679)	1,359,822	64.99%
Net cash flow from financing activities	276,490	(958,465)	(1,234,955)	(446.65%)

Analysis:

- (1) Operating activities: This was mainly due to the transaction in US dollars due to the appreciation of the exchange rate.
- (2) Investing activities: This was mainly due to the decrease in investment in plant and equipment.
- (3) Financing activities: This was mainly due to repayment of bank loans.

2. Cash liquidity analysis for the coming year

Unit: NT\$ thousands

Cash balance at beginning of period	Projected net cash flow from operating activities throughout the year	Projected net cash flow from investing activities throughout the year	Projected net cash flow from financing activities throughout the year	Projected cash surplus (deficit)	Remedial measures for anticipated cash deficits	
					Investment plan	Financial plan
4,262,302	2,000,000	(700,000)	(2,200,000)	3,362,302	—	—

Analysis:

1. Analysis of cash flow changes in the current year:

- (1) Operating activities: The Company's products are sold according to the needs of customers, so the Company is closely linked with major international manufacturers. It is projected that the operating income in the coming year will show stable development, and net cash from operating activities is expected to be net income.
- (2) Investing activities: This was mainly due to the projected capital expenditure for investment in plant and equipment in 2023 and the changes in net cash generated from investing activities.
- (3) Financing activities: This was mainly due to cash dividends distribution and bank loan repayment, the changes in net cash generated from financing activities.

2. Remedial measures for anticipated cash deficits and liquidity analysis: Not applicable.

IV. Effect upon financial operations of any major capital expenditures during the most recent fiscal year

There is no such situation.

V. Reinvestment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year

1. Strengthen the investees in Mainland China and proactively serve local customers and strive for profits.
2. Investment will be assessed based on the overall global economy and post-pandemic demand of customers.

VI. Analysis and assessment of risks in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

- (I) The effect upon the company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future:
1. In 2023, as interest rates at home and abroad are expected to rise continuously, we will pay close attention to changes in market interest rates.
 2. For the Company's mid-to-long-term development and financial planning, the short-term working capital will be used to meet the operating income, and the short-term capital of lower interest cost will be obtained from the money market if the short-term working capital is insufficient. Medium- to long-term working capital needs are mainly in the factories in China, which are mainly funded by the Company and local subsidiaries' surplus transfers.
 3. At present, the Company's foreign exchange income is sufficient to cover the import demand, and the difference in exchange gains and losses is not significant; the Company's main payment for goods is settled in USD, so the overall exchange rate risk on a consolidated basis is not high. However, due to the increase in the U.S. interest rate, the exchange rate is highly volatile, and the Company will continue to pay attention to the exchange rate market to reduce the impact of exchange rate fluctuations on the Company.
 4. Due to the fluctuation of international raw material prices, the Company will coordinate production and sales well and continue to promote automated production lines to reduce production costs and minimize the impact of raw material price fluctuations.
- (II) Policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions in the most recent fiscal year; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future.
- The Company did not engage in high-risk, high-leverage investments or derivatives transactions in 2022 or during the current fiscal year up to the date of publication

of the annual report.

Loaning of funds to others, endorsements and guarantees of the Company in 2022 or during the current fiscal year up to the date of publication of the annual report: The loaning of funds and endorsements and guarantees of the Company are all aimed at the subsidiaries of the Group. The relevant operations are conducted in accordance with the Company's "Procedures for the Acquisition or Disposal of Assets", "Procedure for Loaning of Funds to Others" and "Procedures for Endorsements and Guarantees". These rules serve as a management system to regulate the loaning of funds to others, endorsements and guarantees, achieving the purpose of effective control of the Company's operational risks.

- (III) Future R&D plans and expected R&D expenses:
1. Development of external keyboards for tablet PCs: Coordinate with customers' functions and individual needs in the market.
 2. Keyboard water-based paint spraying process: After the development is completed, it will be gradually applied to keyboard products.
 3. Stylus tablets and touch pens: The Company has been put into production.
 4. Development of dust-proof KB: In the testing and evaluation stage.
 5. Laptop keyboard key component development and promotion of customer certification after adoption.
- Key factors to successful R&D: No technical difficulty; only the time factor and market demand.
- The Company's estimated R&D expenses in 2023: NT\$600,000 thousand.
- (IV) Effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response.
- The Company has not suffered losses due to important policies adopted and changes in the legal environment at home and abroad in the most recent year. In addition to collecting and evaluating from time to time the impact of important domestic and foreign policies and changes in laws on the Company's financial operations, relevant professionals are also consulted to take appropriate measures in a timely manner. measures.
- (V) Effect on the company's financial operations of developments in science and technology in the most recent fiscal year, as well as industrial change, and measures to be taken in response.
- Driven by the integration and application of 3C products and the trend of light, thin and easy to carry products, the demand for electronic components from manufacturers has increased relatively, which can produce positive results for the Company's business promotion.
- (VI) Effect on the company's crisis management of changes in the company's corporate image in the most recent fiscal year, and measures to be taken in response.
- Not applicable.
- (VII) Expected benefits and possible risks associated with any merger and acquisitions, and measures to be taken in response:
- Not applicable.
- (VIII) Expected benefits and possible risks associated with any plant expansion, and measures to be taken in response:
- Not applicable.
- (IX) Risks associated with any consolidation of sales or purchasing operations, and measures to be taken in response:
- The sources of the Company's purchases are long-term partners, and 80% of the total purchases are supplied by multiple suppliers, so there shall be no risk of

concentration of purchases.

The Company's sales targets are evenly distributed and there is no particular concentration.

- (X) Impacts and risks to the Company in the event of a substantial transfer or exchange of shares by directors, supervisors, or major shareholders with more than 10% ownership interest, and measures to be taken in response:
Not applicable.
- (XI) Effect upon and risk to company associated with any change in governance personnel or top management, and measures to be taken in response:
Not applicable.
- (XII) Litigious and non-litigious matters. List major litigious, non-litigious or administrative disputes that: (1) involve the company and/or any company director, any company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report.
Not applicable.
- (XIII) Other important risks and countermeasures:
Not applicable.

VII. Other important matters:

Information security risk assessment and analysis:

(I) Corporate Information Security Strategy

The Company continues to improve its information security governance system and enhance its defense capabilities. All information operations must not only comply with information security standard procedures, but also in compliance with information security laws and regulations. The Company has set up a multi-layer network structure to monitor network usage through firewalls isolated from the LAN, and subdivides access authority to the virtual LAN. Zero Trust Network is emphasized, with strict privilege control based on the principle of minimal use, and must be fully verified before release. Anti-virus software is installed on all computers of the Company with automatic activation protection and automatic virus pattern update. Log files of network equipment and servers are checked regularly to monitor abnormal traffic or network threats. Passwords for employee accounts are updated regularly, and more complex rules are adopted.

(II) Backup plan

In order to prevent damage caused by power outages or other emergencies, database backup, system backup, and local/off-site backups are made on a daily basis. The information system is monitored and protected 24/7. In case of sudden damage or interruption of operation, the operation can be resumed in a short period of time to reduce risks.

(III) Internal audit

The Company has made information security inspection and control an annual audit item. The audit unit shall conduct at least one audit each year to evaluate and improve the Company's information system.

(IV) Strengthen the concept of employees' initial network security access

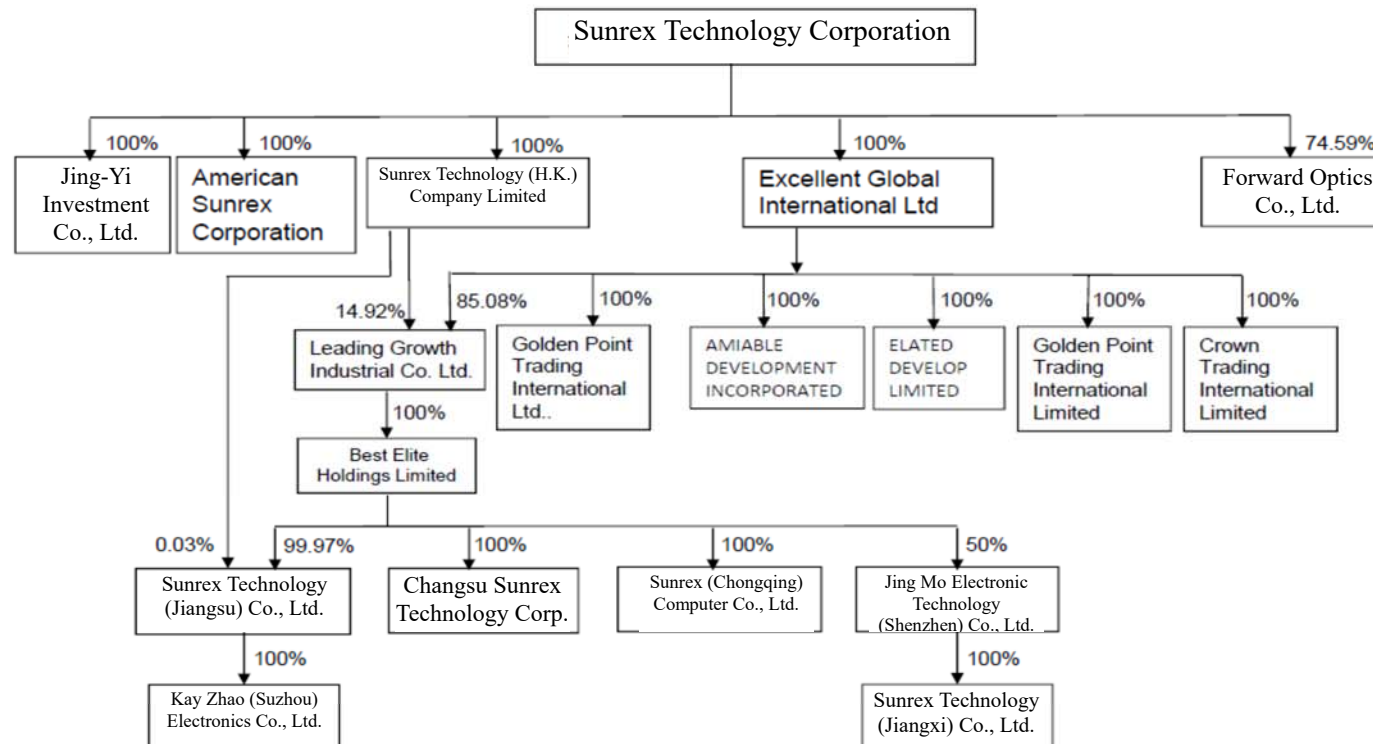
Strengthen employees' initial concept of network security, including raising their awareness of e-mail security protection, regular management and inspection of services that may cause network security concerns, training employees on protection and remedial measures when they receive malicious e-mails, and targeting remote parties. When executing the desktop service, the server will be configured with the least privilege principle to ensure security.

Eight. Special Items to Be Included

I. Information on affiliates:

- (I) Consolidated Business Report of Affiliates
 1. Organizational chart of affiliates

2021.12.31



Note: Crown Trading International Ltd (BVI company was canceled in 2021/12)

2. Basic information on affiliates

Company name	Date of establishment	Address	Paid-up capital	Main business or production items
Jing-Yi Investment Co., Ltd.	February 25, 1999	1F, No. 7, Lane 98, Jianxing Rd., Daya District, Taichung City.	NT\$74,000 thousand	Various investments
Sunrex Technology (H.K.) Company Limited	June 12, 1998	5/f HENG SHAN CTR 145 QUEEN'S RD EAST WANCHAI	USD8,494 thousand	Distribution of computers and accessories
American Sunrex Corporation	July 22, 1997	817 S. Lemon Ave. Walnut CA 91789 USA	USD1,092 thousand	Sale of computers and accessories
Excellent Global International Ltd.	February 3, 2001	802 West Bay Road, Grand Cayman, Ky1-1205 Cayman Islands	USD32,978 thousand	Various investments
Leading Growth Industrial Co., Ltd.	October 30, 2000	608st.James Court,St. Denis Street,Port Louis,Mauritius	USD56,282 thousand	Various investments
Crown Trading International Ltd.	December 29, 2000	Simmonds Building,Wickhams Cay 1,P.O.Box961, Road Town,Tortola,British Virgin Islands	USD50 thousand	Import and export business
Sunrex Technology (Jiangsu) Co., Ltd.	December 14, 2000	Fenhu Economic Development Zone, Lucu Town, Wujiang City, Jiangsu Province	USD29,510 thousand	Production of notebook computer keyboards and related products
Jing Mo Electronic Technology (Shenzhen) Co., Ltd.	December 31, 1992	Xinqiao 3rd Industrial Zone, Shajing Town, Baoan District, Shenzhen	USD28,680 thousand	Production and operation of plastic molds, computer (telephone) keyboards, and plastic injection molded products
Golden Point Trading International Ltd.	December 13, 2002	Simmonds Building,Wickhams Cay 1,P.O.Box961, Road Town,Tortola,British Virgin Islands	USD0.001 thousand	Import and export business
Sunrex Technology (Jiangxi) Co., Ltd.	November 12, 2003	Lulin Industrial Zone, Guangfeng County, Jiangxi Province	USD16,769 thousand	Production and operation of plastic molds, computer (telephone) keyboards, and plastic injection molded products
Changsu Sunrex Technology Corp.	February 7, 2007	Yantai Rd., High-tech Industrial Park, Changshu Economic Development Zone, Jiangsu Province	USD18,750 thousand	Production of notebook computer keyboards and related products
BEST ELITE HOLDINGS LIMITED	September 21, 2007	Unit B,8/F,Success Commercial Building,245 -251 Hennessy Road Wanchai,Hong Kong.	USD56,282 thousand	Various investments
Sunrex (Chongqing) Computer Co., Ltd.	October 28, 2010	1F, No. 1 Fushun Avenue, Bishan County, Chongqing City	USD17,400 thousand	Production of notebook computer keyboards and related products
Forward Optics Co., Ltd.	December 20, 2011	No. 7, Lane 98, Jianxing Rd., Sanhe-Li, Daya Dist., Taichung City	NT\$198,000 thousand	Production of plastic and rubber products
AMIABLE DEVELOPMENT INCORPORATED	January 4, 2012	LEVEL2, LOTEMAU CENTRE, VAEA STREET, APIA,SAMOA	USD1,000 thousand	Import and export business
ELATED DEVELOP LIMITED	March 6, 2017	2 nd Floor, Building B, SNPF Plaza, Savalalo, Apia,Samoa	USD1,000 thousand	Import and export business
Crown Trading International LIMITED	December 29, 2020	RM 2401, 24/F 101 KING'S RD FORTRESS HILL HONG KONG	USD10 thousand	Import and export business
Golden Point Trading International LIMITED	December 13, 2020	RM 2401, 24/F 101 KING'S RD FORTRESS HILL HONG KONG	USD10 thousand	Import and export business
Kay Zhao (Suzhou) Electronics Co., Ltd.	July 13, 2021	South of Fenyue Road, Lili Town, Wujiang District, Suzhou City	RMB10,000 thousand	Production of notebook computer keyboards and related products

3. Information on directors, supervisors, and general managers of affiliates

Company name	Job Title	Name or representative	Number of shares held	
			Number of shares/contribution	Shareholding ratio (%)
Jing-Yi Investment Co., Ltd.	Director	Representative of Sunrex Technology Corporation:	2,900,00	100.00%
	Director	Tsai Huo-Lu	0	0.00%
	Director	Tsai-Tseng Shu-Ping	2,900,000	100.00%
	Supervisor	Representative of Sunrex Technology Corporation: Li Ming-Tse Wu Ming-Hung	0	0%
Sunrex Technology (H.K.) Company Limited	Director	Representative of Sunrex Technology Corporation: Tsai Huo-Lu	USD 8,494,392	100%
American Sunrex Corporation	Director/Chief Executive Officer	Sunrex Technology Corporation Representative: Tsai Huo-Lu	USD 1,092,099	100%
Excellent Global International Ltd.	Director	Sunrex Technology Corporation Representative: Tsai Huo-Lu	USD32,978 thousand	100%
Leading Growth Industrial Co., Ltd.	Director	Excellent Global Representative: Tsai Huo-Lu	USD56,282 thousand	100% held by Sunrex Technology (H.K.) and Excellent
Crown Trading International Ltd.	Director	Excellent Global Representative: Tsai Huo-Lu	USD50 thousand	100% held by EXCELLENT
Sunrex Technology (Jiangsu) Co., Ltd.	Director	Representative of Sunrex Technology (H.K.) Company Limited: Tsai Huo-Lu Best Elite Representative: Tsai Huo-Lu	USD29,510 thousand	100% held by Best Elite and Sunrex Technology (H.K.)
Jing Mo Electronic Technology (Shenzhen) Co., Ltd.	Director	Best Elite Representative: Tsai Huo-Lu	USD28,680 thousand	50% held by Best Elite
Golden Point Trading International Ltd.	Director	Excellent Global Representative: Tsai Huo-Lu	USD0.001 thousand	100% held by EXCELLENT
Sunrex Technology (Jiangxi) Co., Ltd.	Director	Jing Mo Electronic Technology (Shenzhen) Co., Ltd.	USD16,769 thousand	50% held by Jing Mo Electronic Technology (Shenzhen) Co., Ltd.
Changsu Sunrex Technology Corp.	Director	Best Elite Representative: Tsai Huo-Lu	USD18,750 thousand	100% held by Best Elite
BEST ELITE HOLDINGS LIMITED	Director	Representative of Leading Growth: Tsai Huo-Lu	USD56,282 thousand	100% held by LEADING

Company name	Job Title	Name or representative	Number of shares held	
			Number of shares/contribution	Shareholding ratio (%)
Sunrex (Chongqing) Computer Co., Ltd.	Director	Best Elite Representative: Tsai Huo-Lu	USD17,400 thousand	100% held by Best Elite
Forward Optics Co., Ltd.	Director Director Director Director Director Supervisor Supervisor	Representative of Sunrex Technology Corporation: Tsai Huo-Lu Representative of Sunrex Technology Corporation: Li Ming-Tse Representative of Sunrex Technology Corporation: Tsai Yi-Jen Li Yuan-Lin Yu Chin-Chou Huan Chi-Cheng Wu Ming-Hung	19,244,000 shares 19,244,000 shares 19,244,000 shares 1,917,565 shares 97,200 shares 65,000 shares 0 shares	74.59% held by Sunrex Technology Corporation
AMIABLE DEVELOPMENT INCORPORATED	Director	Excellent Global Representative: Tsai Huo-Lu	1,000,000 shares	100% held by Excellent
ELATED DEVELOPMENT LIMITED	Director	Excellent Global Representative: Tsai Huo-Lu	1,000,000 shares	100% held by Excellent
Crown Trading International LIMITED	Director	Excellent Global Representative: Tsai Huo-Lu	USD10 thousand	100% held by Excellent
Golden Point Trading International LIMITED	Director	Excellent Global Representative: Tsai Huo-Lu	USD10 thousand	100% held by Excellent
Kay Zhao (Suzhou) Electronics Co., Ltd.	Director	Sunrex Technology (Jiangsu) Co., Ltd. Representative: Lo I	RMB10,000 thousand	Sunrex Technology (Jiangsu) Co., Ltd. 100% held

4. Overview of the operation of each affiliate

Unit: NT\$ thousands

Company name	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit (loss)	Current profit and loss (after tax)	Earnings per share (NT\$) (after tax)
Jing-Yi Investment Co., Ltd.	29,000	140,388	1,437	138,950	6,750	6,606	3,815	1.32
Sunrex Technology (H.K.) Company Limited	292,811	1,110,325	—	1,110,325	—	-24	87,040	—
American Sunrex Corporation	35,572	6,305	8,464	-2,158	8,681	-1,248	867	—
Excellent Global International Ltd.	979,878	6,443,130	—	6,443,130	—	-252	496,075	—
Leading Growth Industrial Co., Ltd.	1,728,435	7,405,074	—	7,405,074	—	-102	581,984	—
Sunrex Technology (Jiangsu) Co., Ltd.	1,022,492	9,685,755	5,260,238	4,425,517	13,109,376	864,813	601,206	—
Jing Mo Electronic Technology (Shenzhen) Co., Ltd.	938,058	3,118,422	869,616	2,248,806	2,175,445	-11,451	253,293	—
Golden Point Trading International Ltd.	—	11,545	—	11,545	—	-4,617	-2,113	—
Sunrex Technology (Jiangxi) Co., Ltd.	551,187	1,706,533	701,365	1,005,168	1,599,972	27,358	41,701	—
Changsu Sunrex Technology Corp.	575,813	4,174,896	2,639,363	1,535,533	5,987,534	235,029	190,424	—
BEST ELITE HOLDINGS LIMITED	1,728,435	8,951,355	1,550,622	7,400,734	-476,429	-487,762	582,082	—
Sunrex (Chongqing) Computer Co., Ltd.	534,354	3,712,556	2,129,520	1,583,036	4,825,116	171,507	173,254	—
Forward Optics Co., Ltd.	258,000	72,487	29,624	42,863	25,834	-24,434	-23,316	-0.90
AMIABLE DEVELOPMENT INCORPORATED	—	1,360,696	1,346,007	14,688	2,467,924	-777	-545	—
ELATED DEVELOP LIMITED	—	170,084	72,025	98,059	210,736	2,998	3,395	—
Crown Trading International	—	742,809	742,242	567	1,814,475	-41	401	—

Company name	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit (loss)	Current profit and loss (after tax)	Earnings per share (NT\$) (after tax)
LIMITED								
Golden Point Trading International LIMITED	—	—	—	—	—	—	—	—
Kay Zhao (Suzhou) Electronics Co., Ltd.	44,069	107,520	37,305	70,215	293,047	32,016	22,706	—

(II) Consolidated Statements of Affiliates: Considering that the companies to be included into the consolidated financial statements of affiliated companies under the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” were the same as those to be included into the consolidated financial statements of the parent and subsidiaries under Summary of Statement No. 7 – FASB in 2021, and the related information to be disclosed in the consolidated financial statements of affiliated enterprises has already disclosed in said consolidated financial statements of the parent and subsidiaries, no consolidated financial statements of affiliated enterprises were prepared separately.

(III) Affiliation report: Not applicable

II. Where the company has carried out a private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, disclose the date on which the placement was approved by the Board of Directors or by a shareholders' meeting, the amount thus approved, the basis for and reasonableness of the pricing, the manner in which the specified persons were selected, the reasons why the private placement method was necessary, the targets of the private placement, their qualifications, subscription amounts, subscription price, relationship with the company, participation in the operations of the company, actual subscription (or conversion) price, the difference between the actual subscription (or conversion) price and the reference price, the effect of the private placement on shareholders' equity, and, for the period from receipt of payment in full to the completion of the related capital allocation plan, the status of use of the capital raised through the private placement of securities, the implementation progress of the plan, and the realization of the benefits of the plan: None.

III. Holding or disposal of shares in the company by the company's subsidiaries in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

Unit: NT\$ thousands; thousand shares; %

Name of subsidiary	Paid-up capital	Source of capital	Shareholding ratio of the Company	Date of acquisition or disposal	Quantity and amount of shares acquired	Quantity and amount of shares disposed of	Investment gains/losses	Number and amount of shares held at the end of the year or on the date of the publication of the annual report	Status of pledge	The Company's endorsement and guarantee amount for the subsidiary	Amount lent by the Company to subsidiaries
Jing-Yi Investment Co., Ltd.	74,000	Self-owned funds	99.97%	2022	-	-	-	2,250 thousand shares \$30,871	-	-	-
				2023/1/1 to 2023/3/31	-	-	-	2,250 thousand shares \$30,871	-	-	-

IV. Other matters that require additional description: None.

- V. Items specified in Subparagraph 2, Paragraph 2, Article 36 of the Securities and Exchange Act in the latest year up till the publication date of the annual report that have significant impact on shareholders' equity or security prices:
None.**