Stock Code: 6259

BULL WILL CO LTD and Subsidiaries

Consolidated Financial Report and Independent Accountant's Report

2022 and 2021

Address: 3F., No. 199, Ruihu St., Neihu Dist., Taipei City

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Contents

3. Declaration

For 2022 (from January 1 to December 31, 2022) according to Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises, enterprises to be included in the Company's consolidated financial statements for affiliated enterprises are also the enterprises to be included into the consolidated financial statements of parent and subsidiary companies in accordance with IFRS 10. Moreover, because information disclosed in the consolidated financial statements of affiliated enterprises has already been disclosed in the previous consolidated financial statements of parent and subsidiary, the Company does not need to prepare the consolidated financial statements for the affiliated enterprises separately.

Hereby Declare

Company Name: BULL WILL CO LTD

Chairman of the Board: CHANG CHIEH MIN

Date: 28 March 2023

Independent Accountant's Audit Report

TO: BULL WILL CO LTD and Subsidiaries

Audit Opinion

We have audited the following financial statements of Bull Will CO., Ltd. and its subsidiaries: consolidated balance sheet at December 31, 2022 and 2021, the consolidated comprehensive income statement, the consolidated statement of changes in equity, the consolidated statement of cash flows, and the notes to the consolidated financial report, including a summary of material accounting policies from January 1 to December 31 of 2022 and 2021.

In the opinion of our CPA and on the basis of the audit report of our CPA, the Consolidated Financial Report has been prepared in all material respects in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, interpretation, and announcements of interpretations recognized by the Financial Supervisory Commission; they are sufficient to warrant the presentation of the consolidated financial status of BULL WILL CO LTD and its subsidiaries for 31 December of the years 2022 and 2021, and the consolidated financial performance and consolidated cash flows for 1 January to 31 December of the years 2022 and 2021.

Basis of Audit Opinion

Our CPA conducted the audit in accordance with the Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the generally accepted auditing standards. Our responsibilities under those rules and standards are described in the section of the responsibilities of accountants auditing consolidated financial reports. Personnel of our accounting firm subject to the independent requirements have complied with the code of professional ethics of certified public accountants, stayed fully independent of Bull Will CO LTD, and its subsidiaries and fulfilled other responsibilities in accordance with the code. Based on the audit report of our CPA, we believe that sufficient and appropriate verification evidence has been obtained to form the basis of our opinion.

Key Audit Items

Key audit matters refer to the most significant matters, according to our professional judgment, in the 2022 financial statements of Bull Will CO LTD. Such items have been taken into consideration in the process of auditing the overall consolidated financial reports and forming audit opinions. The accountant does not express opinions on such items separately. The accounts determined to address the following key auditing matters in the accountant's report:

Revenue Recognition

The main operating items of the BULL WILL CO LTD and its subsidiaries are the sales of electronic components related products and other businesses. Since the sales of goods are related to the ownership of material risks and rewards that have been transferred to the buyer, the amount of sales can be measured reliably and the future economic benefits are likely to flow into the enterprise, the impact on the financial statements is material. Therefore, the sales revenue of BULL WILL CO LTD and its subsidiaries is recognized as one of the main risks for our CPA to conduct the audit of the company's financial report.

Our CPA's primary audit procedures for the above critical items include understanding and testing the effectiveness of the internal control and implementation related to the revenue and collection cycle; analyze the revenue trends of the top ten sales customers and compare the relative changes or differences to evaluate if there are any material anomalies; examine whether management has obtained external evidence that risks and rewards have been transferred to the buyer and sample sales transactions before and after the end of the year to evaluate the correctness of the revenue recognition period.

Please refer to Appendix IV and VI to the financial reports for accounting policies and disclosure of relevant information regarding the recognition of income.

Other Matters

The Group has prepared the 2022 independent financial reports, and we have issued an audit report with unmodified opinion. That report is available for reference.

Responsibilities of Management and Those Charged With Governance for the Consolidated Financial Report

The responsibilities of the management of BULL WILL CO LTD and its subsidiaries is to prepare appropriately stated consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Standards (IFRs), the international Accounting Standards (IASs), and the related interpretations and interpretative bulletins endorsed by the Financial Supervisory Commission. Management is also responsible for maintaining necessary internal control relevant to the preparation of the consolidated financial reports to ensure that the consolidated financial reports are free from material misstatement by fraud or error.

In preparing the consolidated financial reports, the management's responsibility also includes the assessment of the consolidated company's ability to continue as a going concern, the disclosure of relevant matters, and the use of an accounting basis for going concern, unless management intends to liquidate the consolidated company or discontinue business, or there is no practical alternative to liquidation or discontinuation of business.

Those charged with governance of the Group are responsible for supervising BULL WILL Co., Ltd.'s financial reporting procedure.

Account's Responsibilities for Auditing Consolidated Financial Report

The objectives of the accountants for auditing the consolidated financial reports are to obtain reasonable assurance about whether the consolidated financial reports as a whole are free from any material misstatement due to fraud or errors and to issue an accountant's report accordingly. Reasonable assurance refers to a high level of assurance, but there is no guarantee that accountants performing in accordance with the generally accepted auditing standards can detect any material misstatement from the consolidated financial reports. Misstatements may arise from fraud or errors. A misstated dollar amount, individually or in the aggregate, that could be reasonable predicted to influence the economic decision of the user of the consolidated financial reports can be viewed as material.

In accordance with the generally accepted auditing standards, we exercised professional judgment and maintained professional skepticism throughout the audit. Our CPA also performs the following tasks:

1. To identify and assess the risk of material misrepresentation in consolidated financial reports due to fraud or error. Design and implement appropriate countermeasures against the assessed risks. Sufficient and appropriate verification evidence shall be obtained as the basis of the audit opinion. Since fraud may involve collusion, forgery, intentional omission, misrepresentation, or violation of internal control, the risk of material misrepresentation due to fraud is higher than that due to error.
2. We obtained an understanding of internal control relevant to the audit in order to design audit procedures suitable for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of BULL WILL CO LTD and its subsidiaries.
3. We evaluated the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and related disclosures made by management.
4. We concluded on the appropriateness of management's use of the going concern basis of accounting and whether a material uncertainty exists related to events or conditions that may cast significant doubt on BULL WILL CO LTD and its subsidiaries' ability to continue as a going concern based on the audit evidence we have obtained. If the accountant considers that there is significant uncertainty in such events or circumstances, he/she shall, in the audit report, alert the users of the consolidated financial reports to the disclosure of the consolidated financial reports or amend the audit opinion if such disclosure is inappropriate. The accountant's conclusions are based on the evidence obtained as of the audit report date. However, future events or conditions may cause BULL WILL CO LTD and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial reports (including relevant notes), and whether the consolidated financial reports are adequate to

express relevant transactions and events.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities within the BULL WILL CO LTD to express an opinion on the consolidated financial reports. Our CPA is responsible for guiding, supervising and executing the audit cases of the investee company, and for forming the audit opinions on consolidated financial reports.

We have communicated with those charged with governance regarding the planned scope and the timing of the audit as well as material audit findings (including significant internal control shortcomings identified in the audit).

The accountant also provides to the governing body that the persons subject to the independence standard of the affiliated CPA firm have complied with the declaration of independence in the code of professional ethics of accountants, and communicates with the governing body all the relations and other matters that may be considered to affect the independence of the accountant (including relevant protective measures).

We determined the key audit matters of the consolidated financial reports of of the 2022 BULL WILL CO LTD and its subsidiaries according to matters communicated with those charged with governance. Unless the disclosure of a particular matter is prohibited by statute or, in very rare circumstances, the accountant has decided not to communicate a particular matter in the audit report, as it is reasonably expected that the negative impact of such communication will be greater than the public interest.

Moore Stephens DaHua (Taiwan) CPAs

Andrea Kuo

CPA:

Ian Yang

Securities Authority
Approval certification document: Jin-Guan-Zheng-Shen-Zi-1040019693
28 March 2023

BULL WILL CO LTD and Subsidiaries
Consolidated Balance Sheets
December 31, 2022 and 2021

Unit: NT$ 1,000

Code	Assets		111.12.31 Amount	%	110.12.31 Amount	%
	Current Asset:					
1100	Cash and Cash Equivalents (Note 6 (1))	$	174,559	37	94,039	21
1110	Financial Assets at Fair Value Through Profit or Loss -Current (Note 6 (2))		5,919	1	6,478	2
1150	Net Bills Receivable (Note 6 (3))		1,262	-	5,845	1
1170	Net Accounts Receivable (Note 6 (3))		143,849	31	153,963	36
1180	Accounts Receivable - Net Value of Related Parties (Note 6 (3) & 7)		-	-	8,444	2
1200	Other Accounts Receivable (Note 6 (2) & (4))		2,612	1	2,005	1
1210	Other Accounts Receivable - Related Parties (Note 6 (4) & 7)		41,927	9	37,779	9
1310	Inventories (Note 6 (5))		32,724	7	52,031	12
1410	Advance Payments		1,547	-	2,818	1
1476	Other Financial Assets - Current (Note 8)		150	-	150	-
1470	Other Current Assets		140	-	123	-
			404,689	86	363,675	85
	Non-Current Asset:					
1550	Investments Using Equity Method (Note 6 (7))		-	-	5,068	1
1600	Real Estate, Plant, and Equipment (Note 6 (8))		6,345	1	3,563	1
1755	Right-of-Use Assets (Note 6 (9))		7,492	2	1,209	-
1760	Investment Real Estate (Note 6 (10))		20,605	4	20,743	5
1780	Intangible Assets		29,435	7	31,487	8
1920	Refundable Deposits (Note 7)		649	-	631	-
			64,526	14	62,701	15
	Total Asset	$	**469,215**	**100**	**426,376**	**100**

Code	Liability and Equity		111.12.31 Amount	%	110.12.31 Amount	%
	Current Liability:					
2100	Short-Term Loans (Note 6 (12) and 8)	$	23,000	5	8,000	2
2130	Contractual Liabilities - Current (Note 6 (21))		574	-	1,440	-
2170	Accounts Payable		47,994	11	65,490	16
2180	Accounts Payable - Related Party (Note 7)		2	-	-	-
2200	Other Payables		22,750	5	16,838	4
2230	Current Income Tax Liabilities (Note 6(17))		4,318	1	1,916	1
2250	Liability Reserve - Current (Note 6 (13))		1,974	-	1,751	-
2280	Lease Liability - Current (Note 6 (14))		1,761	-	1,246	-
2320	Long-Term Liabilities Due Within One Year (Note 6 (15))		8,658	2	7,899	2
2300	Other Current Liabilities		8,961	2	5,495	1
			119,992	26	110,075	26
	Non-Current Liabilities:					
2540	Long-Term Loans (Note 6 (15))		20,439	4	29,040	7
2570	Deferred Income Tax Liabilities (Note 6 (17))		343	-	1,900	-
2580	Lease Liability - Non-Current (Note 6 (14))		5,758	1	-	-
2645	Refundable Deposits (Note 7)		184	-	100	-
			26,724	5	31,040	7
	Total Liabilities		146,716	31	141,115	33
	Equity (Note 6 (18)):					
3100	Share Capital		195,342	42	161,112	38
3140	Advance Share Capital		3,443	1	22,650	5
3200	Capital Surplus		74,967	16	47,298	11
3300	Retained Earnings:					
3310	Legal Surplus Reserve		875	-	822	-
3350	Retained Earnings		25,291	5	7,931	2
			26,166	5	8,753	2
3400	Other Equities		6,568	1	4,911	1
	Net Owners' Equity of the Company		306,486	65	244,724	57
36xx	Non-Controlling Equity		16,013	4	40,537	10
	Total Equity		322,499	69	285,261	67
	Total Liabilities and Equities	$	**469,215**	**100**	**426,376**	**100**

(Please refer to notes of the consolidated financial reports attached)

Chairman of the Board: Manager: Accounting Supervisor:

BULL WILL CO LTD and Subsidiaries

Consolidated Statements of Consolidated Profit or Loss

December 31, 2022 and 2021

Unit: NT$ 1,000

		2022		2021	
		Amount	%	Amount	%
4000	Operating Income (Note 6 (21) & 7)	$ 604,527	100	371,182	100
5000	Operating Cost (Note 6 (5) & 7)	(492,688)	(81)	(299,953)	(81)
5900	Operating Gross Profit	111,839	19	71,229	19
6000	Operating Expenses (Note 6 (3), (16), (19) & 7):				
6100	Selling Expenses	(25,515)	(5)	(17,009)	(4)
6200	Administration Expenses	(62,152)	(10)	(50,249)	(14)
6300	Research and Development Expenses	(2,400)	-	(2,300)	-
6450	Expected Credit Impairment Reversal Profits	-	-	1,785	-
	Total Operating Expenses	(90,067)	(15)	(67,773)	(18)
6900	Operating Net Profit	21,772	4	3,456	1
	Non-Operating Income and Expenditures (Note 6 (23) & 7)				
7100	Interest Revenue	2,546	-	2,331	1
7010	Other Revenue	2,948	1	1,812	-
7020	Other Profits and Losses	6,584	1	(4,977)	(1)
7050	Financial Cost	(1,039)	-	(577)	-
7060	Share of Profits and Losses of Affiliated Enterprises Recognized by the Equity Method (Notes 6 (7))	(3,418)	(1)	1,415	-
	Total Non-operating Income and Expenses	7,621	1	4	-
	Net Profit Before Tax on Continuing Operations	29,393	5	3,460	1
7950	Minus: Income Tax Expenses (Note 6 (17))	5,783	1	1,368	-
8200	Current Net Profit	23,610	4	2,092	1
8300	Other Consolidated Profit or Loss (Note 6 (6) & (18)):				
8310	Items Not to Be Reclassified Into Profit or Loss				
8316	Measured at Fair Value Through Other Comprehensive Incom Unrealized Valuation of Profit or Loss	-	-	422	-
	Total Items Not to Be Reclassified Into Profit	-	-	422	-
8360	Items That May Be Subsequently Reclassified as Profit or Loss				
8361	Exchange Differences on Conversion of the Financial Sta	100	-	(2,265)	(1)
8399	And Income Tax Relating to Items Which May Be Reclassif	1,557	-	-	-
	Total Items That May Be Subsequently Reclassif	1,657	-	(2,265)	(1)
8300	Current Other Consolidated Profit or Loss (Net Amount	1,657	-	(1,843)	-
	Current Total Comprehensive Profit and Loss	**$ 25,267**	4	**249**	-
	Net Profit Attributable to:				
8610	Owners of the Parent Company	$ 21,013	3	532	-
8620	Non-Controlling Equity	2,597	1	1,560	1
		$ 23,610	**4**	**2,092**	**1**
	Comprehensive Profit and Loss Attributable to:				
8710	Owners of the Parent Company	$ 22,670	3	(1,311)	-
8720	Non-Controlling Equity	2,597	1	1,560	-
		$ 25,267	4	**249**	-
	Earnings Per Share (Unit: NT$ 1,000) (Note 6 (20))				
9750	Basic Earnings Per Share	**$ 1.14**		**0.03**	
9850	Diluted Earnings Per Share	**$ 1.06**		**0.03**	

(Please refer to notes of the consolidated financial reports attached)

Chairman of the Board: Manager: Accounting Supervisor:

BULL WILL CO LTD and Subsidiaries
Consolidated Statements of Changes in Equity
December 31, 2022 and 2021

Unit: NT$ 1,000

	Equity Attributable to Owners of Parent Company										
				Retained Earnings		Other Equity Items					
	Share Capital	Advance Share Capital	Capital Surplus	Legal Surplus Reserve	Undistributed Earnings	Difference of Conversion of Financial Statements of Foreign Operating Institutions	Unrealized Profit or Loss on Financial Assets Measured at Fair Value Through Other Consolidated Profit or Loss Financial Assets Measured	Equities Directly Related to Groups Pending Equities	Total Owner's Equity Attributable Total Equity	Non-Controlling Equity	Total Equity
Balance as of January 1, 2021	$ 155,072	-	44,054	-	8,221	5,476	(728)	2,006	214,101	-	214,101
Distribution by Resolution of the Shareholders' Meeting											
Legal Surplus Reserve	-	-	-	822	(822)	-	-	-	-	-	-
Current Net Profit	-	-	-	-	532	-	-	-	532	1,560	2,092
Current Other Comprehensive Profit/Loss	-	-	-	-	-	(2,265)	422	-	(1,843)	-	(1,843)
Current Total Comprehensive Profit/Loss	-	-	-	-	532	(2,265)	422	-	(1,311)	1,560	249
Other Changes in Equity:											
Disposal of Equity Method Subsidiaries	-		-	-	-	2,006	-	(2,006)	-	-	-
Share-Based Payment	6,040	22,650	3,244	-	-	-	-	-	31,934	-	31,934
Non-Controlling Equity	-	-	-	-	-	-	-	-	-	38,977	38,977
Balance as of December 31, 2021	$ 161,112	22,650	47,298	822	7,931	5,217	(306)	-	244,724	40,537	285,261
Balance as of January 1, 2022	$ 161,112	22,650	47,298	822	7,931	5,217	(306)	-	244,724	40,537	285,261
Distribution by Resolution of the Shareholders' Meeting											
Legal Surplus Reserve	-	-	-	53	(53)	-	-	-	-	-	-
Cash Dividends	-	-	-	-	(3,600)	-	-	-	(3,600)	-	(3,600)
Current Net Profit	-	-	-	-	21,013	-	-	-	21,013	2,597	23,610
Current Other Comprehensive Profit/Loss	-	-	-	-	-	1,657	-	-	1,657	-	1,657
Current Total Comprehensive Profit/Loss	-	-	-	-	21,013	1,657	-	-	22,670	2,597	25,267
Other Changes in Equity:											
Share-Based Payment	34,230	(19,207)	17,527	-	-	-	-	-	32,550	-	32,550
The Difference Between the Equity Price and Book Value of the Subsidiary Actually Acquired or Disposed of	-	-	10,142	-	-	-	-	-	10,142	(10,142)	-
Non-Controlling Equity	-	-	-	-	-	-	-	-	-	(16,979)	(16,979)
Balance as of December 31, 2022	$ 195,342	3,443	74,967	875	25,291	6,874	(306)	-	306,486	16,013	322,499

(Please refer to notes of the consolidated financial reports attached)

Chairman of the Board: **Manager:** **Accounting Supervisor:**

BULL WILL CO LTD and Subsidiaries
Consolidated Statements of Cash Flows
December 31, 2022 and 2021

Unit: NT$ 1,000

	2022	2021
Cash Flow from Operating Activities:		
Net Profit Before Tax	$ 29,393	3,460
Net Profit of Discontinued Units Before Tax	-	-
Current Net Profit Before Tax	29,393	3,460
Profit/Loss Not Affecting Cash Flows		
Depreciation Expenses	3,009	3,391
Amortization Expenses	2,052	513
Expected Credit Impairment Reversal Profits	-	(1,785)
Financial Asset Loss Measured at Fair Value Through Profit and Loss	1,496	372
Interest Expense	1,039	577
Interest Revenue	(2,546)	(2,331)
Dividend Revenue	(267)	(179)
Share-based remuneration cost	70	164
Share of Profit of Associates Accounted for Using the Equity Method	3,418	(1,415)
Disposal of Subsidiary Interest	(253)	-
Total Earning Expense Items	8,018	(693)
Net Changes in Operating Assets and Liabilities		
And Net Changes in Assets Related to Operating Activities		
Decrease (Increase) in Notes Receivable	4,583	(4,046)
Decrease (Increase) in Accounts Receivable (Including Affiliates)	18,558	(57,077)
Decrease (Increase) in Accounts Receivable (Including Related Partie	(4,704)	43,071
Decrease (Increase) in Inventories	19,307	(23,360)
Decrease in Advance Payments	1,281	2,241
Decrease (Increase) in Other Current Assets	(17)	428
And Total Net Changes in Assets Related to Operating Activities	39,008	(38,743)
And Net Changes in Liabilities Related to Operating Activities		
Increase in Contractual Liabilities	(866)	(850)
Increase (Decrease) in Accounts Payable (Including Related Parties)	(17,494)	14,309
Increase in Other Payables (Including Affiliates)	5,419	1,879
Liability Reserve - Current Increased	223	286
Increase in Other Current Liabilities	2,368	2,572
And Total Net Changes in Liabilities Related to Operating Activiti	(10,350)	18,196
And Total Net Changes in Assets and Liabilities Related to Operati	28,658	(20,547)
Total Adjusted Items	36,676	(21,240)
Operating Cash Inflows (Outflows)	66,069	(17,780)
Interest Received	2,495	2,588
Income Tax Paid	(1,791)	(348)
Net Cash Inflows (Outflows) From Operating Activities	66,773	(15,540)
Cash Flow from Investment Activities:		
Dispose of the Value of Financial Assets Measured at Fair Value Through (	-	50,189
Obtain the Value of Financial Assets Measured at Fair Value Through Prof	(98,876)	(22,016)
Dispose of the Value of Financial Assets Measured at Fair Value Through	97,939	17,511
Dispose of Investments Using Equity Method	2,259	-
Purchase of Real Estate, Plant, and Equipment	(3,797)	(2,012)
Increase in Guarantee Deposits Paid	(18)	(87)
Collect Other Dividends	267	179
Net Cash Inflows (Outflows) From Investment Activities	(2,226)	43,764
Cash Flow from Financing Activities:		
Short-Term Loan Increased	15,000	-
Long-Term Loan Borrowed	-	32,000
Long-Term Loan Repaid	(7,842)	(3,672)
Guarantee Deposits Received Increased	84	100
Lease Principal Repaid	(1,848)	(1,849)
Employee Stock Option	32,480	31,770
Distribution of Cash Dividend	(3,600)	-
Acquisition of Equity in Subsidiary	-	(11,884)
Interest Paid	(1,048)	(550)
Changes in Non-Controlling Interests	(16,979)	-
Net Cash Inflow from Financing Activities	16,247	45,915
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(274)	(2,030)
Current Cash and Cash Equivalents Increments	80,520	72,109
Beginning Cash and Cash Equivalents Balance	94,039	21,930
Ending Cash and Cash Equivalents Balance	$ **174,559**	**94,039**

(Please refer to notes of the consolidated financial reports attached)

Chairman of the Board: Manager: Accounting Supervisor:

BULL WILL CO LTD and Subsidiaries
Notes to the Consolidated Financial Financial Report
December 31, 2022 and 2021
(Unless otherwise noted, all amounts are expressed in thousands of New Taiwanese Dollars.)

1. Company Milestones

Approved by the Ministry of Economics Affairs, Bull Will CO LTD (the Company) was established in December 20, 1993 and the registered address is 3F., No. 199, Ruihu St., Neihu Dist., Taipei City. The composition of the consolidated financial statements of the Company includes the Company and its subsidiaries (the "Consolidated Company") and the interests of the Consolidated Company in its affiliates and joint controlling entities. The Company is the direct parent company of the consolidated company.

The primary business items are the production, processing, import/export and trading of electronic materials and components.

In July 2001, the Company was approved by Securities and Futures Commission, Ministry of Finance to go public and begin selling stock. In June 2003, Securities and Futures Commission, Ministry of Finance approved the Company's shares to be listed on the Over-the-Counter Markets. On September 17, 2003, the Company became listed on the Taiwan OTC Exchange.

2. Approval Date and Procedures of Financial Reports

This consolidated financial report has been approved and released by the Board of Directors on March 28, 2023.

3. Application of Newly Issued and Revised Guidelines and Interpretations

(1) The following revised IFRS will apply to the the consolidated company as of January 1, 2022 and will not have a material impact on consolidated financial reports.

- Revision of IAS 16 - “Real Estate, Plant, and Equipment - Price Before Reaching the Intended Use Condition”

- Revision of IAS 37 "Loss-making Contracts - Costs of Performance"
- Annual Improvements to IFRS 20182020 Cycle
- Revision of IFRS 3 “Reference to the Conceptual Framework”.

(2) Impacts from not yet adopting the International Financial Reporting Standards (IFRS) approved by the Financial Supervisory Commission (ROC)

The consolidated company evaluates that the following revised IFRS, effective from 1 January 2023, will not cause a material change to the consolidated financial reports.

- Revision of IAS 1 "Disclosure of Accounting Policies"
- Revision of IAS 8 "Definition of Accounting Estimates"

- Revision of IAS 12 "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"

(3) Applicability of newly issued and revised standards and interpretations not yet recognized by the Financial Supervisory Commission (ROC)

The standards and interpretations issued and amended by the International Accounting Standards Board but not yet endorsed by the FSC may be relevant to the consolidated company as follows:

Newly Issued or Revised Guidelines	Major modified content	The Effective Date of the Board's Promulgation
Revision of IAS 1 "Classification of Liabilities as Current or Non-current".	The revisions are intended to improve consistency in the application of the criteria to assist companies in determining whether debts or other liabilities with uncertain repayment dates should be classified as current or non-current on the balance sheet (if they are or may be due within one year). The revision also clarifies the classification of obligations which may be discharged by conversion into equity.	January 1, 2023

The The Company is continuously evaluating the impact of the above criteria and interpretation on the Company's financial position and results of operations, and the relevant impact will be disclosed upon completion of the evaluation.

The consolidated company expects that the following new and revised standards, which have not yet been approved, will not have a material impact on the consolidated financial reports.

- Revision of IFRS 10 and IAS 28 "Sale or Contribution of Assets Between Investors and Their Affiliates or Joint Ventures”
- Revision of IFRS 17 “Insurance Contracts” and amendments to IFRS 17
- Revision of IFRS 17 "Comparative Information on First Application of IFRS 17 and IFRS9"

4. Summary Statement of Major Accounting Policies

The major accounting policies adopted for preparing these consolidated financial reports are described below:

(1) Compliance with the Declaration

This consolidated financial report is prepared in accordance with IFRS and IAS approved by the Financial Supervisory Commission and the related interpretations, and interpretative bulletins.

(2) Foundation of Preparation

1. Aside from financial assets (liabilities), which are measured at fair value through profit or loss, financial assets available for sale, which are financial instruments measured at fair value, and the defined benefit liabilities, which are recognized by the net value of the pension fund assets less the current value of defined benefit obligation, the consolidated financial statements are prepared on a historical cost basis.
2. The following critical accounting policies are consistently applicable to the entire period that this consolidated financial statement covers.
3. Some material accounting estimations are used in preparing financial statements based on IFRS and IAS approved by the Financial Supervisory Commission and the related interpretations, and interpretative bulletins. When applying the Company's accounting policies, management also needs to make judgment, which involves accounts of a high level of decision-making and complexity or accounts associated with material assumption and estimation in the consolidated financial statements. Please refer to Note 5 attached.

(3) Basis of consolidation

1. Principles for consolidated financial statements preparation
   (1) The consolidated company incorporates all subsidiaries into the entities these consolidated financial statements are prepared for. Subsidiaries refer to entities controlled by the Group (including structure entities). When the Group is exposed to variable rewards from participating in that entity or entitled to rights to said variable rewards and the Group has the power and ability to affect said rewards of that entity, the Group controls said entity. The subsidiaries are included into the consolidated financial reports since the day the consolidated company acquire their control and the consolidation ends on the day their control is lost.
   (2) The transactions, balance, and unrealized profit or loss generated between the subsidiaries of the Group had been eliminated. Necessary adjustment of accounting policies of the subsidiary has been made so it is consistent with policies of the Group.
   (3) Profit or loss and other comprehensive income components are attributable to owners of the parent company and non-controlling interests. Comprehensive income is also attributable to owners of the parent company and non-controlling interests, even if this results in the non-controlling interests having a deficit balance.
   (4) If the change of shareholding in the subsidiary does not result in loss of control (transactions with non-controlling interests), it shall be treated as an equity transaction, i.e., a transaction with the owner. The difference between adjustment of

non-controlling equity and the fair value of the consideration paid or received is directly recognized in equity.

(5) When the Group loses its control over a subsidiary, the remaining investment of the previous subsidiary should be re-measured at the fair value and be treated as the fair value of the initially recognized financial asset or the cost of initially recognized invested associates or joint ventures. The difference between the fair value and the carrying amount is recognized in profit or loss. For all amounts of a subsidiary previously recognized in other comprehensive income, the accounting treatment is based on the same principle as if the Group directly disposes the related assets or liabilities. That is, if the amount is previously recognized as a profit or loss of other comprehensive income, it should be reclassified as income when the related assets or liabilities are disposed. Moreover, when the Company losses the control over the subsidiary, such profit or loss shall be reclassified into income from equity. When disposing related assets, the profit or loss are directly transferred into retained earnings.

2. Subsidiaries Included in Consolidated Financial Report

Investment Company Name	**Subsidiary Name**	**Business Transaction Amount Nature**	**Percentage of Equity Held December 31, 2022**	**Percentage of Equity Held December 31, 2021**	**Explanation**
The Company	Hong Kong Bull Will Holdings	Holding Company	100.00%	100.00%	
The Company	Trustbond Technology Corp	Electronic Components Sales	80.24%	30.00%	Note 2
Hong Kong Bull Will Holdings	Hong Kong Serial Investment CO LTD	Holding Company	100.00%	100.00%	
Hong Kong Serial Investment CO LTD	BULL WILL Electronics CO LTD	Electronic Components Trading	100.00%	100.00%	
Hong Kong Serial Investment CO LTD	Huizhou Jun Chao Electronic CO LTD	Electronic components production and sales	100.00%	100.00%	
Hong Kong Serial Investment CO LTD	Dongguan Zhao Kang Electronic CO LTD	Electronic Components Trading	100.00%	100.00%	
Hong Kong Serial Investment CO LTD	Huizhou Bullwill Electronic CO LTD	Electronic components production and sales	100.00%	100.00%	
Hong Kong Serial Investment CO LTD	Huizhou Bai Qin Electronics CO LTD	Electronic components production and sales	-	-	Note 1

Note 1: The consolidated company completed the cancellation of Huizhou Bai Qin Electronics on January 26, 2021.

Note 2: On September 17, 2021, the consolidated company passed the resolution of the board of directors to purchase equity from the shareholders of Trustbond Technology Corp, with the base date set at October 1, 2021. The equity purchase and sale contract was signed on September 23, 2021, with the total equity price of NT$ 55,682 thousand, and the first installment price of NT$ 16,704 thousand was paid on October 1, 2021. The second to fifth instalments of NT$ 38,978 thousand, adjusted for pre-tax earnings from 2021 to 2024, will be paid on January 31 in 2022, 2023, 2024 and 2025 respectively. On October 4, 2021, the Economic Development Department of New Taipei Municipal Government approved the registration of the company change of Trustbond Technology Corp. On January 11, 2022, the consolidated company paid the second installment of NT$ 16,978 thousand and increased its capital by NT$ 10,000 thousand in cash to acquire 50.24% equity of Trustbond Technology Corp.

3. Subsidiaries included in the consolidated financial statements: None

(4) Foreign currency translation

Accounts listed in the financial statements of the consolidated company are based on the money (i.e., functional currency) of the primary economic environment where the entity operates. The consolidated financial statements are presented in the "New Taiwan dollar", the functional currency of the consolidated company, as the presentation currency.

1. Foreign Currency Transactions and Balances

(1) For foreign currency transactions, spot rate of exchange on the trading day or the measurement date is used for functional currency translation, and aside from deferring those satisfying cash flow risk management and net investment investment to other comprehensive income, the resulting exchange differences are recognized in profit or loss.

(2) The balance of foreign currency monetary assets and liabilities shall be appraised and adjusted according to the spot exchange rate on the balance sheet date, conversion differences resulting from adjustments are recognized as current profits and losses.

(3) Foreign currency monetary assets and liabilities balance is adjusted by the spot exchange rate on the balance sheet date, and it is measured at fair value through profit or loss, and therefore, exchange differences generated from the adjustment were recognized as profit or losss. For those measured at fair value through comprehensive income, exchange differences generated from adjustments are recognized in other comprehensive income. As for those not measured at fair value, they are measured at the historical exchange rate on the initial transaction day.

(5) Classification of current and non-current assets and liabilities

1. Assets shall be classified as current assets if they meet any of the following conditions:

(1) The asset is expected to be realized or intended to be sold or consumed during the normal operating cycle.

(2) Held primarily for trading purposes.
(3) Those expected to be realized in 12 months after the balance sheet date;
(4) Cash and cash equivalents, excluding assets to be exchanged or used to pay off liabilities in at least twelve months after the balance sheet date.

The consolidated company classifies all assets not meeting the above criteria as non-current assets.

2. Liabilities shall be classified as current liabilities if they meet any of the following conditions:
(1) Expected to be settled in the normal operating cycle.
(2) Held primarily for trading purposes.
(3) Liabilities that are to be paid off within 12 months after the balance sheet date.
(4) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. The terms of liabilities, which may lead to the issuance of equity instruments at the option of the counterparty, shall not affect its classification.

The consolidated company classifies all liabilities that do not meet the above criteria as non-current.

(6) Cash and cash equivalents

1. On the Group's consolidated cash flow statement, cash and cash equivalents include cash on hand, cash in bank, other short-term, highly liquid investments that are due in three months starting from the acquisition date, and overdrafts from banks that can be readily repaid and is part of the overall cash management. Overdrafts from banks are listed in the short-term borrowings of current liability on the balance sheet.
2. Cash equivalents refer to short-term and highly liquid investments satisfying the following conditions:
(1) Those can be readily converted to fixed cash;
(2) Those whose value is minimally affected by interest rate fluctuation.

(7) Financial Assets Measured at Fair Value Through Other Consolidated Income

1. It refers to the option of irrevocability at the original recognition that the fair value changes in equity instrument investments not held for transactions or liability instrument investments satisfying the following conditions:
(1) Financial assets held under the operating model with the purposes of collecting contract cash flow and for sales;
(2) Cash flows generated at specific dates by the contract terms and conditions of said financial assets and are fully used for paying the principals for outstanding principals.
2. The Group adopts settlement date accounting for financial assets that are measured at fair value through other comprehensive income and satisfying the transaction convention.

3. The Group at the initial recognition measures at fair value plus transaction costs. Afterward, it is measured at fair value.
   (1) Changes in the fair value of equity instruments are recognized in other comprehensive income, and before the de-recognition, the accumulated interest or lost previously recognized in other comprehensive income should not be reclassified to income but to be transferred to retained earning. When the Company's right to receive dividends is established, economic benefits associated with the dividends may flow in, and when the amount of dividends can be reliably measured, the consolidated company shall recognize the amount under profit or loss as dividend income.
   (2) Changes in the fair value of debt instruments are recognized in other comprehensive income, and the impairment losses, interest income, and gains or losses on exchange rate of foreign currency exchange are recognized in profit or loss, and at de-recognition, the accumulated gain or loss previously recognized in other comprehensive income will be reclassified from equity to profit or loss.

(8) Financial Assets at Fair Value Through Profit or Loss

It refers to financial assets not measured at amortized cost or measured at fair value through other consolidated profit or loss are measured at fair value through through profit or loss. At initial recognition, the reporting entity may irrevocably designate a financial asset that meets the criteria for amortized cost or fair value measurement through other comprehensive income as a financial asset measured at fair value through profit or loss to eliminate or significantly reduce accounting mismatch.

Such assets are subsequently measured at fair value and the net interest or loss (including any Number and order to Rental income Loss Based on) is option be calculated as profit or loss.

(9) Accounts Receivable and Bills

1. Refers to accounts and bills which, under contract, are entitled to receive unconditionally the amount of consideration for the transfer of goods or services.
2. For short-term accounts receivable without interest payment, they are measured at the original invoice amount because of insignificant effect of discounting.

(10) Impairment of Financial Assets

For debt instrument investment measured at fair value through other comprehensive income, financial assets measured at amortized cost, and accounts receivable or contract assets, rents receivable, loan commitments, financial guarantee contracts, and others containing a significant financial component, the consolidated company on each balance sheet day will consider all reasonable and verifiable information (including prospective information) to routinely measure allowance losses for expected credit loss amount for 12 months for those without significant increase in credit risk after the original recognition. For those with a significant increase in the credit risk after the original recognition, the allowance losses are measured according to the expected credit loss amounts for the life time. For accounts receivable that does not contain a significant financing component, the Company measures the loss allowance at an amount equal to lifetime expected credit loss amounts.

(11) De-recognization of financial assets

If the consolidated company will de-recognize a financial asset if one of the following conditions is met:

1. The contractual rights for cash flows from the financial asset expire.
2. Transfer of contractual rights to receive cash flows from financial assets, and transfer of almost all risks and rewards of ownership of financial assets.
3. Almost all risks and returns from financial asset ownerships are neither transferred nor retained but the control of the financial assets are not kept.

(12) Inventories

The consolidated company’s inventory carry-over is evaluated by the average method. The final inventory is evaluated by cost or the net realizable value whichever is lower. The net realizable value refers to the estimated sale price in the normal course of business, less relevant cost and sale expenses required until the completion of the work. When comparing the cost of inventories and the net realizable value, it is done item by item. The amount of inventory of writing down the cost of inventories to the net realizable value is recognized as the cost of sales.

(13) Group Pending Disposal

When the carrying amount of the group for disposal is mainly recovered through sale transactions instead of continuous use and is highly likely to be classified as the group pending disposal upon sale and measured at either the carrying amount net of the cost to sell or fair value net of the cost to sell whichever is lower.

(14) Investments/Affiliated Enterprises Using the Equity Method

1. Associates refer to entities the Group has material effects but without control. In general, the term refers to entities which the Group holds directly or indirectly more than 20% of voting shares. The consolidated company’s investment on affiliated enterprises is measured at the equity method, recognized by cost at the acquisition, including goodwill recognized at the acquisition, less the accumulated impairment losses generated from subsequent evaluation.
2. The Group recognizes the share of profit or loss after acquiring an associate in profit or loss, and as for the share of other comprehensive income after the acquisition, it is

recognized in other comprehensive income. If the consolidated company's share of loss of any affiliated enterprise becomes equal to or greater than the its equity of that affiliated enterprise (including other unsecured accounts receivable), the consolidated company will not recognize any further loss, unless a legal obligation or constructive obligation arise for the consolidated company or if the consolidated company has made payment for the affiliated enterprise.

3. When an associate issues new shares, if there is any change in the investment ratio because Group does not subscribe or acquire the shares proportionally and the effect is material, then the increase/decrease of the net value of said equity shall be reflected by adjusting the "additional paid-in capital" and "investment measured at the equity method." If said change lowers down the investment ratio, then aside from the aforementioned adjustment, any gain or loss previously recognized in the "other consolidated profit or loss" related to the reduction of said ownership equity that should be reclassified to losses when the related assets or liabilities are disposed, said interest and loss should be reclassified to profit or loss according to the reduced proportion.
4. The unrealized gain and losses arise from transaction between the Group and the associates have been discharged according to the percent equity of associates Unless evidence shows that the assets transferred by said transaction have been impaired, unrealized losses will be discharged, too. Necessary adjustment of accounting policies of the affiliated enterprises has been made so it is consistent with policies of the consolidated company.
5. When the Group loses its major effect on an associate, the remaining investment of the previous associate should be re-measured at the fair value. The difference between the fair value and the carrying amount is recognized in profit or loss. All amounts previously recognized as other consolidated profit or loss related to the affiliated enterprises will be accounted for on the same basis as if the consolidated company had directly disposed of the related assets or liabilities, i.e., interests or losses previously recognized as other consolidated profit or loss will be reclassified as profit or loss at the time of disposal of the related assets or liabilities. If it still has a material impact on the affiliated enterprises, only the amount previously recognized in other consolidated profit or loss shall be transferred out on a pro rata basis in accordance with the above method.

(15) Lease

1. Determination of Lease

The consolidated company assesses at the date of formation whether the contract is or includes a lease, if the contract assigns control over the use of the identified asset for a period of time in exchange for consideration. To assess whether the contract is a lease, the consolidated company will assess the following items:

(1)The contract relates to the use of an identified asset which is specified in the contract or is implicitly specified by virtue of being available for use and whose entity can distinguish or represent substantially all of the capacity. An asset is not an identifiable asset if the supplier has a material right to replace it.

(2)the right to almost all economic efficiency from the use of a recognized asset has been acquired for the entire term of use; and

(3)And obtains the right to dominate the use of the identified assets if one of the following conditions is met:

- The customer has the right to direct the use of the identified assets and the purposes for which they are used throughout the use life.
- The relevant decisions regarding how and for what purpose the asset will be used are determined in advance, and:
  - The customer has the right to operate the asset throughout the life of its use, and the supplier has no right to change such operation instructions; or
  - The way in which the customer designs the asset predetermines how and for what purpose it will be used throughout its life.

On the date of formation of the lease or when reassessing whether the contract covers the lease, the consolidated company shall apportion the consideration in the contract to the individual lease components on a relatively separate price basis. However, in the case of leasing the land and the building, the consolidated company elects not to distinguish between the non-leasehold components and treats the leasehold component and the non-leasehold component as a single leasehold component.

2. Lessee

The consolidated company recognizes the right-of-use assets and lease liabilities on the commencement date of the lease. The right-of-use assets are initially measured at cost, which includes the original measured amount of the lease liability. Adjustment of any lease payments made on or before the commencement date of the lease, adding to the original direct costs incurred and the estimated costs of dismantling, removing and restoring the underlying asset to its location or the underlying asset, excluding any lease inducements received.

The subsequent depreciation of the right-of-use assets at the beginning of the lease is made by the straight-line method when the useful life of the right-of-use assets expires or when the lease term expires earlier. In addition, the consolidated company regularly evaluates whether there is any impairment of the right-of-use assets and deals with any impairment losses that have been incurred, and adjusts the right-of-use assets in the event of re-measurement of the lease liabilities.

Lease liabilities are measured in terms of the present value of outstanding lease payments at the commencement date of the lease. If the implied lease rate is easy to determine, the discount rate is that rate; if not, the consolidated company's incremental borrowing rate is used. In general, the consolidated company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measure of lease liabilities include:

(1) Fixed payments, including substantial fixed payments;
(2) Variable lease payments subject to an index or rate, the index or rate on the commencement date of the lease is used as the original measure;
(3) Guarantee amount of salvage value expected to be paid; and
(4) The price at which the purchase option or lease termination option is reasonably determined to be exercised or the penalty to be paid.

Lease liabilities are subsequently accrued interest on an effective interest basis and measured in the following circumstances:

(1) There is a change in the index or rate used to determine lease payments result in changes in future lease payments;
(2) There is a change in the expected residual value guaranteed amount paid;
(3) There is a change in the evaluation of the purchase option of the underlying asset;
(4) There is a change in the estimate of whether or not to exercise the extension or termination option changes the assessment of the duration of the lease;
(5) Modification of the subject, scope or other terms of the lease.

When the lease liability is remeasured as a result of the foregoing changes in the index or rate used to determine lease benefits, changes in the guaranteed residual value amount, and changes in the evaluation of the option to purchase, extend, or terminate, if the book amount of the right-of-use assets is adjusted accordingly, and when the carrying amount of the right-of-use assets is reduced to zero, the remaining remeasured amount shall be recognized as the profit or loss.

For a lease modification that reduces the scope of the lease, the carrying amount of the right-of-use assets is reduced to reflect the partial or full termination of the lease, and the difference between this and the remeasured amount of the lease liability is recorded in the profit or loss.

The consolidated company shall separately present the right-of-use assets and lease liabilities which do not meet the definition of investment real estate in the balance sheet as separate items.

For short-term leases and leases of low-value target assets, the consolidated company chooses not to recognize the right-of-use assets and lease liabilities, but to recognize the relevant lease payments as expenses on a straight line basis during the lease life.

3. Lessor

The consolidated company as a lessor involves the classification of almost all the risks and rewards of the lease contract on the date of the lease, depending on whether or not it is transferred to the ownership of the underlying asset. If so, it is classified as financial lease; otherwise, it is classified as business lease. In the evaluation, the consolidated company considers certain relevant indicators, including whether the lease term covers a major part of the economic life of the target asset.

If the agreement contains leasehold and non-leasehold components, the consolidated company will use the consideration in the apportionment agreement as specified in IFRS 15.

Assets held under a financial lease shall be expressed as financial lease receivable in terms of the net amount of leasing investment. The original direct costs arising from the negotiation and arrangement of the business lease are included in the net investment in the lease. Net leasing investment is apportioned as interest income over the lease term in a form that reflects a fixed rate of return over the term. For business leases, the consolidated company shall recognize the lease payments received as rental income during the lease term on a straight-line basis.

(16) Real Estate, Plant, and Equipment

1. Real estate, plant and equipment shall be recorded on the basis of acquisition cost and capitalized relevant interest during the period of purchase and construction.
2. Subsequent cost may become a carrying amount of the assets or be recognized as a single asset only if future economic benefits associated with the consolidated company this item may flow into the Group, and the cost of this item can be reliably measured. The carrying amount of the reset portion shall be derecognized. All other assembly and maintenance costs are recognized as current profits and losses when incurred.
3. In the subsequent measurement of the cost of real estate, plant and equipment, except for the depreciation of land, depreciation shall be calculated on a straight-line method according to the estimated useful life. Depreciation of real estate, plant and equipment, if significant, shall be itemized separately. The consolidated company reviews each asset’s residual value, useful life, and depreciation method at the end of each fiscal year, and if the expected residual value and useful lives are different from the previous estimation or if the expected consumption type of future economic benefits of a given asset has any material change, the stipulation on changes in accounting estimates from IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors is adopted for treatment.

   The useful lives of assets are listed below:

Machinery Equipment	3-5 Years
Transportation Equipment	5 Years
Office Equipment	3-10 Years
Leasehold Improvement	5 Years
Other Equipment	2-6 Years

(17) Investment Real Estate

Investment real estate is recognized by acquisition cost, and cost model is adopted for subsequent measurement. Except for land, depreciation shall be carried out by the straight-line method according to the estimated useful life, which shall be 50 years.

(18) Impairment of Non-Financial Assets

On the balance sheet date, the consolidated company estimates the recoverable amount of the assets with indicator of impairment, and recognizes the impairment loss when the recoverable amount is lower than its book value. Recoverable amount means the fair value of an asset minus the cost of disposal or the value of its use, whichever is higher. With the exception of goodwill, where the impairment of an asset recognized in a previous year does not exist or is reduced, the impairment loss shall be reversed, provided that the carrying amount of the asset added by the reversal impairment loss shall not exceed the carrying amount of the asset after depreciation or amortization if the impairment loss is not recognized.

(19) Loans

1. The amount of the loan at the time of the initial recognition shall be measured at the fair value after deducting the transaction cost, and any difference between the price (after deducting the transaction cost)) the redemption value shall be measured at the amortized cost during the loan period by the effective interest method.
2. Where it is likely that part or all of the line of credit will be withdrawn, the cost shall be recognized as the transaction cost of the line of credit and shall be deferred until such time as the effective interest rate is adjusted. Where it is unlikely that part or all of the line of credit will be drawn, such charges are recognized as advances and amortized over the period in which the line is relevant.

(20) Accounts Payable and Bills

Accounts and bills payable refer payment obligations from acquiring goods or labor from vendors in the normal course of business. Accounts and bills payable is initially recognized at fair value and subsequently measured at amortized cost using the effective interest method. However, for short-term accounts receivable without interest payment, because of insignificant effect of discounting, they are subsequently measured at the original invoice amount.

(21) Liability Reserve

Liability reserve is a current statutory or constructive obligation arising from a past event. It is likely that resources of economic benefit will be required to discharge the obligation and the amount of the obligation will be recognized when the estimate is reliable. Liability reserve is measured by the best estimated present value of the expenditure required to meet the obligation at the balance sheet date. The discount rate is the pretax discount rate reflecting the current market assessment of the time value of money and the specific risks of liabilities. Discounted amortization is recognized as interest expense. Future operating losses shall not be recognized as liabilities. Future operating losses cannot be recognized in liability reserve.

(22) Employee Benefits

1. Short-Term Employee Benefits

Short-term employee benefits are measured in terms of expected non-discounted payments and are recognized as expenses at the times of service delivery.

2. Pension

Defined Contribution Plan

For defined contribution plans, the amount of the pension fund to be contributed is recognized as the current pension cost on an accrual basis. Advance contributions are recognized as assets to the extent that they are refundable in cash or reduce future payments.

3. Termination Benefits

Termination benefits are provided when the employer terminates the employment of the employee prior to normal retirement or when the employee decides to accept the company's offer of benefits in exchange for the termination of employment. The consolidated company is no longer able to withdraw the offer of termination benefits or when the earlier relevant restructuring costs are recognized, the expense is recognized. Benefits not expected to be fully settled twelve months after the balance sheet date shall be discounted.

4. Bonus Plan of Employees and Consideration of Directors, and Supervisors

Bonus plan of employees and consideration of directors, and supervisors are recognized as expenses and liabilities where there is a legal or constructive obligation and the amount is reasonably estimated. If there is any difference between the actual allotment amount and the resolved amount subsequently decided by the board of shareholders, the changes shall be treated as accounting estimates.

(23) Employee Share-Based Payment

A share-based payment agreement with equity settlement is the labor services provided to employees on the basis of the fair value of the equity commodities to which they are entitled, it is recognized as a cost of remuneration during the vesting period and relatively adjusted as an interest. The fair value of an equity commodities shall reflect the impacts of the vesting and non-vesting market conditions. The recognized remuneration costs are adjusted in line with the expected quantity of awards in line with the conditions of service and non-market value vesting, until the final recognized amount is recognized by the vested quantity obtained on the vested date.

(24) Income Tax

1. Income tax expenses include current and deferred income taxes. Except for income tax related to items included in other comprehensive profits and losses or directly included in the equity, income tax shall be recognized in the profits and losses.
2. The current income tax of the consolidated company shall be calculated on the basis of the tax rate which has been legislated or substantially legislated on the balance sheet date in the country where the operation and taxable income are generated. The management shall periodically assess the status of the income tax declaration in respect of the applicable income tax laws and regulations, and, where applicable, shall estimate the income tax liabilities according to the taxes expected to be paid to the tax authorities. There is an additional tax of unappropriated earnings according to the Income Tax Act, and after the earning distribution is approved at the shareholders' meeting held in the year following the year the earnings are generated, the tax expense of undistributed earnings shall be recognized based on the actual condition of earning distribution.
3. The deferred income tax shall be recognized on the basis of the temporary difference between the tax basis of assets and liabilities and the carrying amount of the balance sheet. Deferred income tax liabilities generated from the initial recognition of goodwill are not recognized. Moreover, deferred income tax is not recognized if it is originated from the initial recognition of assets or liabilities in transactions (business merger excluded) and neither accounting profits nor taxable income (or tax losses) is affected at the time of the transaction. For temporary differences generated from investing in subsidiaries and associates, they are not recognized if the Company is capable of controlling the time point of reversal of the temporary differences and the temporary differences may not be reversed in the foreseeable future.

   Deferred income tax shall be subject to the tax rate (and tax law) which is enacted or substantially enacted on the balance sheet date and which is expected to apply when the deferred income tax asset is realized or the deferred income tax liability is satisfied.
4. Deferred income tax assets are recognized on the basis that temporary differences are likely to be used to offset future taxable income and are reassessed on each balance sheet date for unrecognized and recognized deferred income tax assets.
5. The current income tax assets and current income tax liabilities shall be offset against each other when there is a statutory enforcement right to offset the amount of current income tax assets and liabilities, and there is an intention to repay or simultaneously realize the assets and liabilities on a net basis. When there is a legal enforcement right to offset the current income tax assets and current income tax liabilities, and the deferred income tax assets and liabilities are generated by the same tax payer or different tax payer of income tax levied by the same tax authority, but each tax payer intends to pay off the assets and liabilities on a net basis or at the same time, then the deferred income tax assets and liabilities shall be offset against each other.
6. Tax credit accounting treatment is adopted for tax preferences from purchasing

equipment or technology, research and development expenditure, and equity investment.

7. The "Income Basic Tax Act" came into force on January 1, 2006. The basis of calculation shall be the amount of taxable income calculated in accordance with the provisions of the Income Tax Law, and the tax deduction or exemption enjoyed by the Income Tax Law and other laws, and the basic tax shall be calculated according to the tax rate prescribed by the Executive Yuan. In comparison with the amount of tax calculated according to the provisions of the Income Tax Law, the higher the base tax is, the income tax of the current year shall be paid. The consolidated company has taken its impact into account in the current income tax.

(25) Customer Contractual Revenue

Revenue is measured in consideration of the anticipated right to obtain for the commodity transferred, the consolidated company recognizes income when control of the commodity is transferred to the customer and performance obligations are met.

1. Sales of Commodities

   The consolidated company recognizes income when control of the product is transferred to the customer. The control transfer of the product means that the product has been delivered to the customer and there is no unfulfilled obligation that will affect the customer's acceptance of the product. The delivery customer has accepted the product according to the transaction terms, the date at which the risk of obsolescence and loss has been transferred to the customer and when the consolidated company has objective evidence that all acceptance conditions have been met.

   The consolidated company shall recognize accounts receivable at the time of delivery of commodities, since the consolidated company has the right to receive consideration unconditionally at that time.

2. Financial Components

   The time between when the consolidated company expects to transfer the goods to the customer and when the customer pays for the goods is no more than one year. Therefore, the consolidated company does not adjust the time value of the currency at the transaction price.

3. Customer Contracts Obtaining Cost

   The incremental costs incurred by the consolidated company in obtaining the customer contracts are recognized as expenses at the time of occurrence, although they are expected to be recoverable, but the period of the relevant contracts is less than one year.

(26) Business Merger

1. The merging company adopts the acquisition method to carry on the business combination. The consolidated consideration shall be calculated on the basis of the fair value of the transferred assets, liabilities incurred or assumed and the equity instruments

issued, the consideration transferred includes the fair value of any assets and liabilities arising from the contingent consideration agreement. The acquisition related costs are recognized as expenses when incurred. The identifiable assets and liabilities acquired in the business merger shall be measured at the fair value on the acquisition date. On the basis of individual acquisition transactions, the consolidated company chooses to measure the non-controlling equity of the acquiree at fair value or at the ratio of the non-controlling equity to the identifiable net assets of the acquiree.

2. The transfer consideration, any non-controlling interest of the acquiree, and the total fair value of any interest previously held by the acquiree at the date of acquisition shall be recognized as goodwill if it exceeds the share of the consolidated company in the fair value of the identifiable net assets acquired. If the difference is less than the fair value of the identifiable net assets acquired by the consolidated company (purchased cheaply), the difference shall be directly recognized as the current profit and loss.

(27) Operating Departments

The consolidated company's operating department information is reported in a consistent manner with the internal management reports provided to key operations decision makers. The primary operational decision maker is responsible for allocating resources to the operating department and evaluating its performance. The identified primary operational decision maker of the consolidated company is the board of directors.

(28) Earnings per share

The consolidated company is listed as belonging to the basic and diluted earnings per share of ordinary equity holders of the consolidated company. The basic earnings per share of the consolidated company shall be calculated by dividing the profits and losses attributable to the ordinary equity holders of the consolidated company by the weighted average number of common shares outstanding in the current period. The diluted earnings per share are calculated after adjusting for the effect of all potential diluted common shares on the profits and losses attributable to holders of the consolidated company's common shares and the weighted average number of outstanding common shares. The potential dilution of common shares of the consolidated company is to provide employees with employee stock option warrants.

5. Major Sources of Accounting Errors in Judgment, Assumptions and Estimates

In preparing the consolidated company's consolidated financial statements, the management has used its judgment to determine the accounting policies to be adopted and has made accounting estimates and assumptions based on reasonable expectations of future events based on the current situation on the balance sheet date. Material accounting estimates and assumptions may differ from actual results and will be assessed and adjusted on an ongoing basis taking into account historical experience and other factors. Uncertainty of material accounting judgments, estimations, and assumptions are described below:

(1) Important Judgments on the Adoption of Accounting Policies

(2) Important Accounting Estimates and Assumptions

The accounting estimates made by the consolidated company are based on reasonable expectations of future events based on the current situation on a specific date, but the actual results may differ from the estimates. For estimates and assumptions regarding the risk of material adjustments to the carrying amounts of assets and liabilities in the next financial year, please refer to Note 6 (5), impairment assessment of inventory.

6. Explanation of Important Accounting Items

(1) Cash and cash equivalents

		December 31, 2022	December 31, 2021
Petty Cash	$	666	912
Bank Deposit		173,893	93,127
Total	**$**	**174,559**	**94,039**

Disclosure of Interest Rate Risk and Sensitivity Analysis of the Financial Assets and Liabilities of the Consolidated Company. Please refer to Note 6 (24) for details.

(2) Financial Products

Financial Assets

		December 31, 2022	December 31, 2021
Financial Assets at Fair Value Through Profit or Loss	$	**5,919**	**6,478**
Current	$	**5,919**	**6,478**

1. Financial assets measured at fair value through other consolidated profits and losses are by resolution of the Board of Directors of the Company on August 7, 2020, the Company purchased 530 thousand new special shares B shares of Strek Corporation Company Limited ("Strek Company") at approximately NT$ 93 each. The total investment amount is NT$ 50,189 thousand (Thai baht 53,000 thousand), and signed

the investment contract with Strek Company on the same day, which agreed: (1) The dividend of the special share B share shall be at least 8% of the agreed net after-tax profit of the special share in Thailand, but not less than NT$ 9,361 thousand ($10,080 thousand in Thai Baht, with an interest rate of about 19%). (2) The consolidated company shall have the right to force the redemption of the investment shares by Strek within eight months from the date of signing but no later than the original offering price.

2. In view of the above investment, the consolidated company entered into a guarantee contract with Serial System LTD on August 7, 2020. In the event that Strek Company fails to redeem its shares, Serial System LTD is willing to acquire all of the special shares of Strek held by the consolidated company at the original offering price. On March 31, 2021, the consolidated company intends to transfer the entire special shares of Strek Company to Serial System LTD at the original issue price of Thai Baht $53,000 thousand subject to the guaranteed agreement and received the transfer on March 31, 2021.
3. On December 25, 2020, the shareholders' meeting of Strek Company approved a proposed dividend of NT$ 13,104 thousand (Thai baht 14,000 thousand) to be paid to the consolidated company and recorded as dividend income and received a dividend of NT$ 1,872 thousand on December 31, 2020, with the remaining amount recorded as other receivables. All were recovered on March 31, 2021.
4. Disclosure of Interest Rate Risk and Sensitivity Analysis of the Financial Assets and Liabilities of the Consolidated Company. Please refer to Note 6 (24) for details.

(3) Accounts and notes receivable

		December 31, 2022	December 31, 2021
Bills Receivable	$	1,262	5,845
Accounts Receivable		144,285	154,399
Accounts Receivable - Related Parties		-	8,444
Minus: Allowance for Bad Debts		(436)	(436)
	$	**145,111**	**168,252**

1. The consolidated company uses a simplified approach to estimate expected credit losses for all bills receivable and accounts receivable, i.e., the expected credit loss measure over the life period, for this purpose. Such bills receivable and accounts receivable are grouped according to the common credit risk characteristics of the ability on behalf of the customer to pay all amounts due under the terms of the contract and have been incorporated into forward-looking information. The expected credit loss analysis of bills receivable and accounts receivable of the consolidated company is as follows:

	December 31, 2022			
		Carrying Amount of Bills Receivable and Accounts Receivable	**Weighted Average Expected Credit Loss Rate**	**Allowance Duration Expected Credit Loss**
Not Overdue	$	144,401	-%	-
Under 31 days		877	19%	167
1 to 3 Months		269	100%	269
3 to 6 Months		-	-%	-
Over 6 Months		-	-%	-
	$	145,547		436

	December 31, 2021			
		Carrying Amount of Bills Receivable and Accounts Receivable	**Weighted Average Expected Credit Loss Rate**	**Allowance Duration Expected Credit Loss**
Not Overdue	$	162,070	-%	-
Under 31 days		6,612	6.50%	430
1 to 3 Months		6	100.00%	6
3 to 6 Months		-	-%	-
Over 6 Months		-	-%	-
	$	168,688		436

2. The consolidated company's statement of changes in bills receivable and allowance for doubtful accounts for the years 2022 and 2021 is as follows:

	Year 2022	Year 2021
Opening Balance	$ 436	2,221
Reversal of Impairment Loss	-	(1,785)
Ending Balance	$ **436**	**436**

3. Guarantee

the 2022 and 2021, the consolidated company's bills receivable and accounts are not provided as guarantee for long-term loans and financing lines.

(4) Other accounts receivable

	December 31, 2022	December 31, 2021
Other Accounts Receivable	$ 2,612	2,005
Other Accounts Receivable - Related Parties	41,927	37,779
	$ **44,539**	**39,784**

(5) Inventories

	December 31, 2022	December 31, 2021
Raw Materials	$ 6,025	6,959
Work in Progress	7,731	11,126
Finished Good	106,128	121,666
Subtotal	119,884	139,751
Minus: Allowance for Inventory Valuation and Obsolescence Losses	(87,160)	(87,720)
Total	**$ 32,724**	**52,031**

In 2022, NT$ 693 thousand was recognized for inventory depreciation recovery benefit due to inventory write-down reduction to net realized value; in 2021, NT$ 14,063 thousand was recognized for inventory depreciation recovery benefit due to scrap slow inventory loss and NT$ 13,317 thousand has been made to offset inventory depreciation and slow inventory loss evaluation impact related to turnaround, and has been reported as cost of goods sold.

December 31, 2022 and 2021, none of the consolidated company's inventories has been provided as pledge guarantees.

(6) Group Pending Disposal

The consolidated company has been approved by the board of directors to liquidate Huizhou Bai Qin Company on July 28, 2016, and has started to deal with relevant matters.

The assets and liabilities related to Huizhou Bai Qin Company have been transferred to the group to be disposed of, and are expressed as a closed business unit in accordance with the definition of a closed business unit. The liquidation was cancelled on January 26, 2021.

(7) Investments Using Equity Method

1. Affiliated Enterprises

Name of Investee	Primary Business	Set Up and Operating Site	Carrying Amount December 31, 2022	Carrying Amount December 31, 2021	Percentage of Equity Held December 31, 2022	Percentage of Equity Held December 31, 2021
BULL WILL TRADING(S) PTE LTD.	Sand and Gravel Sales	Singapore	$ -	5,068	-%	30.00%

(1)The consolidated company sold BULL WILL TRADING(S) PTE LTD in 2022. 30% of the equity, the disposal price is SGD 100 thousand (NTD 2,259 thousand), resulting in a disposal of investment profit of HKD 253 thousand, which has been recognized under other interests and losses.

(2)If the affiliated enterprises of the consolidated company using the equity method are individual and insignificant, their aggregate financial information is as follows, which refers to the amount contained in the consolidated financial report of the consolidated company:

	Year 2022	Year 2021
Ending Summary Carrying Amount of the Interests of Individual Non-materially Affiliated Enterprises	$ -	**16,892**
Shares Attributable to the Consolidated Company:	$ -	**5,068**
Current Net Profit (Loss):	$ (3,418)	1,415
Other Consolidated Profit or Loss:	357	(238)
Total Consolidated Profit or Loss:	$ (3,061)	**1,177**

3. Guarantee

As the 2022 and 2021, no equity method investments of the consolidated company have been provided as pledge guarantees.

(8) Real Estate, Plant, and Equipment

A breakdown of the changes in cost, depreciation and impairment of real estate, plant, and equipment of the consolidated company is as follows:

	Machinery Equipment	Transportation Equipment	Office Equipment	Leasehold Improvement	Other Equipment	Total
Cost or Identified Cost:						
Balance as of January 1, 2022	$ 15,921	1,025	21,357	10,075	27,326	75,704
Current Addition	34	2,220	211	1,181	151	3,797
Current Disposal	-	(530)	-	(165)	-	(695)
Impact of Exchange Rate Changes	170	7	26	147	60	410
Balance as of December 31, 2022	**$ 16,125**	**2,722**	**21,594**	**11,238**	**27,537**	**79,216**
Balance as of January 1, 2021	$ 15,994	1,029	20,485	10,122	26,278	73,908
Current Addition	20	-	886	34	1,072	2,012
Impact of Exchange Rate Changes	(93)	(4)	(14)	(81)	(24)	(216)
Balance as of December 31, 2021	$ **15,921**	**1,025**	**21,357**	**10,075**	**27,326**	**75,704**
Depreciation and Impairment Losses						
Balance as of January 1, 2022	$ 15,880	1,025	19,219	9,777	26,240	72,141
Current Depreciation	14	26	691	202	101	1,034
Current Disposal	-	(530)	-	(165)	-	(695)
Impact of Exchange Rate Changes	170	7	25	144	45	391
Balance as of December 31, 2022	$ **16,064**	**528**	**19,935**	**9,958**	**26,386**	**72,871**
Balance as of January 1, 2021	$ 15,891	1,004	18,156	9,669	26,223	70,943
Current Depreciation	82	25	1,076	186	41	1,410
Impact of Exchange Rate Changes	(93)	(4)	(13)	(78)	(24)	(212)
Balance as of December 31, 2021	$ **15,880**	**1,025**	**19,219**	**9,777**	**26,240**	**72,141**

	Machinery Equipment	Transportation Equipment	Office Equipment	Leasehold Improvement	Other Equipment	Total
Carrying Amount Value:						
December 31, 2022	$ **61**	**2,194**	**1,659**	**1,280**	**1,151**	**6,345**
December 31, 2021	$ **41**	**-**	**2,138**	**298**	**1,086**	**3,563**

No real estate, plant, and equipment of the consolidated company has been provided as pledge guarantees as 31 December 2022 and 2021.

(9) Right-of-Use Assets

The changes in the cost, depreciation and impairment of leased premises and buildings etc. of the consolidated company are as follows:

	Houses and Buildings	Total
Cost of Right-of-Use Assets:		
Balance as of January 1, 2022	$ 5,174	5,174
Current Addition	8,115	8,115
End of Current Period	(5,207)	(5,207)
Impact of Exchange Rate Changes	33	33
Balance as of December 31, 2022	$ **8,115**	**8,115**
Balance as of January 1, 2021	$ 5,210	5,210
Impact of Exchange Rate Changes	(36)	(36)
Balance as of December 31, 2021	$ **5,174**	**5,174**
Depreciation and Impairment Losses of Right-of-Use Assets:		
Balance as of January 1, 2022	$ 3,965	3,965
Depreciation	1,837	1,837
End of Current Period	(5,207)	(5,207)
Impact of Exchange Rate Changes	28	28
Balance as of December 31, 2022	$ 623	623
Balance as of January 1, 2021	$ 2,143	2,143
Depreciation	1,843	1,843
Impact of Exchange Rate Changes	(21)	(21)
Balance as of December 31, 2021	$ **3,965**	**3,965**
Accounting Value:		
December 31, 2022	$ **7,492**	**7,492**
December 31, 2021	$ **1,209**	**1,209**

(10) Investment property

The details of the changes in the investment real estate of the consolidated company are as follows:

		Land	Houses and Buildings	Total
Cost or Identified Cost:				
Balance as of January 1, 2022	$	16,203	7,062	23,265
Balance as of December 31, 2022	**$**	**16,203**	**7,062**	**23,265**
Balance as of January 1, 2021	$	16,203	7,062	23,265
Balance as of December 31, 2021	**$**	**16,203**	**7,062**	**23,265**

		Land	Houses and Buildings	Total
Accumulated Depreciation and Impairment:				
Balance as of January 1, 2022	$	-	2,522	2,522
Depreciation Expense		-	138	138
Balance as of December 31, 2022	**$**	-	**2,660**	**2,660**
Balance as of January 1, 2021	$	-	2,384	2,384
Depreciation Expense		-	138	138
Balance as of December 31, 2021	**$**	-	**2,522**	**2,522**
Book Value				
Balance as of December 31, 2022	**$**	**16,203**	**4,402**	**20,605**
Balance as of December 31, 2021	**$**	**16,203**	**4,540**	**20,743**

Rental Revenue and Direct Operating Expenses of Investment Real Estate

		Year 2022	Year 2021
Rental Revenue From Investment Real Estate	**$**	**743**	**751**
Direct Operating Expenses Incurred in the Current Period for Investment Real Estate with Rental Receipt	**$**	**293**	**293**

The fair values of the investment real estate of the consolidated company as at December 31, 2022 and 2021 are respectively NT$ 21,670 thousand and NT$ 36,144 thousand. The fair values are based on market evidence of the transaction prices of similar real estate.

As of 2022 and December 31, 2021, the consolidated company's investment real estate has been provided with collateral security, please refer to Note 8.

(11) Intangible Assets

The changes of intangible assets of the consolidated company are detailed as follows:

	Goodwill	Other Intangible Assets	Total
Cost or Identified Cost:			
Balance as of January 1, 2022	$ 17,637	14,363	32,000
Balance as of December 31, 2022	**$ 17,637**	**14,363**	**32,000**
Balance as of January 1, 2021	$ -	-	-
Acquisition by Merger	17,637	14,363	32,000
Balance as of December 31, 2021	**$ 17,637**	**14,363**	**32,000**
Accumulated Amortization and Impairment:			
Balance as of January 1, 2022	$ -	513	513
Amortization expenses	-	2,052	2,052
Balance as of December 31, 2022	**$ -**	**2,565**	**2,565**
Balance as of January 1, 2021	$ -	-	-
Amortization Expenses	-	513	513
Balance as of December 31, 2021	**$ -**	**513**	**513**
Book Value			
Balance as of December 31, 2022	**$ 17,637**	**11,798**	**29,435**
Balance as of December 31, 2021	**$ 17,637**	**13,850**	**31,487**

On September 17, 2021, the consolidated company passed the resolution of the board of directors to purchase equity from the shareholders of Trustbond Technology Corp, with the base date set at October 1, 2021, and the equity sale and purchase agreement signed on September 23, 2021, with the total equity price of NT$ 55,682 thousand. The resulting goodwill of NT$ 17,637 thousand and other intangible assets of NT$ 14,363 thousand.

(12) Short-Term Loan

	December 31, 2022	December 31, 2021
Secured Bank Loan	$ 15,000	-
Unsecured Bank Loan	8,000	8,000
	$ 23,000	**8,000**
Unused Credit	**43,420**	**30,000**
Range of Interest Rates	**2.151%~2.625%**	**1.00%~3.50%**

Details of the consolidated company's use of assets as collateral for short-term borrowing are attached in Note 8.

(13) Liability Reserve

		Liability Reserve of Employee Benefits
Balance as of January 1, 2022	$	1,751
Current Added Liability Reserve		223
Balance as of December 31, 2022	**$**	**1,974**
Balance as of January 1, 2021	$	1,465
Current Added Liability Reserve		286
Balance as of December 31, 2021	**$**	**1,751**

(14) Lease Liabilities

The carrying amount of the consolidated company's leasing liabilities is as follows:

		December 31, 2022	December 31, 2021
Current	$	1,761	1,246
Non-Current		5,758	-
	$	**7,519**	**1,246**

For maturity analysis, please refer to Note 6 (24) Financial Instruments.

The amount of lease recognized in profit or loss is as follows:

		Year 2022	Year 2021
Interest Expense of Lease Liabilities	**$**	**74**	**62**
Expense of Short-Term Leases	**$**	**2,636**	**2,271**
Expense of Leasing an Asset of Low Value	**$**	**2,196**	**456**

The amount of the lease recognized in the cash flow statement is as follows:

		Year 2022	Year 2021
Total Cash Outflow From Leasing	**$**	**1,848**	**1,849**

(15) Long-Term Loan

		December 31, 2022	December 31, 2021
Unsecured Bank Loan	$	29,097	36,939
Minus: Part Due within One Year		(8,658)	(7,899)
Total	**$**	**20,439**	**29,040**
Unused Credit	$	-	-
Range of Interest Rates		**2.346%~3.07%**	**1.000%~1.845%**

(16) Employee Benefits

Defined Contribution Plan

In accordance with the provisions of the Labor Pension Act, the definitional contribution plan of the consolidated company shall be allocated to the labor pension individual account of the Bureau of Labor Insurance at a contribution rate of 6% of the monthly wages of the labors. Under the scheme, there is no statutory or constructive obligation on the part of the consolidated company to pay any additional amount after a fixed contribution has been made to the Bureau of Labor Insurance. The consolidated company expects to determine pension costs under the pension scheme of NT$ 1,302 thousand and NT$ 1,043 thousand respectively in 2022 and 2021, which have been allocated to the Bureau of Labor Insurance.

(17) Income Tax

1. Income Tax Expense

The income tax expense of the consolidated company in 2022 and 2021 is detailed as follows:

		Year 2022	Year 2021
Current Income Tax Expense (Interest)			
Current period activities	$	5,783	1,370
Occurrence of Previous Years		-	(2)
Deferred Income Tax Expense (Interest)			
Occurrence and Reversal of Temporary Differences		(4,766)	(13,555)
Original Occurrence and Reversal of Tax Losses		4,766	13,555
Income Tax Expense (Interest)	**$**	**5,783**	**1,368**

The details of income tax expense recognized under other consolidated profit or loss of the consolidated company in 2022 and 2021 are as follows:

		Year 2022	Year 2021
Items That May Be Subsequently Reclassified as Profit or Loss			
Exchange Differences on Conversion of the Financial Statements of Foreign Operation	**$**	**1,557**	**-**

2. The relationship between income tax expense (interest) and pre-tax net profit of the consolidated company in 2022 and 2021 is adjusted as follows:

		Year 2022	Year 2021
Net Profit Before Tax	**$**	**29,393**	**3,460**
Income Tax Calculated According to the Domestic Tax Rate at the Locality of the Consolidated Company	$	8,971	2,405
Surtax on Undistributed Retained Earnings		1,205	54
Permanent Difference		(5,255)	(16,842)
Occurrence of Previous Years		(22)	(2)
Changes in Tax Losses on Deferred Tax Assets Not Recognized		4,654	13,147
Changes of Temporary Differences Not Recognized		(3,770)	2,606
	$	**5,783**	**1,368**

3. Deferred Income Tax Assets and Liabilities

(1) Unrecognized Deferred Income Tax Assets

Items not recognized as deferred income tax assets of the consolidated company are as follows:

		December 31, 2022	December 31, 2021
Deductible Temporary Differences	**$**	**102,798**	**106,388**
Levy Loss	**$**	**55,521**	**56,410**

According to the provisions of the Income Tax Act, tax loss shall be deducted from the net profit of the preceding ten years after the approval of the tax inspection authority. This item has not been recognized as a deferred income tax asset because it is unlikely that the Company will have sufficient tax income to cover the temporary difference in the future.

As of December 31, 2022, the Company has not recognized the tax loss on deferred income tax assets. The deduction period is as follows:

Deficiency Year		Deficits Not Yet Deducted	Final Year of Deduction
Approvals in 2016	$	13,407	2026
Approvals in 2017		27,403	2027
Approvals in 2018		57,654	2028
Approvals in 2019		115,717	2029
Approvals in 2020		274	2030
Declarations in 2021		40,148	2031
Estimates in 2022		23,001	2032
Total	**$**	**277,604**	

(2) Recognized Deferred Income Tax Assets and Liabilities

The changes of deferred tax assets (liabilities) in 2022 and 2021 are as follows:

2022

		Opening Balance	Recognized as Profit or Loss	Recognized in Other Consolidated Profit or Loss	Ending Balance
Temporary Differences					
Exchange Differences on Conversion of the Financial Statements of Foreign Operation	$	(1,900)	-	1,557	(343)
Deferred Income Tax Expense			-	1,557	
Net Deferred Income Tax	$	(1,900)			(343)
The information expressed in the balance sheet is as follows:					
Deferred Income Tax Liabilities	$	(1,900)			(343)

2021

		Opening Balance	Recognized as Profit or Loss	Recognized in Other Consolidated Profit or Loss	Ending Balance
Temporary Differences					
Exchange Differences on Conversion of the Financial Statements of Foreign Operation	$	(1,900)	-	-	(1,900)
Deferred Income Tax Expense			-	-	
Net Deferred Income Tax	$	(1,900)			(1,900)
The information expressed in the balance sheet is as follows:					
Deferred Income Tax Liabilities	$	(1,900)			(1,900)

4. Income Tax Approval Status

The business income tax settlement declaration of the consolidated company has been approved by the tax inspection authority until 2020.

(18) Capital and Other Equities

1. Share Capital

December 31, 2022 and 2021, the total rated share capital of the Company is NT$ 2,050,000 thousand, with NT$ 10 par value per share in the amount of 205,000 thousand shares. The issued shares are 19,534 thousand shares and 16,111 thousand shares respectively. The proceeds of all issued shares have been collected.

On June 18, 2020, the Company decided by the Board of Shareholders that in order to make up the losses and improve the financial structure, the paid-up capital will be reduced by NT$ 958,292 thousand, and the issued shares will be cancelled by 95,829 thousand shares, with a capital reduction ratio of about 86.07176%. The capital reduction plan has been approved by the Financial Supervisory Commission, and July 22, 2020 is taken as the base date for the capital reduction, and the capital change registration shall be approved by the competent authority on August 5, 2020.

As of December 31, 2021, the Company received an advance payment of NT$ 22,650 thousand, including 1,500 common shares, due to the execution of stock option conversion by employees. As of December 31, 2022, the change registration has been completed. From January 1, 2022 to December 31, 2022, the Company received a total of NT$ 32,480 thousand for 2,151,000 converted shares due to the employee's exercise of stock options, among which 1,923 thousand shares have been transferred to common stock and have completed the registration of change. As of December 31, 2022, shares received in advance of NT$ 3,443 thousand, including 228 thousand ordinary shares, which have not yet completed the registration of changes.

2. Capital surplus

The Company's capital reserve balance is as follows:

		December 31, 2022	**December 31, 2021**
Common Share Capital Premium	$	56,571	38,603
Compensatory Cost Recognized for Employee Stock Option		8,254	8,695
The Difference Between the Equity Price and Book Value of the Subsidiary Actually Acquired or Disposed of		10,142	-
Total	**$**	**74,967**	**47,298**

In accordance with the provisions of the Company Act, after the capital reserves need to be first used to cover losses, the company may issue new shares or cash out of the realized capital reserves according to the proportion of the shareholders' original shares. The term "realized capital reserves" as mentioned in the preceding paragraph includes the excess of income from issuing shares above par value and income from receiving gifts. The total amount of the capital reserve that may be allocated as capital in accordance with the issuer's standards for handling the issue of securities shall not exceed 10% of the paid-up capital.

3. Retained Earnings

The Company's earnings distribution or loss allocation and compensation shall be made at the end of each half accounting year. Where the earnings distribution is made in cash, the board of directors shall make a resolution and report to the shareholders' meeting in accordance with Article 228-1 and Item 5 of Article 240 of the Company Act, without submitting it to the shareholders' meeting for recognition.

If there is net profit after tax of the current period in the company's annual general accounts, the accumulated losses (including the adjustment of undistributed surplus amount) shall be made up first, and 10% shall be contributed as the legal surplus reserve according to law; except when the legal surplus accumulated has reached the total paid-in capital of the Company. Secondly, special reserve should be allocated or reversed according to laws, regulations, or the competent authority's stipulation. The board of directors shall, together with the undistributed surplus earnings at the beginning of the period (including adjusting the amount of the undistributed earnings), draft a proposal for the surplus appropriation.

The dividend policy of the Company is based on the current and future development plan, considering the investment environment, capital needs and foreign competition conditions, and considering the equities of shareholders and other factors, so as to allocate no less than 30% of the distributable surplus to shareholders every year. However, if the accumulated distributable surplus is not less than 10% of the paid-in share capital, it may not be distributed. Dividends may be paid in cash or shares to shareholders, in which the cash dividend shall not be less than 50% of the total dividend.

4. Surplus Distribution

(1) On June 24, 2022, the Company passed the 2021 earnings distribution plan by the shareholders' meeting, and the amount of dividend distributed to the owners is NT$ 0.2 per share cash dividend. As the number of shares entitled to participate in the distribution changes due to the exercise of the employee's stock option warrants to subscribe for common stock, the board of directors of the Company authorized the Chairman of the Boar to adjust the dividend rate of cash dividends according to the ratio. After the adjustment, the amount of dividend to be distributed to the owner is NT$ 0.19 per share of cash dividends. On August 30, 2021, the shareholders' meeting approved the 2020 annual surplus distribution plan, and there is no amount of dividends distributed to the owners.

(2) Information on the Company's surplus earnings distribution plan for the past year can be found at the Market Observation Post System.

5. Other Equities (Net Amount After Tax)

		Unrealized Profit or Loss on Financial Assets Measured at Fair Value Through Other Consolidated Profit or Loss	Exchange Differences on Conversion of the Financial Statements of Foreign Operation	Total
January 1, 2022	$	(306)	5,217	4,911
Unrealized Profit or Loss on Financial Assets Measured at Fair Value Through Other Consolidated Profit or Loss		-	-	-
Exchange Differences on Conversion of the Financial Statements of Foreign Operation		-	1,657	1,657
Balance as of December 31, 2022	**$**	**(306)**	**6,874**	**6,568**
January 1, 2021	$	(728)	7,482	6,754
Unrealized Profit or Loss on Financial Assets Measured at Fair Value Through Other Consolidated Profit or Loss		422	-	422
Exchange Differences on Conversion of the Financial Statements of Foreign Operation		-	(2,265)	(2,265)
Balance as of December 31, 2021	**$**	**(306)**	**5,217**	**4,911**

6. Non-Controlling Equity

		Year 2022	Year 2021
Opening Balance	$	40,537	-
Acquisition of Subsidiary		-	38,977
The Difference Between the Equity Price and Book Value of the Subsidiary Actually Acquired or Disposed of		(10,142)	-
Changes in Non-Controlling Interests		(16,979)	-
Shares Attributable to Non-Controlling Equity			
Net Profit on Non-controlled Equity		2,597	1,560
Ending Balance	**$**	**16,013**	**40,537**

(19) Share-Based Payment Plan

Employees of the Company may receive a share-based payment as part of the reward scheme; the transaction in which an employee provides services as consideration for the acquisition of equity is a share-based payment transaction for the delivery of equity.

Employee Share-Based Payment Plan

On May 27, 2019, the Company was approved by the competent authority to issue an Employee Stock Option Warrants of 9,000 units, with each unit entitled to subscribe for 1 common share of the Company. The above employee stock options were granted in full on June 10, 2019 to employees who are officially incorporated in the Japan Company on the basis of subscription eligibility and to full-time employees of the Company who directly or indirectly hold more than 50% of the voting shares of the same invested company. The duration of the stock options is seven years, and the holder of the warrants may exercise a certain percentage of the stock options granted upon the expiration of two years.

The fair value of the options is assessed on the basis of the Black-Scholes-Merton option pricing model at the date of issue, and the parameters and assumptions are set by taking into account the terms and conditions of the contract.

The plan offers stock options for seven years and does not provide a cash settlement option. In the past, the Company has not been in the practice of granting stock options in respect of such programs on a cash settlement basis.

The information related to the aforesaid share-based payment plan is as follows:

Date of Issue of Stock Option Warrant	Number of Units Issued	Ending Total Outstanding Units	Number of Shares for Subscription	The Date on Which Subscribers May Commence to Exercise	Subscription Price (NTD)	Performance Method
2019.6.10	9,000 Thousand Units	3,945 Thousand Units	1,970,000	2021.6.10	$15.10	Issuing New Shares

For the share-based payment plan, the pricing model and assumptions used are as follows:

	Issued Stock Option Warrants on June 10 2019
Expected Dividend Rate	0.00%
Expected Price Volatility	35.08%
Risk-Free Interest Rate	0.613%~0.635%
Stock Option Expected Duration	4.5 years, 5 years, 5.5 years

The expected duration of employee stock options is based on historical information and current expectations and may not necessarily correspond to actual performance. Expected volatility is the historical volatility of a period close to the duration of the option assumed to represent the future trend, although it may not necessarily correspond to actual future results.

Details of the aforementioned stock option plan are as follows:

	Year 2022		**Year 2021**	
	Outstanding Quantity (Unit)	**Weighted Average Exercise Price (NT$)**	**Outstanding Quantity (Unit)**	**Weighted Average Exercise Price (NT$)**
Outstanding Employee Stock Options on January 1	6,396	15.10	8,500	$15.10
Current Granted Employee Stock Options	-	-	-	-
Current Lost Employee Stock Options	(300)	-	-	-
Current Exercised Employee Stock Options	(2,151)	15.10	(2,104)	15.10
Outstanding Employee Stock Options on December 31	3,945	15.10	6,396	15.10
Executable Employee Stock Options on December 31	1,970	15.10	2,146	$15.10

Information of employee stock options issued on May 27, 2019 outstanding as of December 31, 2022 is as follows:

	Outstanding Employee Stock Options	
Issuing Date	**Exercise Price**	**Weighted average remaining term to maturity (years) of outstanding employee stock options:**
2019.6.10	$15.10	6

The Company's authorized employee share-based payment plan costs are as follows:

	Year 2022	**Year 2021**
Expense Recognized as a Result of Share-based Payment Transactions (All of them are based on share-based payment of equity settlement)	$ 70	164

(20) Earnings Per Share

	Year 2022	Year 2021
Basic Earnings Per Share		
Net Profit Attributable to the Company's Common Shareholders	$ **21,013**	**532**
Weighted Average Number of Common Shares Outstanding (Basic)(1,000 shares)	**18,390**	**15,590**
Basic earnings per share (NTD)	$ **1.14**	**0.03**
Diluted Earnings Per Share		
Net Profit Attributable to the Company's Common Shareholders	$ **21,013**	**532**
Weighted Average Number of Common Shares Outstanding (Basic)(1,000 shares)	18,390	15,590
Effect of Employee Stock Option	1,343	3,491
Impact of Employee Compensation	87	-
Weighted Average Number of Common Shares Outstanding (Basic)(1,000 shares)	**19,820**	**19,081**
Diluted Earnings Per Share (NT$)	$ **1.06**	**0.03**

(21) Customer Contractual Revenue

1. The consolidated company's revenue from customer contracts for 2022 and 2021 is broken down as follows:

	Year 2022	Year 2021
Electronic Component Revenue	$ **604,527**	**370,900**
Other Revenue	**-**	**282**
	604,527	**371,182**

2. Details of Customer Contract Revenue:

Revenue Recognition Time Point	Year 2022	Year 2021
Commodities That Are Transferred at a Certain Time Point	$ **604,527**	**371,182**

3. Contractual Liabilities:

	December 31, 2022	December 31, 2021
Commodity Sales	$ **574**	**1,440**

(22) Employee Consideration

If the company makes profits in the year ("profit” refers to profit before deduction of the remuneration paid to employees and the remuneration paid to directors), the company shall allocate not more than 5% of the remuneration paid to employees and the remuneration paid to directors respectively, of which the remuneration of employees shall be allocated no less than 1%. If the Company has accumulated losses (including adjustment of non-distributed amount of surplus), the value to make up for the losses should be set aside first.

The said employee consideration can be paid in the form of stock or cash, and the recipient of the payment include employees of subordinate companies qualifying the conditions set by the Board of Directors. The aforementioned Directors can only be paid in the form of cash.

The consideration of the Company's employee and the consideration of the directors are estimated according to the ratio of the net profit before tax for the current period less the consideration of the employee and the consideration of the directors. If there is any change in the amount after the publication of the annual financial report, it shall be treated according to the change of accounting estimation and be recorded in the next year. The estimated compensation for employees and directors in 2022 is NT$ 1,146 thousand and NT$ 687 thousand respectively, while the estimated compensation for employees and directors in 2021 is NT$ 49 thousand and NT$ 29 thousand respectively. The amount of employee compensation and director compensation actually distributed in 2022 is no different from the amount estimated in the Company's 2021 financial report.

Information on the consideration of our employees and directors and supervisors can be found at the Market Observation Post System.

(23) Non-Operating Income and Expenses

1. Interest Revenue

The The consolidated company's interest income for 2022 and 2021 is as follows:

		Year 2022	Year 2021
Bank Deposit Interest Revenue	$	412	81
Other Interest Revenues		2,134	2,250
	$	**2,546**	**2,331**

2. Other Revenue

The The consolidated company's Other Revenue income for 2022 and 2021 is as follows:

		Year 2022	Year 2021
Rental Revenue	$	1,343	1,351
Dividend Revenue		267	179
Other		1,338	282
	$	2,948	1,812

3. Other Profits and Losses

The The consolidated company's Other gains and losses income for 2022 and 2021 is as follows:

		Year 2022	Year 2021
Foreign Exchange Net Profit (Loss)	$	8,692	(6,599)
Financial Asset Loss Measured at Fair Value Through Profit and Loss		(1,496)	(372)
Interests of Disposal of Investment		253	2,419
Other		(865)	(425)
	$	**6,584**	**(4,977)**

4. Financial Cost

The The consolidated company's Financial Cost income for 2022 and 2021 is as follows:

		Year 2022	Year 2021
Interest Expense on Bank Loans	$	965	515
Interest Expense on Lease Liabilities		74	62
	$	**1,039**	**577**

(24) Financial Instrument

1. Credit Risk

(1) Exposure of Credit Risk

The carrying amount of a financial asset represents the maximum credit exposure amount.

(2) Concentration of Credit Risk

The Company's accounts receivable is mainly from payments for goods from selling goods to customers, all divisions of the Company comply with the credit risk policies, procedure, and control for managing credit risk. The credit risk evaluation of trading counterparties is based on a comprehensive evaluation of the counterparty’s financial condition, credit rating by credit rating institutions, past transaction experiences, current economic environment, and the Company’s internal evaluation criteria. According to the experience of collecting payments from customers, the Company management’s evaluation showed no major credit risk.

2. Liquidity Risk

The following table shows the contract maturity dates of financial liabilities, including estimated interest but excluding the effect of net agreements.

	Carrying Amount	Contract Cash Flow	Under 12 Months	1 - 2 Years	2 - 5 Years	Over 5 Years
December 31, 2022						
Non-Derivative Financial Liabilities						
Floating Interest Rate Instrument	$ 53,772	53,772	32,612	7,265	13,895	-
Non-Interest-Bearing Liabilities	71,320	71,320	71,320	-	-	-
Lease Liabilities	7,519	7,973	1,934	1,674	4,365	-
	$ 132,611	**133,065**	**105,866**	**8,939**	**18,260**	**-**
December 31, 2021						
Non-Derivative Financial Liabilities						
Floating Interest Rate Instrument	$ 44,939	46,603	16,504	9,144	20,955	-
Non-Interest-Bearing Liabilities	82,328	82,328	82,328	-	-	-
Lease Liabilities	1,246	1,260	1,260	-	-	-
	$ 128,513	**130,191**	**100,092**	**9,144**	**20,955**	**-**

The consolidated company does not expect the timing of the occurrence of cash flows through the maturity date analysis will be significantly earlier or the actual amount will significantly differ.

3. Currency Risk

(1) Exposure of Currency Risk

The financial assets and liabilities of the consolidated company exposed to material foreign exchange risk are as follows:

(Unit: Foreign Currency/NT$ 1,000)

	December 31, 2022			**December 31, 2021**		
	Foreign Currency	**Exchange Rate**	**NT$**	**Foreign Currency**	**Exchange Rate**	**NT$**
Financial Assets						
Monetary Items						
USD	$ 5,700	30.70	174,990	5,046	27.67	139,623
RMB	14,290	4.409	63,005	12,109	4.345	52,614
HKD	26	3.941	102	8	3.551	28
SGD	101	22.89	2,312	233	20.46	4,767
Financial Liabilities						
Monetary Items						
USD	825	30.70	25,328	704	27.67	19,480
RMB	4,587	4.409	20,224	6,084	4.345	26,435
HKD	3	3.941	12	2	3.551	7

(2) Sensitivity Analysis

The exchange rate risk of the consolidated company mainly derives from the foreign currency conversion profit or loss of cash and cash equivalents, accounts receivable, and accounts payable, etc. valuated in foreign currency. On December 31, 2022 and 2021, if the NT$ depreciates or appreciates by 5% against the USD, RMB, HKD, KRW, and SGD, and all other factors remain unchanged, the net profit for 2022 and 2021 would increase or decrease by NT$ 9,742 thousand and NT$ 7,556 thousand respectively. The two analyses were based on the same basis.

Due to the variety of functional currencies of the consolidated company, the conversion profit or loss information of monetary items is disclosed by integrated method. Foreign currency conversion Comprehensive income (including realized and unrealized) for 2022 and 2021 were NT$ 8,692 thousand gain and NT$ 6,599 thousand loss respectively.

4. Interest Rate Analysis

The interest rate exposure of the financial assets and financial liabilities of the consolidated company is indicated in the liquidity risk management in this note.

The following sensitivity analysis is based on the risk of interest rate spike of both derivative and non-derivative instruments at the reporting date. For floating rate liabilities, the analysis assumes that the outstanding amount of liabilities at the reporting period is outstanding throughout the year. Internally, the consolidated company report changes to the interest rate that are increased or decreased by 1% to the major management. This means that management evaluates the range of reasonable possible changes of the interest rates.

If interest rates increase or decrease by 1% as at the reporting date, all other variables being unchanged, the net profit of the consolidated company in 2022 and 2021 will be increased or decreased by NT$ 521 and NT$ 449 thousand, mainly due to variable interest rate borrowings of the consolidated company.

5. Fair value information

(1) Categories of Financial Instrument and Fair Value

The carrying amount and fair value (where the fair value level information is included, but the carrying amount of a financial instrument which is not measured by the fair value is a reasonable approximation of the fair value, and where there is unquoted price in the active market and the fair value cannot be reliably measured, the fair value information is not required to be disclosed) of the financial assets and financial liabilities of the the consolidated company are listed as follows:

	December 31, 2022				
		Fair Value			
	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value Through Profit or Loss					
Domestic & Foreign TWSE-Listed (OTC-Listed) Stocks	$ 5,919	5,919	-	-	5,919

	December 31, 2021				
		Fair Value			
	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial Assets at Fair Value Through Profit or Loss					
Domestic & Foreign TWSE-Listed (OTC-Listed) Stocks	$ 6,478	6,478	-	-	6,478

(2) Fair Value Evaluation Techniques for Financial Instruments Measured at Fair Value

(2.1) Non-Derivative Financial Instruments

If a financial instrument has an open quotation in the active market, the open offered price in the active market shall be taken as its fair value. The market prices announced by the TPEX of the central government and the major exchanges judged to be popular securities are the basis of the fair value of listed (counter) equity instruments and debt instruments with active open market quotations.

For financial instruments with no active market, their fair value is estimated by the discounted cash flow model according to the category and nature. The main assumption is that the expected future cash flows to be received by investors are measured by the current exchange rate of foreign currency.

(3) Transition Between Level 1 and Level 2

There is no material transfer of fair value measures between Level 1 and Level 2 for 2022 and 2021 of the the consolidated company.

(4) Schedule of Changes to Level 3

Financial Assets Measured at Fair Value Through Other Consolidated Profit or Loss	**Equity Instruments Without Public Quotation**
January 1. 2021	$ 49,767
Disposed	(50,189)
Recognized in Other Consolidated Profit or Loss	422
December 31, 2021	**$** -
Disposed	-
Recognized in Other Consolidated Profit or Loss	-
December 31, 2022	**$** **-**

(5) Significant Unobservable Input Value Information for Level 3 of Fair Value Level

The equity instrument investment without public offer measured by fair value is the asset acquisition method, which evaluates the overall value of the enterprise according to the assets and liabilities of the appraised object, and comprehensively evaluates the non-control rights reduction and liquidity risks.

(25) Financial Risk Management

1. Summary

The consolidated company is exposed to the following risks as a result of the use of financial instruments:

(1) Credit Risk

(2) Liquidity Risk

(3) Market Risk

This note provides information on the risks of the consolidated company and the consolidated company's objectives, policies. and procedures for measuring and managing risks. For further quantitative disclosures, please refer to these notes in the consolidated financial statements.

2. Risk Management Framework

The financial risk management objectives of the consolidated company are mainly to manage market risks, credit risks and liquidity risks related to operational activities, and to identify, measure and manage such risks according to policies and risk preferences. The consolidated company has established appropriate policies, procedures and internal controls for financial risk management in accordance with the relevant standards, and the important financial activities shall be reviewed by the board of directors in accordance with the relevant standards and internal control system.

During the implementation of the financial management activities, the consolidated company shall strictly comply with the relevant provisions of financial risk management.

In order to reduce and manage related financial risks, the consolidated company is committed to analyzing, identifying and evaluating the possible adverse effects of related financial risk factors on the financial of the consolidated company, and proposing relevant solutions to avoid the adverse factors arising from financial risks.

3. Market Risk

The market risk of the consolidated company is the risk that the fair value or cash flow of the financial instrument may fluctuate due to the change of the market price. Market risk mainly includes exchange rate risk, interest rate risk and other price risk.

In practice, it is rare for a single risk variable to change independently, and the changes of each risk variable are usually correlated. However, the following risk sensitivity analysis does not consider the interaction of related risk variables.

A. Currency Risk

The exchange rate risk of the consolidated company is mainly related to business activities (the currency used for income or expenses is different from the functional currency of the consolidated company) and the net investment of foreign operating institutions.

The foreign currency receivable of the consolidated company is the same as part of the foreign currency payable, and a considerable part of the position will produce a natural hedging effect. In addition, the net investment of foreign operating institutions is strategic investment, therefore, the consolidated company did not hedge against this.

The exchange rate risk of the consolidated company mainly comes from cash, accounts receivable, accounts receivable - affiliate net amount, other receivables, other receivables - affiliate, bank loan, accounts payable and other payables denominated in foreign currencies, which generate foreign currency conversion profit or loss at the time of conversion.

B. Interest Rate Risk

Interest rate risk is the risk that the fair value of financial instruments or future cash flows fluctuate due to changes in market interest rates. The interest rate risk of the consolidated company mainly comes from floating rate loans. The consolidated company manages interest rate risk by maintaining an appropriate floating rate portfolio. The consolidated company regularly assesses risk aversion in line with interest rate views and established risk preference to ensure the most cost-effective risk aversion strategy is adopted.

4. Credit Risk

Credit risk refers to the risk that the trading counterparty fails to fulfill its obligations contained in the contract and causes financial loss. The credit risk of the consolidated company is caused by business activities (mainly notes receivable and accounts) and financial activities (mainly bank deposits and various financial instruments).

All units of the consolidated company follow credit risk policies, procedures and controls to manage credit risk. The credit risk assessment of all trading counterparties is based on the financial position of the trading counterparty, the rating of the credit rating agency, the previous trading experience, the current economic environment and the internal rating criteria of the consolidated company.

The receivables of the consolidated company mainly refer to the payment for sales goods to be received from customers. According to the past collection experience of customers, the management of the consolidated company evaluates that there is no significant credit risk.

The finance department of the consolidated company shall manage the credit risk of bank deposits, fixed income securities and other financial instruments in accordance with the consolidated company policy. There is no significant credit risk due to the fact that the consolidated company's trading object is determined by internal regulatory procedures and is a bank with good credit standing and investment grade financial institutions, corporate organizations and government agencies.

5. Liquidity Risk

Liquidity risk refers to the risk that the consolidated company fails to deliver cash or other financial assets to pay off financial liabilities and fails to fulfill relevant obligations.

The consolidated company manages and maintains sufficient positional cash and equivalent cash to support the operations of the combined company and mitigate the impact of cash flow fluctuations. The management of the consolidated company supervises the use of the bank's financing line and ensures compliance with the terms of the loan agreement.

Bank loan is an important source of liquidity for the consolidated company. As of 2022 and December 31, 2001, the consolidated company's undrawn bank facility was NT $43,420 thousand (US $600 thousand and NT $25,000 thousand) and NT $46,602 thousand (US $600 thousand and NT $30,000).

(26) Capital Management

The Company’s capital management objectives are to secure the Company’s ability to continue as a going concern, maintain the optimal capital structure for reducing the cost of capital, and to provide returns to our shareholders. To maintain or adjust the capital structure, the Company may adjust the amounts of dividends paid to shareholders, return capital to shareholders, or issue new shares or sell assets to reduce the liabilities. The Company manages the assets by routinely evaluating the debt to assets ratio. The Company's capital is stated as “total equity” in the balance sheet, and is also the total assets less the total liabilities.

As of December 31, 2022, the Company's approach to capital management has not changed.

(27) Changes in Liabilities Arising from Financing Activities

The consolidated company's liabilities from financing activities are adjusted as follows:

		January 1. 2022	Cash Flow	Non-Cash Flow	December 31, 2022
Short-Term Loan	$	8,000	15,000	-	23,000
Lease Liabilities		1,246	(1,848)	8,121	7,519
Long-Term Loan		36,939	(7,842)	-	29,097
Liabilities Arising from Financing Activities	**$**	**46,185**	**5,310**	**8,121**	**59,616**

		January 1. 2021	Cash Flow	Non-Cash Flow	December 31, 2021
Short-Term Loan	$	8,000	-	-	8,000
Lease Liabilities		3,117	(1,849)	(22)	1,246
Long-Term Loan		8,611	28,328	-	36,939
Liabilities Arising from Financing Activities	**$**	**19,728**	**26,479**	**(22)**	**46,185**

(28) Business Combination

Acquisition of Trustbond Technology Corp

The consolidated company signed the equity sale and purchase agreement on September 23, 2021, with a total equity price of NT$ 55,682 thousand, and paid the first installment price of NT$ 16,704 thousand on October 1, 2021 to acquire 30% of the equity of Trustbond Technology Corp (hereinafter referred to as Trustbond). The second to fifth instalments of NT$ 38,978 thousand, adjusted for pre-tax profit from 2021 to 2024, will be paid on January 31 of 2022, 2023, 2024 and 2025 respectively. In 2022, the consolidated company will pay the second installment of NT$ 16,978 thousand and NT$ 10,000 thousand in cash to acquire 50.24% of Trustbond Technology Corp. The company is established in Taiwan and its main business is the sales of electronic components. The reason for the consolidated company's acquisition of Trustbond is mainly to expand the scope of the group's business through Trustbond.

The fair values of identifiable assets and liabilities of Trustbond as of the acquisition date are as follows:

		Fair Value as of the Acquisition Date
Assets		
Cash and Cash Equivalents	$	4,821
Bills Receivable		1,544
Accounts Receivable		25,263
Inventories		8,948
Advance Payments		2,883
Other Current Assets		381
		43,840
Liabilities		
Contractual Liabilities		1,585
Accounts Payable		13,436
Other Payables		4,223
Current Income Tax Liabilities		901
Other Current Liabilities		13
		20,158
Net Identifiable Assets	$	23,682

The amounts of goodwill and other intangible assets of Trustbond are as follows:

Cash Consideration	$55,682
Minus: Fair Value of Net Identifiable Assets	(23,682)
Goodwill and Other Intangible Assets	$32,000

The goodwill and other intangible assets of NT$ 32,000 thousand mentioned above include the expected synergies, value of the human team, and customer relationships generated by the acquisition.

From the acquisition date, Trustbond generated revenue of NT$ 97,012 thousand and pre-tax net income of NT$ 3,385 thousand for the fiscal year 2021. If the merger had occurred at the beginning of the fiscal year, it would have generated revenue of NT$ 282,673 thousand and pre-tax net income of NT$ 14,486 thousand for the consolidated company.

The related transaction costs have been expensed and included in the administrative expenses.

7. Transactions with Related Parties

(1) Parent Company and Ultimate Controller

BULL WILL CO LTD (the Company).

(2) Name and Relationship of Related Parties

Name of Related Parties	Relationship with the Company
Serial System LTD (Serial System)	A Company That Adopts the Equity Method to Evaluate a Consolidated Company
BULL WILL TRADING PTE LTD (BWTS)	Related Enterprises
Serial System CO LTD (Serial System)	Company Also Controlled by Serial System
Serial Investment CO LTD (Serial Investment)	Company Also Controlled by Serial System
Serial System (Hong Kong) LTD (Serial System (HK))	Company Also Controlled by Serial System
Serial System Limited (Singapore) (SGX)	Company Also Controlled by Serial System
Serial Microelectronics Information Limited (Serial Information)	Company Also Controlled by Serial System

(3) Major Transactions with Affiliates

1. Operating Income

Major sales amount of the consolidated company to its related parties is as follows:

Name of Related Parties	Year 2022	Year 2021
Related Enterprises	$ 332	583

The sale price and credit conditions of the consolidated company's sales to affiliates are comparable to those of ordinary transactions.

2. Purchase

The amount of purchase by the consolidated company from its related parties is as follows:

Name of Related Parties	Year 2022	Year 2021
Related Enterprises	$ 2	15

There is no material difference in terms of payment for purchases made by the consolidated company to affiliates.

3. Receivable From Related Parties

The details of accounts receivable by the consolidated company's related parties are as follows:

Accounting Items	Name of Related Parties		December 31, 2022	December 31, 2021
Accounts Receivable	Serial Singapore	$	-	66
Accounts Receivable	Serial Information		-	8,378
Other accounts receivable	Serial System		30,833	27,766
Other accounts receivable	BWTS		11,094	10,013
		$	**41,927**	**46,223**

4. Payables from Related Parties

The details of accounts payable by the consolidated company's related parties are as follows:

Accounting Items	Name of Related Parties		December 31, 2022	December 31, 2021
Accounts Payable	Serial System	**$**	**2**	**-**

5. Transactions with Other Related Parties

Accounting Items	Name of Related Parties		Year 2022	Year 2021
Rental Expenditure	Serial System Investment	$	2,258	2,258
Other Revenues - Interest Revenues	Serial System		1,506	1,556
Other Revenues - Interest Revenues	Related Enterprises		628	694
Other Revenues - Rental Revenues	Serial Information		600	600

Accounting Items	Name of Related Parties		December 31, 2022	December 31, 2021
Refundable Deposits	Serial System Investment	$	358	358
Guarantee Deposits Received	Serial Information		100	100

6. Property Transaction

The consolidated company sells financial assets to related parties as follows:

Name of Related Parties	Number of Transaction Shares	Transaction Target	Carrying Amount	Disposal Price
Serial System	530 thousand shares	Strek Corporation Company Limited Preferred Stock	$ 50,189	50,189

In 2021, the consolidated company sold financial assets measured at fair value through other comprehensive profit and loss - current to Serial System Limited, as described in Note 6 (2).

(4) Major Management Transactions

Major management returns include:

	Year 2022	Year 2021
Short-Term Employee Benefits	$ 8,270	9,649
Post-Employment Benefits	195	183
Share-Based Payment	20	46
	$ 8,485	**9,878**

8. Pledged Assets

The book value of the assets pledged by the consolidated company is detailed as follows:

Asset Name	Target of Pledge Guarantees	December 31, 2022	December 31, 2021
Other financial assets - current	Fuel on Credit Purchase and Import Goods Released Before Tax	$ 150	150
Investment property	Short-Term Loan	20,605	20,743
		$ 20,755	**20,893**

9. Major contingent liabilities and unrecognized contractual commitments: None.

10. Major casualty losses: None.

11. Major events after the reporting period: None.

12. Others

(1) The functions of employee benefits, depreciation, depletion, and amortization expenses are summarized as follows:

Function / Property	Year 2022			Year 2021		
	Under Operating Cost	Under Operating Expenses	Total	Under Operating Cost	Under Operating Expenses	Total
Employee Benefits Expenses						
Salary Expenses	20,415	45,986	66,401	22,866	33,582	56,448
Labor and Health Insurance Expenses	1,782	3,901	5,683	1,615	3,434	5,049
Pension Expenses	-	1,302	1,302	-	1,043	1,043
Directors' Remuneration	-	2,034	2,034	-	596	596
Other Employee Benefits Expenses	18	1,410	1,428	70	1,063	1,133
Depreciation Expense	1,239	1,770	3,009	1,245	2,146	3,391
Amortization Expenses	-	2,052	2,052	-	513	513

(2) Securities and Futures Investors Protection Center on February 17, 2017 in accordance with Securities Investor and Futures Trader Protection Act sued Ho Qing-yi, the previous person in charge of the consolidated company, and related people for violating the Securities and Exchange Act and requested for a compensation of NT$ 113,710 thousand. The consolidated company has purchased the liability insurance according to Article 39 of Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies for an insurance amount of USD 5,000 thousand. On May 1, 2019, the court sent a letter stating that on April 24, 2019, the two parties agreed to stop the proceedings. On July 23, 2019, the Securities and Futures Investors Protection Center of the consortium applied for the renewal of the proceedings due to the need to renew the proceedings. On June 11, 2021, the Shiling District Court rejected the claim of the Insurance Center. The Insurance Center has appealed the lawsuit to the Taiwan High Court.

(3) In 2022, COVID-19 spread all over the world, causing some subsidiaries, customers, and suppliers to implement quarantine and travel restrictions. The Company evaluated that there was no major impact on the overall business and financial aspects of COVID-19, and that there were no concerns about the continuing ability, impairment of assets, and financing risk.

13. Additional Disclosure Items

(1) Information on Material Transactions:

In 2022, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the consolidated company shall disclose the following information concerning major transaction items:

1. Capital loan to others: See Table 1 for details.
2. Endorsement for others: None.
3. Marketable securities held period end (excluding investments in subsidiaries, associates, and joint ventures): See Table 2 for details.
4. Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: None.
5. Amount of real estate acquired up to NT$ 300 million or more than 20% of the paid-in capital: None.
6. Disposal of real estate up to NT$ 300 million or more than 20% of paid-in capital: None.
7. The amount of purchase and sale with related parties up to NT$ 100 million or more than 20% of the paid-in capital: See Table 4 for details.
8. Receivables from affiliates of NT$ 100 million or more than 20% of the paid-in capital: None.
9. Engage in derivatives trading: None.
10. Business relations and important transactions between parent and subsidiary companies: See Table 4 for details.

(2) Information related to the reinvestment business:

In 2022, the reinvestment business information of the consolidated company (excluding the invested companies in mainland China) is as follows: See Table 5 for details.

(3) Investment in mainland China: See Table 5 for details.

(4) Information of major shareholders: See Table 7 for details.

14. Department Information

(1) General Information

The major business activities of the consolidated company in 2022 and 2021 were the processing of electronic materials and parts, the import and export of electronic materials and parts, and the sale of television sets, etc. The consolidated company reporting departments include Bull Will Group Incorporation (Bull Will), Bull Will Electronics CO LTD (Bull Will Electronics), Huizhou Jun Chao Electronic CO LTD (Huizhou Jun Chao), Huizhou Bull Will Electronics CO LTD (Huizhou Bull Will), and 6 reporting departments including the closed departments and others.

(2) Information on the profit and loss, assets, liabilities and the basis of measurement and adjustment department to be reported is as follow:

Unit: NTD 1,000

Year 2022	Bull Will	Bull Will Electronics	Huizhou Chunchao	Huizhou Bull Will	Closed Departments	Other	Adjustment and Elimination	Total
Revenue								
From External Revenue	$ 151,131	-	393	93,222	-	359,781	-	604,527
From Inter-Departmental Revenue	44,855	-	110,505	3,649	-	40	(159,049)	-
Interest Revenue	2,327	-	8	22	-	189	-	2,546
Total Revenue	**$ 198,313**	**-**	**110,906**	**96,893**	**-**	**360,010**	**(159,049)**	**607,073**
Interest Expense	$ (651)	-	(59)	-	-	(329)	-	**(1,039)**
Depreciation and Amortization	(1,179)	-	(1,698)	(114)	-	(18)	(2,052)	**(5,061)**
Investment (Loss) Profit Recognized by the Equity Method	32,202	-	-	-	-	62,976	(98,596)	**(3,418)**
Material Income and Expense Items:								
Investment Profit/Loss Disposed	253	-	-	-	-	-	-	**253**
Exchange Profit/Loss	18,443	-	(10,949)	(993)	-	3,862	(1,671)	**8,692**
Departmental (Loss) Profit	**$ 21,013**	**(113)**	**28,601**	**13,703**	**-**	**59,053**	**(98,647)**	**23,610**
Investments Accounted for Using the Equity Method	$ 67,222	-	-	-	-	85,614	(152,836)	-
Assets of the Department to Be Reported	**$ 388,602**	**-**	**22,931**	**60,636**	**-**	**214,926**	**(217,880)**	**469,215**
Liabilities								
Investment Loan Under the Equity Method	$ 67	-	-	-	-	81,409	(81,476)	-
Liabilities of the Department to Be Reported	**$ 82,116**	**-**	**104,341**	**13,070**	**-**	**123,077**	**(175,888)**	**146,716**

Year 2021		Bull Will	Bull Will Electronics	Huizhou Chunchao	Huizhou Bull Will	Closed Departments	Other	Adjustment and Elimination	Total
Revenue									
From External Revenue	$	184,612	-	3,374	83,464	-	99,732	-	371,182
From Inter-Departmental Revenue		1,166	-	102,085	2,403	-	358	(106,012)	-
Interest Revenue		2,307	-	4	10	-	10	-	2,331
Total Revenue	**$**	**188,085**	**-**	**105,463**	**85,877**	**-**	**100,100**	**(106,012)**	**373,513**
Interest Expense	$	(491)	-	(55)	-	-	(31)	-	**(577)**
Depreciation and Amortization		(1,532)	-	(1,850)	(9)	-	-	(513)	**(3,904)**
Investment (Loss) Profit Recognized by the Equity Method		26,354	-	-	-	-	46,591	(71,530)	**1,415**
Material Income and Expense Items:									
Investment Profit/Loss Disposed		-	-	-	-	-	2,419	-	**2,419**
Exchange Profit/Loss		(8,449)	(95)	3,009	243	-	(666)	(641)	**(6,599)**
Departmental (Loss) Profit	**$**	**532**	**(95)**	**6,767**	**15,605**	**-**	**51,326**	**(72,043)**	**2,092**
Investments Accounted for Using the Equity Method	$	22,440	-	-	-	-	70,997	(88,369)	5,068
Capital Expenditure of Non-Current Asset									
Assets of the Department to Be Reported	**$**	**341,248**	**9,295**	**30,915**	**70,647**	**-**	**191,793**	**(217,522)**	**426,376**
Liabilities									
Investment Loan Under the Equity Method	$	(20,633)	-	-	-	-	(129,254)	149,887	-
Liabilities of the Department to Be Reported	**$**	**96,524**	**9,188**	**139,534**	**37,375**	**-**	**169,020**	**(310,526)**	**141,115**

(3) For information on products and services, refer to Note 6 (21).

(4) Regional Information

The information on the differences between the consolidated company is as follows, where revenue is classified based on the geographical location of the customers, while non-current assets are classified based on the geographical location of the assets.

Regions		**Year 2022**	**Year 2021**
Net revenue from external customers:			
Taiwan	$	355,030	156,878
Asia		238,105	189,546
Europe		4,486	24,033
USA		6,906	725
	$	**604,527**	**371,182**

		Year 2022	**Year 2021**
Non-Current Asset:			
Taiwan	$	24,911	23,005
Asia		38,966	33,997
	$	**63,877**	**57,002**

(5) Important Customer Information

The details of customers whose sales amount in 2022 and 2021 fiscal years accounted for more than 10% of the net revenue of the consolidated company are as follows:

		December 31, 2022	**December 31, 2021**
Company A	$	46,595	43,778
Company B		54,553	40,801
Company C		39,001	26,436

Notes (continue) to the Consolidated Financial Statements of BULL WILL CO LTD and Subsidiaries

(all amounts are in NT$ 1,000 unless otherwise indicated)

Table 1: Capital Loan to Others

Unit: NT$ 1,000

Number	Company Providing the Loan	Loan Object	Transaction Items	A Related Party or Not	Current Maximum Balance	Ending Balance (Credits Approved by the Board of Directors)	Actual Dealing Amount	Range of Interest Rates %	Loan and Nature of Funds	Business Transaction Amount	Reasons Necessary for Short-Term Capital Financing	Itemized Allowance Amount for Bad Debts	Collaterals		Capital Loan and Ceiling to Each Individual	Capital Loan and Total Ceiling	Note
													Name	Value			
0	BULL WILL CO LTD	BULL WILL TRADING(S) PTE LTD	Other Accounts Receivable	Yes	10,745	10,745	10,745	6%	2	-	Operating Turnover	-	-	-	122,594	122,594	
0	BULL WILL CO LTD	SERIAL SYSTEM LTD	Other Accounts Receivable	Yes	30,700	30,700	30,700	6%	2	-	Operating Turnover	-	-	-	122,594	122,594	

Note 1: For individual objects, the loan and limit shall not exceed 40% of the total net value of the Company. The loan and limit shall be limited to 40% of the total net value of the Company.

Note 2: The nature of capital loan shall be: 1. Is a business associate or; 2. It is necessary for short-term financing.

Unit: NT$ 1,000

Holding Company	Type and Name of Marketable Securities	Relationship with the Issuer of Marketable Securities	Accounting Subjects	Ending Shares (1,000 shares)	Ending Carrying Amount	Ending Shareholding Ratio %	Ending Fair Value	Note
BULL WILL CO LTD	Stocks -							
	Yulon Finance Corporation	-	Financial Assets Measured at Fair Value Through Profit or Loss - Current	15	2,338	-	2,338	Note 1
	Cathay PHLX Semiconductor Fund	-	Financial Assets Measured at Fair Value Through Profit or Loss - Current	30	679	-	679	〃
	ShareHope Medicine CO LTD	-	Financial Assets Measured at Fair Value Through Profit or Loss - Current	5	169	-	169	〃
	Evergreen International Storage & Transport CORP	-	Financial Assets Measured at Fair Value Through Profit or Loss - Current	22	612	-	612	〃
	DingZing Advanced Materials INC	-	Financial Assets Measured at Fair Value Through Profit or Loss - Current	1	60	-	60	〃
	JPP Holding CO LTD	-	Financial Assets Measured at Fair Value Through Profit or Loss - Current	3	203	-	203	〃
	Yuanta U.S. 20+ Year BBB Corporate Bond ETF Fund	-	Financial Assets Measured at Fair Value Through Profit or Loss - Current	22	772	-	772	〃
	Yao Sheng Electronic CO LTD	-	Financial Assets Measured at Fair Value Through Profit or Loss - Current	6	293	-	293	〃
	KING CHOU MARINE TECHNOLOGY	-	Financial Assets Measured at Fair Value Through Profit or Loss - Current	8	308	-	308	〃
	ICP DAS CO LTD	-	Financial Assets Measured at Fair Value Through Profit or Loss - Current	4	338	-	338	〃
	Formosa Laboratories INC	-	Financial Assets Measured at Fair Value Through Profit or Loss - Current	2	147	-	147	〃
	Japan Bull Will Group Incorporation	-	Financial Assets Measured at Fair Value Through Other Comprehensive Income - Non-Current	-	-	18.00	-	

Note 1: The market price is the closing price on the listing date of December 31, 2022, on the TWSE & TPEx.

Note: The foregoing transactions were written off at the time of preparation of the consolidated financial statements.

Notes (continue) to the Consolidated Financial Statements of BULL WILL CO LTD and Subsidiaries

(all amounts are in NT$ 1,000 unless otherwise indicated)

Table 3: The amount of purchase and sale with related parties up to NT$ 100 million or more than 20% of the paid-in capital.

Unit: NT$ 1,000

Purchase (Sale) Companies	Counterparty	Relationship	Transacting Status				Status and Reasons Why Trading Terms Are Different from Ordinary Trading Terms		Bills and Accounts Receivable (Payable)		Note
			Purchase (Sale) of Goods	Amount	The Ratio (%) of Total Purchase (Sale)	Credit Period	Unit Price	Credit Period	Balance	The Ratio % of Bills and Accounts Receivable (Payable)	
BULL WILL CO LTD	Huizhou Jun Chao Electronic CO LTD	Subsidiar	Purchase	70,770	14.36%	Normal	Normal	Normal	-	-%	

Note: The foregoing transactions were written off at the time of preparation of the consolidated financial statements.

Notes (continue) to the Consolidated Financial Statements of BULL WILL CO LTD and Subsidiaries

(all amounts are in NT$ 1,000 unless otherwise indicated)

Table 4: Business Relations and Important Transactions Between Parent and Subsidiary C — Unit: NT$ 1,000

Number (Note 1)	Transactor Name	Transacting Objects	Relationship With the Transactor (Note 2)	Transacting Status			
				Account	Amount (Note 3)	Transacting Condition	Percentage of the Consolidated Total Revenue or Total Assets
	January 1 to December 31						
0	BULL WILL CO LTD	Hong Kong Bull Will Holdings	1	Other Accounts Receivable	44	Collection and Payment On Behalf of Others, etc.	0.01 %
0	BULL WILL CO LTD	BULL WILL Electronics CO LTD	1	Operating Income	-	Trading Conditions Are the Same as General Trading	-
0	BULL WILL CO LTD	BULL WILL Electronics CO LTD	1	Accounts Receivable	-	—	-
0	BULL WILL CO LTD	BULL WILL Electronics CO LTD	1	Other Accounts Receivable	-	Collection and Payment On Behalf of Others, etc.	-
0	BULL WILL CO LTD	Huizhou Bullwill Electronic CO LTD	1	Operating Income	190	Trading Conditions Are the Same as General Trading	0.03 %
0	BULL WILL CO LTD	Huizhou Bullwill Electronic CO LTD	1	Sales Return	0	Trading Conditions Are the Same as General Trading	-
0	BULL WILL CO LTD	Huizhou Bullwill Electronic CO LTD	1	Accounts Receivable	320	—	0.07 %
0	BULL WILL CO LTD	Huizhou Bullwill Electronic CO LTD	1	Other Accounts Receivable	-	Collection and Payment On Behalf of Others, etc.	-
0	BULL WILL CO LTD	Huizhou Jun Chao Electronic CO LTD	1	Operating Income	41,581	Trading Conditions Are the Same as General Trading	6.89 %
0	BULL WILL CO LTD	Huizhou Jun Chao Electronic CO LTD	1	Sales Return	(95)	Trading Conditions Are the Same as General Trading	(0.02)%
0	BULL WILL CO LTD	Huizhou Jun Chao Electronic CO LTD	1	Accounts Receivable	31,283	—	6.67 %
0	BULL WILL CO LTD	Huizhou Jun Chao Electronic CO LTD	1	Other Accounts Receivable	-	Collection and Payment On Behalf of Others, etc.	-
0	BULL WILL CO LTD	Huizhou Jun Chao Electronic CO LTD	1	Advance Payments	33,092	—	7.05 %
0	BULL WILL CO LTD	Dongguan Zhao Kang Electronic CO LTD	1	Operating Income	434	Trading Conditions Are the Same as General Trading	0.07 %
0	BULL WILL CO LTD	Dongguan Zhao Kang Electronic CO LTD	1	Sales Return	-	Trading Conditions Are the Same as General Trading	-
0	BULL WILL CO LTD	Dongguan Zhao Kang Electronic CO LTD	1	Accounts Receivable	570	—	0.12 %
0	BULL WILL CO LTD	Trustbond Technology Corp	1	Operating Income	2,745	Trading Conditions Are the Same as General Trading	0.45 %
0	BULL WILL CO LTD	Trustbond Technology Corp	1	Other Revenue	4,800	—	0.79 %
0	BULL WILL CO LTD	Trustbond Technology Corp	1	Other Accounts Receivable	420	Collection and Payment On Behalf of Others, etc.	0.09 %
1	BULL WILL Electronics CO LTD	Hong Kong Serial Investment CO LTD	3	Other Revenue	9,728	—	1.61 %
2	Huizhou Bullwill Electronic CO LTD	Dongguan Zhao Kang Electronic CO LTD	3	Operating Income	3,998	Trading Conditions Are the Same as General Trading	0.66 %
2	Huizhou Bullwill Electronic CO LTD	Dongguan Zhao Kang Electronic CO LTD	3	Sales Return	(448)	Trading Conditions Are the Same as General Trading	(0.07)%
2	Huizhou Bullwill Electronic CO LTD	Dongguan Zhao Kang Electronic CO LTD	3	Accounts Receivable	4,330	—	0.92 %
2	Huizhou Bullwill Electronic CO LTD	Dongguan Zhao Kang Electronic CO LTD	3	Other Accounts Receivable	644	Collection and Payment On Behalf of Others, etc.	0.14 %
2	Huizhou Bullwill Electronic CO LTD	Huizhou Jun Chao Electronic CO LTD	3	Operating Income	148	Trading Conditions Are the Same as General Trading	0.02 %
2	Huizhou Bullwill Electronic CO LTD	Huizhou Jun Chao Electronic CO LTD	3	Sales Return	(48)	Trading Conditions Are the Same as General Trading	(0.01)%
2	Huizhou Bullwill Electronic CO LTD	Huizhou Jun Chao Electronic CO LTD	3	Other Accounts Receivable	2	Collection and Payment On Behalf of Others, etc.	0.00 %
3	Huizhou Bullwill Electronic CO LTD	Dongguan Zhao Kang Electronic CO LTD	3	Sales Return	0	Trading Conditions Are the Same as General Trading	-
2	Huizhou Bullwill Electronic CO LTD	BULL WILL Electronics CO LTD	3	Other Revenue	919	—	0.15 %
2	Huizhou Bullwill Electronic CO LTD	Hong Kong Serial Investment CO LTD	3	Other Revenue	7,262	—	1.20 %
3	Huizhou Jun Chao Electronic CO LTD	BULL WILL CO LTD	2	Operating Income	110,357	Trading Conditions Are the Same as General Trading	18.26 %
3	Huizhou Jun Chao Electronic CO LTD	BULL WILL CO LTD	2	Sales Return	(11)	Trading Conditions Are the Same as General Trading	(0.00)%
3	Huizhou Jun Chao Electronic CO LTD	Hong Kong Serial Investment CO LTD	3	Other Revenue	1,354	—	0.22 %
3	Huizhou Jun Chao Electronic CO LTD	BULL WILL Electronics CO LTD	3	Other Revenue	9,403	—	1.56 %
3	Huizhou Jun Chao Electronic CO LTD	Huizhou Bullwill Electronic CO LTD	3	Operating Income	193	Trading Conditions Are the Same as General Trading	0.03 %
4	Huizhou Jun Chao Electronic CO LTD	Huizhou Bullwill Electronic CO LTD	3	Sales Return	0	Trading Conditions Are the Same as General Trading	-
3	Huizhou Jun Chao Electronic CO LTD	Huizhou Bullwill Electronic CO LTD	3	Sales Return	(33)	Trading Conditions Are the Same as General Trading	(0.01)%
3	Huizhou Jun Chao Electronic CO LTD	Huizhou Bullwill Electronic CO LTD	3	Accounts Receivable	75	—	0.02 %
3	Huizhou Jun Chao Electronic CO LTD	Huizhou Bullwill Electronic CO LTD	3	Other Accounts Receivable	189	Collection and Payment On Behalf of Others, etc.	0.04 %
4	Huizhou Jun Chao Electronic CO LTD	Dongguan Zhao Kang Electronic CO LTD	3	Operating Income	-	Trading Conditions Are the Same as General Trading	-
5	Dongguan Zhao Kang Electronic CO LTD	BULL WILL CO LTD	2	Operating Income	-	Trading Conditions Are the Same as General Trading	-
5	Dongguan Zhao Kang Electronic CO LTD	BULL WILL CO LTD	2	Other Accounts Receivable	-	Collection and Payment On Behalf of Others, etc.	-
3	Huizhou Jun Chao Electronic CO LTD	Huizhou Bullwill Electronic CO LTD	3	Other Revenue	9,789	—	1.62 %
3	Huizhou Jun Chao Electronic CO LTD	Dongguan Zhao Kang Electronic CO LTD	3	Other Revenue	6,162	—	1.02 %
4	Dongguan Zhao Kang Electronic CO LTD	BULL WILL CO LTD	2	Operating Income	26	Trading Conditions Are the Same as General Trading	0.00 %
4	Dongguan Zhao Kang Electronic CO LTD	Huizhou Bullwill Electronic CO LTD	3	Operating Income	14	Trading Conditions Are the Same as General Trading	0.00 %
4	Dongguan Zhao Kang Electronic CO LTD	BULL WILL Electronics CO LTD	3	Other Revenue	61	—	0.01 %
4	Dongguan Zhao Kang Electronic CO LTD	Huizhou Jun Chao Electronic CO LTD	3	Accounts Receivable	42	—	0.01 %
4	Dongguan Zhao Kang Electronic CO LTD	Huizhou Jun Chao Electronic CO LTD	3	Other Accounts Receivable	23,401	Collection and Payment On Behalf of Others, etc.	4.99 %

Note 1: Information about the business transactions between the parent company and the subsidiary company shall be indicated in the number column respectively. The number shall be entered as follows:

1. Enter 0 for parent company.
2. The subsidiaries shall be numbered in numerical order starting from the Arabic numeral 1.

Note 2: There are three types of relationships with a trader, just mark the category:

1. Parent company vs subsidiary company.
2. Subsidiary company vs parent company.
3. Subsidiary company vs subsidiary company

Note 3: This Table discloses only one-way transaction information which has been written off in the consolidated financial statements.

Table 5: Name of investee, location …… and other relevant information (excluding mainland Chinese investees):

Unit: NT$ 1,000

Name of Investment Company	Name of Investee	Location	Main Business Items	Original Investment Amount		Held at the End of the Period			The Investee's Current (Loss) Profit	Investment (Loss) and Profit Recognized Investment (Loss) Gain	Note
				End of Current Period	End of Last Year	Shares	Ratio %	Carrying Amount			
BULL WILL CO LTD	Hong Kong Bull Will Holdings	Hong Kong	General Investment Business	$385,105 (HKD 95,765 USD 355)	385,105 (HKD 95,765 USD 355)	11,619	100.00	2,181	23,071	23,071	Subsidiary
	Trustbond Technology Corp	Taiwan	Electronic Components Sales	43,682	16,704	1,605	80.24	65,041	15,197	10,549	Subsidiary
	BULL WILL TRADING(S) PTE LTD	Singapore	Sand and Gravel Sales	-	959 (SGD 43)	-	-	-	-	(3,418)	Equity Method Investee Note
Hong Kong Bull Will Holdings	Hong Kong Serial Investment CO LTD	Hong Kong	General Investment Business	385,097 (HKD 95,765 USD 355)	385,097 (HKD 95,765 USD 355)	11,619	100.00	2,180	23,072	23,072	Subsidiary
Hong Kong Serial Investment CO LTD	BULL WILL Electronics CO LTD	British Virgin Islands	Agent for the Company's Products and Manufacturing	106,660 (HKD 26,550)	106,660 (HKD 26,550)	3	100.00	-	(113)	(113)	Subsidiary

Note 1: The Company disposed of 30% of BULL WILL TRADING(S) PTE LTD in 2022.

Notes (continue) to the Consolidated Financial Statements of BULL WILL CO LTD and Subsidiaries

(all amounts are in NT$ 1,000 unless otherwise indicated)

Table 6.: Investment Information on Mainland China

1. Name of the invested company in mainland China, main business items, paid-up capital, investment method, capital inward and outward remittance, investment profit and loss, book value of the ending investment, and investment profit and loss repatriated:

Unit: NT$ 1,000

Name of Investee Company in Mainland China	Main Business Item	Paid-Up Capital	Investment Method	Accumulated Investment Amount Remitted from Taiwan at the Beginning of the Current Period	Amount of Investment Remitted or Recovered in the Current Period		Accumulated Investment Amount Remitted from Taiwan at the Ending of the Current Period	The Investee's Current Profit and Loss	Shareholding Ratio of the Company's Direct or Indirect Investments	Investment Profit or Loss Recognized at Current Period	Ending Book Value of Investments	Investment Income Remitted to Taiwan as of the Current Period	Note
					Remitted	Recovered							
Huizhou Chunchao Electronics CO LTD	Agent for the Company's Products and Manufacturing	$51,403 (HKD 13,000)	(II)	47,151 (HKD 12,050)	-	-	47,151 (HKD 12,050)	28,601	100%	28,601	(81,409)	-	
Dongguan Zhao Kang Electronic CO LTD	Agent for the Company's Products and Manufacturing	35,738 (HKD 9,000)	(II)	35,738 (HKD 9,000)	-	-	35,738 (HKD 9,000)	(2,286)	100%	(2,286)	35,868	-	
Huizhou Bull Will Electronics	Agent for the Company's Products and Manufacturing	19,102 (HKD 5,000)	(II)	19,102 (HKD 5,000)	-	-	19,102 (HKD 5,000)	13,703	100%	13,703	47,566	-	

Note 1: The current investment profits and losses are recognized on the basis of financial statements verified by accountants.

Note 2: Investment methods can be divided into the following four categories, simply mark the category:

(I) Through the third region remittance investment mainland company.

(II) Reinvest in the mainland company by establishing a company through the third region investment.

(III) Reinvest in mainland by reinvesting in existing companies in the third region.

(IV) Other methods.

2. Investment Ceiling in Mainland China:

Aggregate Amount at the End of the Period Remitted from Taiwan Investment Amount in Mainland China	Investment Commission, MOEA Approved Investment Amount	In accordance with Investment Commission, MOEA Investment Ceiling in Mainland China
308,828 (USD 700, HKD 72,910)	308,828 (USD 700, HKD 72,910)	183,892

Notes (continue) to the Consolidated Financial Statements of BULL WILL CO LTD and Subsidiaries

(all amounts are in NT$ 1,000 unless otherwise indicated)

Table 7: Information of Major Shareholders

Shares Name of Substantial Shareholders	Number of Shares	Shareholding Ratio
Shun-Fa Cho	3,788,481	19.17%
Mega International Commercial Bank With the Custody o	2,666,474	13.49%
Fu-Tian Xie	1,559,963	7.89%

Note: (1) The information of major shareholders in this table refers to the information calculated by the company on the last business day at the end of each quarter of the total number of common shares and special shares held by the company which have been delivered without physical registration (including treasury stocks) by the shareholders. As for the capital stock recorded in the company's financial report and the number of shares actually delivered without physical registration, the calculation basis may be different or has differences..

Note: (2) If the above information belongs to the shareholders who have entrusted their shares to the trust, it is revealed by the trustor who opened a special trust account with the trustee. As for the stock ownership declaration made by a shareholder who holds more than 10% of the shares of an insider pursuant to the Securities and Exchange Act, his stock ownership includes his own stock ownership plus the shares he has entrusted to the trust and has the right to use the trust property, etc. Please refer to the Market Observation Post System for insider equity filing information.