

Stock Code: 6259



BULL WILL CO LTD

2022 Annual Report

Reference of the Annual Report, see website:

<https://mops.twse.com.tw>

<http://www.bullwill.com.tw>

P r i n t e d o n M a y 2 5 , 2 0 2 3

The Company's annual report is printed on recycled environmental paper, together we are making a contribution to protect the earth's environment!

1. Spokesperson

Name: Wei-Chang Lo

Job Title: Chief Financial Officer

Tel: (02) 8792- 7788

Email: grant@bullwill.com.tw

Acting Spokesperson

Name: Li-Ju Hung

Job Title: Audit Supervisor

Tel: (02) 8792- 7788

Email: liju@bullwill.com.tw

2. Address and Telephone Number of Head Office

Head Office Add: 3F., No. 199, Ruihu St., Neihu Dist., Taipei City 114

Tel: (02) 8792- 7788

3. Name, Address, Website, and Phone Number of the Stock Transfer Agency

Name: Mega Securities CO LTD / Department of Stock Affairs Agent

Add: 1F., No. 95, Sec. 2, Zhongxiao E. Rd., Zhongzheng Dist., Taipei City 100

Tel: (02) 3393- 0898

Web: <http://www.emega.com.tw>

4. Name, Firm Name, Address, Web Site and Telephone Number of the Cpa of the Most Recent Annual Financial Report

Names of CPA: Andrea Kuo, Jessie Young

CPA Firm: Moore Stephens DaHua (Taiwan) CPAs

Add: No. 36-9, Fuxing South Road, Sec. 1, Taipei 104

Tel: (02) 2321- 7666

Web: <http://www.msdahua.com/>

5. Name of trading place where overseas marketable securities are listed for trading and how to obtain information about the overseas marketable securities: None

6. Company's Website: <http://www.bullwill.com.tw>

BULL WILL CO LTD

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1. Report to Shareholders

In 2022, under the efforts of all colleagues, Bull Will was facing many challenges in the market environment, and continued to enhance competitiveness. In the magnetic components related application field, in addition to the business side of the active promotion and development, the cost control aspect of the company was also synchronous, and was committed to improve the efficiency of the factory and reduced material loss. In addition, in order to expand its business scope, the company acquired the electronic distributor Trustbond Technology Corp to contribute to the performance and profits of Bull Will and improve the overall performance. The operating results of 2022 are as follows:

The Company's revenue for 2022 was NT\$ 195,986 thousand, an increase of NT\$ 10,208 thousand, or 5.49%, compared to the revenue of NT\$ 185,778 thousand in 2021. For the consolidated revenue, the revenue in 2022 was NT\$ 604,527 thousand, an increase of NT\$ 233,345 thousand, or 62.87%, compared with the revenue in 2021 of NT\$ 371,182 thousand. The gross operating profit in 2022 was 57.01% higher than that in 2021. In 2022, the net profit after tax amounted to NT\$ 21,013 thousand, representing an increase of NT\$ 532 thousand compared to the net profit after tax of 2021. This indicates a substantial profit growth of approximately 3,849.81%. The significant increase in profit can be attributed to several factors, primarily including the growth in revenue for 2022, reduction in operating expenses, and the appreciation of the US dollar resulting in increased gains from foreign exchange transactions.

1. 2022 Annual Business Results

(1) Business Plan Implementation Results

*Individual Financial Report

Unit: NTD 1,000

Item	2022 Amount	2021 Amount	% Increase or Decrease
Operating Income	195,986	185,778	5.49
Operating Cost	(181,811)	(164,244)	10.70
Realized (Unrealized) Gain From Sales	15	(18)	183.33
Operating Margin	14,190	21,516	34.05
Operating Expenses	(47,764)	(42,370)	12.73
Operating Loss	(33,574)	(20,854)	61.00
Non-Operating Income Net (Loss) Income	55,216	21,754	153.82
Net Profit (Loss) Before Tax	21,642	900	2,304.67
Current Net Profit (Loss)	21,013	532	3,849.81
Current Other Comprehensive Income (Net Amount After Tax)	1,657	(1,843)	189.91
Current Total Comprehensive Profit and Loss	22,670	(1,311)	1,829.21

*Consolidated Financial Statements

Unit: NTD 1,000

Item	2022 Amount	2021 Amount	% Increase or Decrease
Operating Income	604,527	371,182	62.87
Operating Cost	(492,688)	(299,953)	64.26
Operating Margin	111,839	71,229	57.01
Operating Expenses	(90,067)	(67,773)	32.90
Operating Profit (Loss)	21,772	3,456	529.98
Non-Operating Income Net (Loss) Income	7,621	4	190,425.00
Net Profit (Loss) Before Tax	29,393	3,460	749.51

Current Net Profit (Loss)	23,610	2,092	1,028.59
Current Other Comprehensive Income (Net Amount After Tax)	1,657	(1,843)	189.91
Current Total Comprehensive Profit and Loss	25,267	249	10,047.39
Net Income (Loss) Attributed to: Owners of the Parent Company	21,013	532	3,849.81
Net Profit (Loss) Attributable to: Non-Controlling Interests	2,597	1,560	66.47
Total Comprehensive Income (Loss) Attributable to: Owners of the Parent Company	22,670	(1,311)	1,829.21
Total Comprehensive Income Attributable to: Non-Controlling Interests	2,597	1,560	66.47

1. The consolidated operating revenue for 2022 was NT\$ 604,527 thousand, an increase of NT\$ 233,345 thousand from the consolidated operating revenue of NT\$ 371,182 thousand in 2021, mainly due to the incorporation of Trustbond's performance, which resulted in the Company's revenue increasing by 62.87% compared to last year.

2. In 2022, the consolidated operating profit was NT\$ 21,772 thousand, compared with the consolidated operating interest of NT\$ 3,456 thousand in 2021. The increase in operating profit of NT\$ 18,316 thousand was mainly due to the incorporation of Trustbond's performance and cost reduction, resulting in the overall profit increase.

3. In 2022, the consolidated net amount of non-operating income and expenses totaled NT\$ 7,621 thousand, which is a significant increase of NT\$ 7,617 thousand compared to the consolidated net amount of non-operating income and expenses of NT\$ 4 thousand in 2021. The primary reason for this increase is the appreciation of the US dollar, resulting in higher gains from foreign exchange transactions in the non-operating income and expenses category.

(2) Budget implementation: The Company does not need to announce the financial forecast in 2022.

(3) Financial income and profitability analysis

* Individual Financial Report

Annual Financial Report				
Year Analysis Items			Financial Analysis	
			Year 2022	Year 2021
Financial Structure	Debt to Assets Ratio (%)		21.13	28.29
	Ratio of Long-term Capital to Fixed Assets (%)		8,596.78	12,330.74
Profitability Capacity	Rate of Return on Assets (%)		5.90	0.28
	Rate of Return on Shareholder Equity (%)		7.62	0.23
	Proportion of Ratio of Paid-In Capital (%)	Operating Profit	(17.19)	(12.94)
		Net Profit	11.08	0.56

		Before Tax		
	Net Profit Margin (%)		10.72	0.29
	After-Tax Earnings Per Share (\$)		1.14	0.03

*Consolidated Financial Statements

Year			Financial Analysis	
Analysis Items			Year 2022	Year 2021
Financial Structure	Debt to Assets Ratio (%)		31.27	33.10
	Ratio of Long-term Capital to Fixed Assets (%)		5,503.91	8,877.38
Profitability Capacity	Rate of Return on Assets (%)		5.46	0.71
	Rate of Return on Shareholder Equity (%)		7.77	0.84
	Proportion of Ratio of Paid-In Capital (%)	Operating Profit	11.15	2.15
		Net Profit Before Tax	15.05	2.15
	Net Profit Margin (%)		3.91	0.56
	After-Tax Earnings Per Share (\$)		1.14	0.03

(4) Research and Development Status

Bull Will R&D unit continues to integrate the Company's engineering and technical resources, provide customized product design services as the goal, and continue to develop high reliability and high performance PFC Chokes.

2. Summary of 2023 Business Plan

(1) Business guidelines

1. The Company has actively searched for strategic partner: To expand the business scope, the Company, guided by experts from the industry and securities underwriters, actively looks for alliance with companies in the same industry or different industries to enlarge the Company's business scope.
2. According to the current financial status, the Company actively explores customers with millions of dollars of sales potential and develops non-Taiwanese clientele to reduce business risk while boosting the added value and profits.
3. According to market trends and customer requirements, the Company has set up a factory in Guangdong to control the delivery date, quality, cost, and other targets. The Company also works on developing its self-designed products production and self-manufacturing capacity.
4. The Company spurs business growth according to the following logo showing Company's four competitive advantages:
 - Comprehensive and complete product series for all domains of applications: Our products range from as small as SMD power inductors to as big as tens of kilowatts and covering a wide range of frequency.

- Fast research and development services: The research and development laboratory in Taiwan assists customers in developing new generation products, while the factories in mainland China produce samples and implement mass Public
- Good employee stability at the production base: A high percentage of employees at the production base are local residents with a low turnover rate.
- High cost-performance ratio-based product design: The Company rigorously controls the quality of the raw materials, establishes a strategic collaboration with core vendors, and ensures that the R&D engineers are familiar with the performance indicators of various magnetic materials so they can choose the most suitable materials at the best prices.

(2) Expected sales quantity and the references:

1. At present, the Company's main products are still electromagnetic wave suppression components, power magnetic components, this part of the product is based on electronic components. with the growth of the market and the stability of the customer base, we have maintained stable revenue and gross margin. This year, we will continue to develop new PHD products such as composite high power and high efficiency reactors, automotive high reliability inductors and other products with low cost and high efficiency. This year, the Company will continue working on developing high-power, high-performance reactors made of composite materials, high-reliability power inductors for automobiles, and low-cost, high-performance PHD products.
2. The newly developed industrial measurement instruments and customers in the medical and e-sports industries are relatively less affected by economic cycles, and they have continued growth potential.
3. According to the Company's competitive advantages, the current monthly turnover and gross profit, and the adopted measures for organizational streamlining unnecessary expense cutting, the expected 2023 operating profit margin will increase compared to 2012's.

(3) Impact of market competition, the legal environment, and the overall business environment

The Company has been facing challenges of market competition and impacts of laws and regulations as well as the overall business environment ever since its foundation. Operating performance is indeed affected by external competitions and factors such as increasing labor cost in China, increasing raw material price, new laws and regulations imposed by authorities-in-charge of securities, domestic and international environmental protection regulations, and the dynamic and rapidly changing global business environment. To cope with these changes, the Company not only complies with new laws and regulations imposed by authorities-in-charge of securities and ensures its manufacturing environment, suppliers, and products are in compliance with domestic and international environmental protection regulations, we also strive to enforce cost control, improve the manufacturing process to increase efficiency, expand our capacity to lower the production cost, and closely monitor our customers' demands to better plan our purchase of raw materials, with the aim to increase the Company's overall competitiveness.

(4) Important production and sales policies and future company development strategies:

1. Maintaining the gross profit ratio is basically the primary consideration, and therefore, achieving comprehensive services and recognizing and introducing new machines are concrete measures for the operating department.
2. For expansion, the goal this year is continuous growth and attention on each customer.
3. For cost saving, the factories in China work on integrating cost saving and enhancing efficiency. They also put effort into increasing the gross rate continuously.

4. For setting the operating target, it is based on the current average monthly turnover and gross profit ratio, enhance self-owned PHD product production and sales, escalate the operating target each quarter, put good effort in developing the business, and increase operating personnel's performance ratio and planning.

The management team and all the employees of the Company have a deep understanding of the ardent expectations of shareholders and the public on the company, and continue to actively implement the plan to increase revenue and reduce expenditure, and streamline the management and sales expenses; mainland factories will be integrated to save money and improve efficiency. In the future, the Company will work actively on enhancing operating efficiency, developing the Company's patented PHD products, adjusting product combination, and elevating the revenue and profits. In addition, the Company will also conduct more product research to increase BULL WILL's core competitiveness. Aside from improving product quality and production efficiency, the Company will look for strategic investors for shareholding to take advantage of their expertise and experiences for BULL WILL's technology development, production capacity expansion, brand distribution expansion while boosting the marginal effect of vertical or horizontal integration and increasing the Company's value and profitability. The Company believes that the employees' effort and collaboration will create the optimal value for its customers, shareholders, and employees.

Chairman of the Board:

Chang Chieh-min;

Manager:

Li Tai-Hsing;

Accounting manager:

Lo Wei-chang

2. Company Profile

1. Founding date: December 20th, 1993

2. Company History

- 1993 1. The founding of Bull Will Co., Ltd. in Taipei City with an initial capital of NT\$6,000,000. 2. The main business was general import and export.
- 1995 Distributor of electronic component products of North-West Electrical (NWE) Co., Ltd. and TAI-TECH Advanced Electronics Co., Ltd.
- 1996 Act as agent and distributor of electronic components products from JTS Corporation.
- 1995 Set up office in Dongguan, China.
Agency and seller of Niigata Seimitsu's electronic component products.
Authorized as the Taiwan international purchase office by Hoei Denki Co., Ltd.
Also served as the agency and seller of its electronic component products.
Capital increased by cash of NT\$9,000,000, reaching a total paid-in capital of NT\$15,000,000.
- 1998 Agency and seller of Fuji Electric Co., Ltd.'s electronic component products.
Authorized by Electric Research Industry CO LTD to purchase for the IPO in Taiwan.
Capital increased by cash of NT\$15,000,000, reaching a total paid-in capital of NT\$30,000,000.
- 1999 Agency and seller of Toho Zinc Co., Ltd., International L. L. Co., Ltd., and TOYO KAGAKU Inc.'s electronic component products.
- 2000 Authorized by NIIGATA SEIMITSU CO., LTD., KOWA KASEI Co., Ltd, and Toho Zinc Co., Ltd. to purchase for the IPO in Taiwan.
Authorized by Daishin Co. Ltd as seller of its electronic component products.
Raised nominal capital to NT\$100,000,000 and increased paid-in capital by cash to NT\$60,000,000 for expansion with an aim of sustainable development.
Purchased new office building on Ruiguang Road in Neihu as the company headquarter.
- 2001 Set up anechoic chamber.
Established R&D center.
Capital increased by retained earnings of NT\$20,070,000 and capital increased by cash of NT\$18,000,000, a total of capital increase of NT\$38,070,000, reaching a paid-in capital of NT\$98,070,000 after increase. An application was filed with SFI for a supplementary public listing and was granted in early July.
Set up Bull Will Co., Ltd. in Samoa.
- 2002 Invested in Bull Will Shanghai International Co. Ltd (China).
Capital increased by retained earnings of NT\$328,110,000, capital increased by

capital surplus of NT\$98,700,000, and capital increased by cash of NT\$68,649,000, reaching a total paid-in capital of NT\$209,337,000 after increase.
ERP system roll-out.
Established wireless communication unit and optical communication unit.
Added two independent directors and one independent supervisor in compliance with law.

- 2003
Re-invested to establish Ten Billion International (Stock) Company.
Reinvested in LIGHTHOUSE TECHNOLOGY CO., LTD.
Listed on emerging market in September.
New business of distributing Magicstor micro drives.
Business addition: act as agent and distributor of MStar LCD control IC.
New business of distributing Partsnic TV tuners.
New business of distributing Enterasys networking equipment
Capital increased by retained earnings of NT\$23,889,050, reaching a total paid-in capital of NT\$233,226,050 after increase.
Re-invested in G-Plus.
Issued employee stock options of 2,000,000 shares.
- 2004
New business of distributing Gamma semiconductor-related products
Re-invested in setting up Japan Bull Will Corporation
The first domestic issuance of unsecured convertible bonds of a total value of NT\$280,000,000 in July.
Capital increased by retained earnings of NT\$29,907,820, and the first domestic convertible bonds converted to common shares of NT\$1,198,330, reaching a total paid-in capital of NT\$264,332,200 after increase.
- 2005
Reinvested in setting up FLEXium Interconnect, Inc.
New business of distributing Hauppauge TV tuner in Japan and Taiwan.
Issued employee stock options of 1,847,000 shares.
- 2006
Dissolved Ten Billion International (Stock) Company.
Dissolved Baifeng Technology CO LTD.
Invested in JiaPeng Electronics CO LTD; expanded to the electronic toy market.
Sold 82% equity of Japan Bull Will Group Incorporation.
Established BULL WILL International Co., Ltd.
Established Jun Chao Electronic Co., Ltd.
- 2007
Completed the 2006 private equity capital increase of 15,000,000 shares with 100% subscription.
Treasury stock of 2,369,000 shares transferred to employees.
Completed private offering and capital increased by cash in June, issued 12,500,000 new shares in August.
Issued employee stock options of 5,396,000 shares.
- 2008
Sold 8th floor offices in the company building.
Applied for capital reduction to cover the loss of NT\$ 111,226,190.

- 2009 Completed private offering and capital increased by cash in July and October. Issued 15,700,000 new shares.
Liquidated BULL WILL Co., Ltd. And BULL WILL (Shanghai) International Trade Co., Ltd.
In the fourth quarter, employees exercised stock option conversions and issued a total of 1,553,000 new shares.
- 2010 Issued private equity capital increase in June; a total of 5,400,000 new shares were issued.
Employees exercised stock option conversions and issued a total of 1,931,000 new shares.
Established Dongguan Zhao Kang Electronic Co., Ltd.
Established Huizhou Bullwill Electronic Co., Ltd.
- 2011 Issued employee stock options of 6,900,000 shares.
Set up R&D Office.
Set up BULL WILL (Hubei) Electronics Co., Ltd.
Set up Huizhou Bai Qin Electronics Co., Ltd.
Employees exercised stock options. Issued 855,500 new shares.
Set up Remuneration Committee.
- 2012 Acquired 55% of shares of Baixin Hetai Investment Co., Ltd. and set up Huizhou Baixin Hetai Electronics Co., Ltd., of which Detai Electronics Co., Ltd. in Changde, Hunan is in holding.
TipTop ERP system roll-out.
Applied for capital reduction to cover the loss of NT\$ 218,110,000.
Closed BULL WILL (Hubei) Electronics Co., Ltd.
- 2013 Invested in Dongguan Peibo Electronic Co., Ltd.
- 2014 Employees exercised stock options. Issued 2,574,500 new shares.
Disposal of the 66.25% shares of Dongguan Zhao Kang Electronic Co., Ltd.
Disposal of the 55% of shares of Baixin Hetai Investment Co., Ltd. and Detai Electronics Co., Ltd. in Changde, Hunan in its holding.
The second domestic issuance of secured convertible bonds of a total value of NT\$250,000,000 and capital increased by cash of NT\$50,000,000.
The second domestic secured convertible bonds converted to common shares, resulting in the issuance of a total of 9,859,020 new shares.
Capital increased by cash and issuance of 5,000,000 new shares.
- 2015 Employees exercised stock options. Issued 464,500 new shares.
Issued 6,550,000 executive stock options.
The second domestic secured convertible bonds converted to common shares, resulting in the issuance of a total of 6,919,433 new shares.
Set up overseas joint venture subsidiary VISCO and invested in SIGCUS USA INC.
Disposal of the 23.75% shares of Seychelles Peibo Investment Co., Ltd.

- 2016 Liquidation and closure of Huizhou Bai Qin Electronics Co., Ltd.
- 2017 Completed private offering and capital increased by cash. Issued 38,400,000 new shares.
- 2018 Invested in BULL WILL TRADING (S) PTE. LTD. 48.95%.
- 2019 Issued 9,000,000 executive stock options.
Disposed of the group to reinvest in the company's equity of Visco International Co., Ltd.
- 2020 Disposed of BULL WILL TRADING (S) PTE. LTD. 18.95%.
Applied for capital reduction to cover the loss of NT\$ 958,292,240.
- 2021 Employees exercised stock options. Issued 2,104,000 new shares.
Develop new business to acquire 100% equity of Trustbond Technology Corp by installments in cash.
- 2022 Employees exercised stock options. Issued 2,151,000 new shares.
Disposal of 30% of BULL WILL TRADING(S)PTE.LTD invested by the Company.
- 2023 Employees exercised stock options. Issued 341,500 new shares.
(January to March)

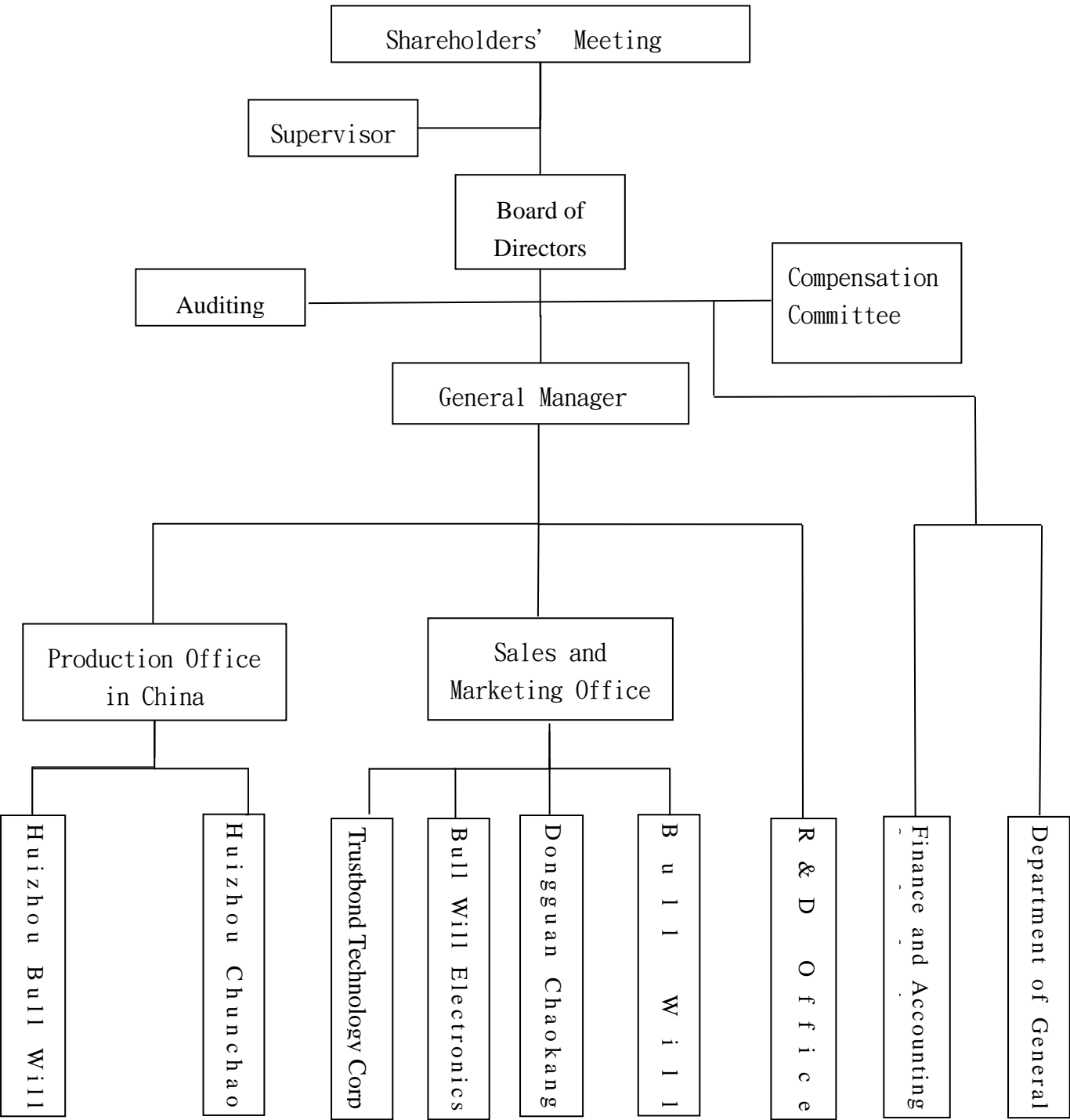
3. Corporate Governance Report

1. Organization System

(I) Organizational Structure of the Company

Bull Will Group

Organizational Structure Chart



(2) Businesses of nization System Major Departments:

Department Name	Main Duties
Chairman of the Board Office	Responsible for the group's agent business development, the group's business planning and policy and supervision of the implementation.
General Manager	Overseeing company affairs and establishing policies.
Auditing Office	Setting up, revising, and reviewing the internal audit system. To carry out internal audit of the company. To review and evaluate the integrity and effectiveness of the company's internal control system.
Production Office in China	Coordinate the Group's production policies and supply chain management in China and monitor the implementation.
Sales and Marketing Office	Coordinate the development of standardized electronic components and custom-made magnetic components.
Finance and Accounting Office	Coordinate the management and implementation of finance, accounting, and stock related affairs.
Department of General Administration	Coordinate the management and implementation of human resource, management, and information related affairs.
R&D Office	Coordinate the management and implementation of product technical support, independent R&D related affairs.
Bull Will Electronics	Responsible for other agency business development and business planning.
Dongguan Zhao Kang Electronic CO LTD	Responsible for other agency business development and business planning.
Huizhou Chunchao Electronics CO LTD	Responsible for production and processing.
Huizhou Bull Will Electronics	Responsible for production and processing and business development and planning.
Trustbond Technology Corp	Electronic Components Sales

2. Information on the Directors, Supervisors, General Managers, Deputy General Managers, Associate Managers, and Heads of Departments and Branches

(1) Information of Directors and Supervisors

Information of Directors and Supervisors (1)

April 26th, 2022; Unit: Shares

Job Title	Nationality or Domicile	Name	Gender Age	Elected (Appointed) Date	Term of Office	First Appointment Date	When Elected Shares Held		Current Shares Held		Current Shares Held by Spouses and Minor Children		Shares Held in the Name of Other Persons		Main Work (Academic) Experiences	Currently Serving Posts in the Company and Other Companies	Spouse or Second Degree of Kinship as Heads of Departments, Directors, or Supervisors			Note (Note 4)
							Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage			Job Title	Name	Relationship	
Director	Singapore	Representative Entrusted in Mega International Commercial Bank with the Custody of Investment Account in Serial System LTD:		June 27, 2019	3 Years	96.06	17,340,177	15.57%	2,666,474	13.24%	0	0.00%	0	0.00%	--	--	None	None	None	None
	Republic of China Taiwan R.O.C.	CHANG CHIEH MIN	Male 61~ 70 years old.	June 27, 2019	3 Years	106.11	0	0.00%	244,000	1.21%	0	0.00%	0	0.00%	Department of Law, National Taiwan University; Deputy Chief, Electronic Examination Division, PROTON Electronic Industrial Co., LTD.; Deputy Manager, Wealth Management Division, Standard Chartered PLC	Chairman of the Board of the Company	None	None	None	None

	Singapore	Goh Si-hui	Female 21~ 30 years old.	110.10.05	3 Year s	110.10	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Executive Director and Vice President, Business Development and Marketing, Serial System	Executive Director and Vice President, Business Development and Marketing, Serial System	Non e	Non e	Non e	None
	Singapore	GOH SUE TEN	Male 41~ 50 years old.	June 27, 2019	3 Year s	99.08	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Bachelor of Engineering, Nanyang Technological University, Singapore; Vice President of Business, Serial System LTD; Director, Serial System Private LTD and its subsidiaries; Director, Serial System Investment LTD; Director, Serial System Multimedia LTD.	Executive Director and Operating Director of Serial System	Non e	Non e	Non e	None
Waterl and Ventur e Capital Co., Ltd.	Republ ic of China Taiwan R.O.C.	Chin- Tai Cho	Male 71~ 80 years old.	June 18, 2020	3 Year s	109.06	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Master, Chinese Literature, Huafan University; Chairman of the Board, Xiangde Industry CO LTD; General Manager, Jinchen Enterprise CO LTD	Honorary President, National Jinhua Trade Tendon Health Association	Non e	Non e	Non e	None
Waterl and Ventur e Capital Co., Ltd.	Republ ic of China Taiwan R.O.C.	LO WEI CHAN G (Note 1)	Male 41~ 50 years old.	June 27, 2019	3 Year s	102.06	--	--	--	--	--	--	--	--	Department of Accounting, Soochow University; KPMG	CFO of the Company	Non e	Non e	Non e	None

Indepe ndent Directo r	Republ ic of China Taiwan R.O.C.	CHAN HUO LIEN	Male 71~ 80 years old.	June 27, 2019	3 Year s	103.06	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Taichung Municipal Taichung First Senior High School; Deputy Manager, Fuburg Industrial Co., Ltd.; Chairman of the Board, Yunyi Machinery; General Manager, TCT Group; Executive Director, Da Vinci Home; Sales Manager, Kimberly- Clark Corporation	Consultant, Novena Holdings	Non e	Non e	Non e	None
Indepe ndent Directo r	Republ ic of China Taiwan R.O.C.	Li Hsi- yan	Male 61~ 70 years old.	June 27, 2019	3 Year s	107.06	0	0.00%	0	0.00%	0	0.00%	0	0.00%	SANNO UNIVERSIT, Japan; General Manager, Chia-Ho Metal Industrial Co., Ltd.; President, Junior Chamber International TAIPEI (1994); Founding president, Formosa Lions Club; Director, the Manufactures United General Association Of Industrial Park of R.O.C	General Manager, Chia- Ho Metal Industrial Co., Ltd.; Representative, Jiaqing Stainless Steel Industry Co. Ltd.	Non e	Non e	Non e	None
Indepe ndent Directo r	Republ ic of China Taiwan R.O.C.	Chu Li Teh (Note 2)	Male 61~ 70 years old.	111.06.24	3 Year s	111.06	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Department of Accounting, Tunghai University; EMBA, National Chiao Tung University; President, Metal & Taiwan Supreme Metal Packaging Co., Ltd.	Director, Metal & Taiwan Supreme Metal Packaging Co., Ltd.	Non e	Non e	Non e	None

Director	Republic of China Taiwan R.O.C.	CHIEN CHIH LANG (Note 3)	Male 71~ 80 years old.	111.06.24	3 Years	111.06	19,720	0.10%	19,720	0.10%	41	0.00%	0	0.00%	Chairman of the Board, Tong Ying Construction Co., Ltd.; Director, China Century Venture Capital Co., Ltd.	Chairman of the Board, Changhua Investment Development Co., Ltd.	None	None	None	None
Supervisor	Singapore	Huang Ko-Kun (Note 1)	Male 51~ 60 years old.	June 27, 2019	3 Years	96.06	--	--	--	--	--	--	--	--	CFO, Serial System Ltd; Degree in accounting, Nanyang Technological University	Secretary, Serial System Ltd	None	None	None	None

The above table shows data as of the date of book closure; the shareholding ratio is calculated based on 20,133,706.

Note 1: 2022/6/24 Re-election and dismissal;

Note 2: 2022/6/24 Newly elected;

Note 3: 2022/6/24 A full re-election of directors and the establishment of an audit committee to replace the supervisors' duties and responsibilities.

Note 4: Refers to the situation that the chairman of the board and the general manager or equivalent (top manager) are the same person, spouses, or relatives.

Substantial Shareholders of Judicial Shareholders

March 31, 2023

Name of Judicial Person Shareholders	Substantial Shareholders of Judicial Shareholders
Mega International Commercial Bank with the Custody of Investment Account in Serial System LTD	1. GOH BAK HENG 40.45% 2. GOI SENG HUI 17.08% 3. RAFFLES NOMINEES(PTE) LIMITED 4.24% 4. HO YUNG 2.72% 5. GOH TIONG YONG 2.32% 6. DBS NOMINEES PTE LTD 1.98% 7. UNITED OVERSEAS BANK NOMINEES PL 1.32% 8. CHIN YEOW HON 1.22% 9. KIM SANG YEOL 1.19% 10. UOB KAY HIAN PTE LTD 1.09%

Directors' Information (2)

1. Disclosure of Director's Professional Qualifications and Independence of Independent Directors:

<div style="text-align: center;"> <div>Conditions</div> <div>Name</div> </div>	Professional Qualifications and Experience (Note 1)	Independence Situation (Note 2)	Number of other public corporations in which the person concurrently serves as an independent director.
Director: Legal Representative of Mega International Commercial Bank with the Custody of Investment Account in Serial System LTD: CHANG CHIEH MIN	1. Experience in commercial and banking business. 2. Deputy Chief of Department of Credit Management, PROTON Electronic Industrial Co., Ltd.; Assistant Manager, Wealth Management Department, Standard Chartered, Chairman of the Board of the Company. 3. None of the circumstances in the subparagraphs of Article 30 of the Company Act applies.	Not applicable	None

Director: Legal Representative of Mega International Commercial Bank with the Custody of Investment Account in Serial System LTD: GOH Si-hui	1. Experience in commercial business. 2. Executive Director and Vice President, Business Development and Marketing, Serial System. 3. None of the circumstances in the subparagraphs of Article 30 of the Company Act applies.	Not applicable	None
Director: Legal Representative of Mega International Commercial Bank with the Custody of Investment Account in Serial System LTD: GOH SUE TENG	1. Experience in commercial business. 2. Executive Director and Operating Director of Serial System. 3. None of the circumstances in the subparagraphs of Article 30 of the Company Act applies.	Not applicable	None
Director: Chin-Tai Cho	1. Experience in commercial business. 2. Chairman of the Board, Xiangde Industry CO LTD; General Manager, Jinchen Enterprise CO LTD; Honorary President, National Jinhua Trade Tendon Health Association. 3. None of the circumstances in the subparagraphs of Article 30 of the Company Act applies.	Not applicable	None
Independent Director: CHAN HUO LIEN	1. Experience in commercial business. 2. Deputy General Manager of Fu Burg Industrial Co., Ltd.; Chairperson of Yong-Yi Machinery; General Manager of TCT Construction; Managing Director of Davinci Furniture; Sales Manager of Kimberly-Clark Taiwan., Consultant, Novena Holdings. 3. None of the circumstances in the subparagraphs of Article 30 of the Company Act applies.	Is an independent director, conforming to the conditions of independence, including but not limited to himself/herself, his/her spouse, second degree of kinship and other relatives are not directors, supervisors or employees of the Company or its affiliated enterprises; not holding shares of the company; not acting as a director, supervisor or employee of a company having a particular relationship with the Company; not the amount of remuneration obtained from providing business, legal, financial, accounting and other services to the Company or its affiliated enterprises in the recent 2 years.	None

Independent Director: Li Hsi-yan	<ol style="list-style-type: none"> 1. Experience in commercial business. 2. General Manager of Chia-Ho Metal Industrial Co., Ltd.; President of Junior Chamber International Taiwan, 1994; Founding president, Taipei Formosa Lions Club; Director of The Manufactures United General Association of Industrial Park of R.O.C; Representative of Chia-Ching Stainless Steel Co., Ltd. 3. None of the circumstances in the subparagraphs of Article 30 of the Company Act applies. 	Is an independent director, conforming to the conditions of independence, including but not limited to himself/herself, his/her spouse, second degree of kinship and other relatives are not directors, supervisors or employees of the Company or its affiliated enterprises; not holding shares of the company; not acting as a director, supervisor or employee of a company having a particular relationship with the Company; not the amount of remuneration obtained from providing business, legal, financial, accounting and other services to the Company or its affiliated enterprises in the recent 2 years.	None
Independent Director (Note 3): Chu Li The	<ol style="list-style-type: none"> 1. Experience in business and accounting business (Department of Accounting, Tunghai University; EMBA, National Chiao Tung University). 2. President, Metal & Taiwan Supreme Metal Packaging Co., Ltd. 3. None of the circumstances in the subparagraphs of Article 30 of the Company Act applies. 	Is an independent director, conforming to the conditions of independence, including but not limited to himself/herself, his/her spouse, second degree of kinship and other relatives are not directors, supervisors or employees of the Company or its affiliated enterprises; not holding shares of the company; not acting as a director, supervisor or employee of a company having a particular relationship with the Company; not the amount of remuneration obtained from providing business, legal, financial, accounting and other services to the Company or its affiliated enterprises in the recent 2 years.	None

Director (Note 4): CHIEN CHIH LANG	1. Experience in commercial business. 2. Chairperson of Tong-Ying Constructions; Director of China Century Venture Capital; Chairman of the Board, Changhua Investment Development Co., Ltd. 3. None of the circumstances in the subparagraphs of Article 30 of the Company Act applies.	Not applicable	None
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Note 1: Professional qualifications and experience: State the professional qualifications and experience of the individual directors and supervisors or, if they are members of the Audit Committee and have expertise in accounting or finance, their accounting or financial background and work experience, and whether they are not subject to Article 30 of the Company Act.

Note 2: The independent director shall state the circumstances conforming to his/her independence, including but not limited to whether he/she, his/her spouse or his/her second degree of kinship are directors, supervisors or employees of the Company or its related enterprises; the number and proportion of shares held by oneself, spouse or second degree of kinship (or in the name of others); whether to serve as a director, supervisor or employee of a company that has a special relationship with the Company (refer to the provisions of Article 3, Item 1, Subparagraphs 5~8 of the measures for setting up independent directors of publicly owned corporation); the amount of remuneration obtained in the last 2 years for providing business, legal, financial, accounting and other services to the Company or its affiliated enterprises.

Note 3: 2022/6/24 Re-election and newly-appointed.

Note 4: 2022/6/24 A full re-election of directors and the establishment of an audit committee to replace the supervisors' duties and responsibilities.

2. Diversity and Independence of the Board of Directors:

(1) Diversity of the Board of Directors:

The current directors of the Company consist of eight directors, of whom three are independent directors and five are non-independent directors, including one female director. The directors all have relevant industry, business and extensive accounting, finance and other majors. The directors have an understanding of the company and its industries and can effectively supervise the operation of the company. The directors can develop different expertise in various fields.

Diversified Core Projects Director	Basic Composition					Industry Experience		Professional Competence		
	Nationality	Gender	Age	Concurrent Employee of the Company	Term of Office of an Independent Director	Banking	Business	Finance	Accounting	Law
Director: CHANG CHIEH MIN (Note 1)	Republic of China	Male	61~ 70 years old.	V		V	V			V
Director: Si-hui Wu (Note 1)	Singapore	Female	21~ 30 years old.				V			
Director: GOH SUE TENG (Note 1)	Singapore	Male	41~ 50 years old.				V			
Director: Chin-Tai Cho	Republic of China	Male	71~ 80 years old.				V			
Independent Director: CHAN HUO LIEN	Republic of China	Male	71~ 80 years old.		8		V			
Independent Director: LEE SHI YANG	Republic of China	Male	61~ 70 years old.		4		V			
Independent Director : Chu Li Teh (Note 2)	Republic of China	Male	61~ 70 years old.		1		V		V	
Director: CHIEN CHIH LANG (Note 3)	Republic of China	Male	71~ 80 years old.				V			

Note 1: The legal representative of Serial System LTD;

Note 2: 2022/6/24 Newly elected; Note 3: 2022/6/24 A full re-election of directors and the establishment of an audit committee to replace the supervisors' duties and responsibilities.

(2) Independence of the Board of Directors:

The proportion of independent directors in the Company has been increased to 37.5% to strengthen the independence of the board of directors. The board of directors guides the company's strategy, supervises the management level and is responsible for the company and shareholders. In terms of the operation and arrangement of the corporate governance system, the board of directors exercises its powers according to laws, articles of association or resolutions of the board of shareholders. The board of directors of the Company emphasizes the function of independent operation and transparency. Directors and independent directors are independent individuals and exercise their powers independently. The three independent directors also observe the relevant laws and regulations, review the control of the company's existing or potential risks, and supervise the effective implementation of the company's internal control, the appointment of certified accountants, the independence and the preparation of financial statements, nor was there any violation of Article 30 of the Company Act or Article 26 of the Securities and Exchange Act (Items 3 and 4) to protect the rights and interests of shareholders and maintain their independence.

The Company established a board of directors' performance evaluation system in 2020 and performs internal self-evaluation of the board of directors and self-evaluation of board members once a year, the evaluation items include:

- a. the degree of involvement in the operation of the company;
- b. improving the quality of board decision-making;
- c. board composition and structure;
- d. director selection and continuing education; e. internal control.

Self-assessment of the members of the board of directors, including:

- a. The grasp of the Company's goals and missions;
- b. Recognition of Directors' duties;
- c. Degree of participation in the company's operation.
- d. Management of internal relationship and communication;
- e. Professional and continuing education of Directors.
- f. Internal controls.

The above results will be disclosed in the Company's annual report and official website after being submitted to the board of directors.

(2) Basic Information and Shareholding Status on the General Managers, Deputy General Managers, Assistant Managers, and Heads of Departments and Branches

April 30, 2023

Title	Nationality	Name	Gender	Elected (Appointed) Date	Shares Held		Spouses and Minor Children Shares Held		Shares Held in the Name of Other Persons		Main Work Experiences (Academic)	Currently Serving Posts in Other Companies	Spouse or Second Degree of Kinship as Heads of Departments, Directors, or Supervisors			Note (Note 1)
					Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage			Title	Name	Relationship	
General Manager	Republic of China Taiwan R.O.C.	Lee Tai Hsiang	Male	2015.12.27	110,000	0.55%	0	0.00%	0	0.00%	Graduated from Department of Applied Physics, Chung Yuan Christian University; Vice President of SHUTTLE Inc.; Factory Director of Lite-On Technology Co., Ltd.	None	None	None	None	None
Deputy Manager of Department of Finance and Accounting	Republic of China Taiwan R.O.C.	LO WEI CHANG	Male	2011.06.01	375,000	1.86%	0	0.00%	0	0.00%	Department of Accounting, Soochow University; KPMG	None	None	None	None	None

Note: The above table is the data of closing date.

Note 1: Refers to the situation that the chairman of the board and the general manager are the same person, spouses, or relatives.

(3) If the Chairman of the Board and the general manager or their equivalent (the top manager) are the same person, spouse or first-degree relative, the reasons, reasonableness, necessity and corresponding measures shall be explained: None.

3. Remuneration of Directors, Supervisors, General Manager and Deputy General Managers

(1) Remuneration to Directors, Supervisors, General Manager and Deputy General Managers

(1) Remuneration to Directors (including Independent Directors)

December 31, 2021 Unit: NT\$1,000

		Remunerati on (A)		Pensions (B)		Director Compensatio n		Business Allowances (D)				Salary, Bonus and Special Expenses (E)		Pensions (B) (F) (Note 5)		Employee Compensation (G)						
		The Com pany	All the Com pani es in the Fina ncial Rep ort	The Com pany	All the Com pani es in the Fina ncial Rep ort	The Com pany	All the Com pani es in the Fina ncial Rep ort	The Com pany	All the Com pani es in the Fina ncial Rep ort	The Compan y	Comp anies in the Conso lidated Finan cial State ments	The Comp any	Comp anies in the Conso lidated Finan cial State ments	The Com pany	All the Com pani es in the Fina ncial Rep ort	The Company		All the Companies in the Financial Report		Compan ies in the Conso lidated Financia l Stateme nts		
Cas h Am ount	Sto ck Am oun t															Cash Amou nt	Stock Amount					
Mega International Commercial Bank with the Custody of Investment Account in Serial System LTD Representative		450	450	0	0	243	243	0	0	693 3.30%	693 3.30%	0	Job Title	Name	Remun eration Direct	Perc enta ge of Total Net Prof it Afte r Tax of A, B,	Remu atio Paid Par Tim Empl es	Perce ntage of Total Net Profit After Tax of A, B, C, D, E, F, and G	Receive Reinvestm ent From Outside the Subsidiary Or the Parent Company' s Remunera tion	693 3.30%	693 3.30%	None

																C, and D						
Chairman of the Board (Note 1)	CHAN G CHIEH MIN	0	0	0	0	0	0	30	30	30 0.14%	30 0.14%	1,649	1,649	0	0	73	0	73	0	1,752 8.34%	1,752 8.34%	None
Director (Note 1)	GOH Si-hui	0	0	0	0	0	0	0	0	0.00%	0.00%	0	0	0	0	0	0	0	0	0.00%	0.00%	None
Director (Note 1)	GOH SUE TENG	0	0	0	0	0	0	0	0	0.00%	0.00%	0	0	0	0	0	0	0	0	0.00%	0.00%	None
Director	Chin- Tai Cho	150	150	0	0	81	81	30	30	261 1.24%	261 1.24%	0	0	0	0	0	0	0	0	261 1.24%	261 1.24%	None
Director (Note 2)	LO WEI CHAN G	150	150	0	0	41	41	20	20	211 1.00%	211 1.00%	2,653	2,653	108	108	122	0	122	0	3,094 14.72%	3,094 14.72 %	None
Director (Note 3)	CHIEN CHIH LANG	0	0	0	0	41	41	10	10	51 0.24%	51 0.24%	0	0	0	0	0	0	0	0	51 0.24%	51 0.24%	None
Independe nt Director	CHAN HUO LIEN	230	230	0	0	81	81	60	60	371 1.77%	371 1.77%	0	0	0	0	0	0	0	0	371 1.77%	371 1.77%	None
Independe nt Director	LEE SHI YANG	230	230	0	0	81	81	60	60	371 1.77%	371 1.77%	0	0	0	0	0	0	0	0	371 1.77%	371 1.77%	None
Independe nt Director (Note 4)	Chu Li Teh	80	80	0	0	41	41	45	45	166 0.79%	166 0.79	0	0	0	0	0	0	0	0	166 0.79%	166 0.79%	None

1. Please state the remuneration payment policy, system, standard and structure of independent directors, and the correlation between the remuneration amount and the responsibility, risk, investment time and other factors; according to the Articles of Association of the Company, if the company makes profits in the year, the board of directors shall decide to allocate no more than 5% as the remuneration for the director, and the remuneration shall be based on the annual individual attendance rate and performance evaluation results of the directors.
2. Remuneration received by directors of the company for services rendered in the most recent year (e.g., as consultants to the parent company/to all companies listed in the financial reports/to reinvestments other than employees) other than as disclosed in the table above: None.

Note 1: the legal representative of Serial System LTD;

Note 2: 2022/6/24 Re-election and dismissal;

Note 3: 2022/6/24 A full re-election of directors and the establishment of an audit committee to replace the supervisors' duties and responsibilities.

Note 4: 2022/6/24 Re-election and newly appointed;

Note 5: This represents the amount allocated for the expense-based provision of retirement pension.

(2) Remuneration to Directors

December 31, 2021 Unit: NT\$1,000

December 31, 2021 Unit: NT\$1,000

Title	Name	Remuneration of Supervisor						Percentage of net profit after tax of A, B, and C		Receive Reinvestment From Outside the Subsidiary Or the Parent Company's Remuneration
		Remuneration (A)		Compensation (B)		Business Allowances (C)				
		The Company	All the Companies in the Financial Report	The Company	All the Companies in the Financial Report	The Company	All the Companies in the Financial Report	The Company	All the Companies in the Financial Report	
Supervisor (Note 1)	CHIEN CHIH LANG	100	100	40	40	10	10	150 0.71%	150 0.71%	None
Supervisor (Note 2)	Huang Ko-Kun	100	100	40	40	0	0	140 0.66%	140 0.66%	None

Note 1: 2022/6/24 A full re-election of directors and the establishment of an audit committee to replace the supervisors' duties and responsibilities.

Note 2: Re-election and dismissal.

(3) Remuneration of General Manager and Deputy General Manager

December 31, 2021 Unit: NT\$1,000

Title	Name	Salary (A)		Pensions (B) (Note)		Bonuses and Special Expenses (C)		Employee Compensation Amount (D)				Percentage of Net Profit After Tax of A, B, C, and D (%)		Receive Reinvestment From Outside the Subsidiary Or the Parent Company's Remuneration
		The Company	All the Companies in the Financial Report	The Company	All the Companies in the Financial Report	The Company	All the Companies in the Financial Report	The Company		All the Companies in the Financial Report		The Company	All the Companies in the Financial Report	
								Cash amount	Stock Amount	Cash amount	Stock Amount			
General Manager	Lee Tai Hsiang	2,179	2,179	87	87	0	0	85	0	85	0	2,351 11.19%	2,351 11.19%	None

Note: the amount of the provision for the expensed retirement pension.

(4) Remuneration of the Top Five Emoluments to the Directors

December 31, 2022 Unit: NT\$1,000

December 31, 2022 (Unit: NT\$1,000)

Title	Name	Salary (A)		Pensions (B) (Note)		Bonuses and Special Expenses (C)		Employee Compensation Amount (D)				Percentage of Net Profit After Tax of A, B, C, and D (%)		Receive Reinvestment From Outside the Subsidiary Or the Parent Company's Remuneration
		The Company	All the Companies in the Financial Report	The Company	All the Companies in the Financial Report	The Company	All the Companies in the Financial Report	The Company		All the Companies in the Financial Report		The Company	All the Companies in the Financial Report	
								Cash amount	Stock Amount	Cash amount	Stock Amount			
Chairman of the Board:	CHANG CHIEH MIN	1,649	1,649	0	0	0	0	73	0	73	0	1,722 8.19%	1,722 8.19%	None
General Manager	Lee Tai Hsiang	2,179	2,179	87	87	0	0	85	0	85	0	2,351 11.19%	2,351 11.19%	None
Deputy	LO WEI	2,653	2,653	108	108	0	0	122	0	122	0	2,883	2,883	None

Manager of Department of Finance and Accounting	CHANG												13.72%	13.72%	
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Note: the amount of the provision for the expensed retirement pension.

(5) Name and Status of the Managers Who Apportioned Employee Remuneration

December 31, 2022 Unit: NT\$1,000

	Title	Name	Stock Amount	Cash amount	Total amount	Percentage of Net Profit After Tax (%)
Manager	Chairman of the Board:	CHANG CHIEH MIN	0	280	280	1.33%
	General Manager	Lee Tai Hsiang				
	Deputy Manager of Department of Finance and Accounting	LO WEI CHANG				

- (2) Respectively compare the Company and all the companies in the consolidated statements in most recent biennium who have paid the company directors, supervisors, general manager, and deputy general manager of the total remuneration of individuals, or individual financial reports of after-tax profit ratio analysis, and indicating the payment of remuneration policy, standard and combination, establish compensation procedures, operating performance and future risk of relevance:

- 1、Analysis of the total amount of remuneration paid by the Company to the Directors, Supervisors, General Manager, and Deputy General Managers of the company as a percentage of net profit after tax as below:

Title	2022 Percentage of individual Net Profit After Tax (%)		2021 Percentage of individual Net Profit After Tax (%)	
	The Company	Companies in the Consolidated financial statements	The Company	Companies in the Consolidated financial statements
Director	32.17	32.17	857.78	857.78
Supervisor	1.37	1.37	42.40	42.40
General Manager and Deputy General Manager	11.19	11.19	327.39	327.39

- 2、Policies, standards and combination for the payment of remuneration, and the relevance of procedures for determining remuneration to business performance and future risks:

Explanation: The remuneration of directors and executive expenses of the company shall be fixed remuneration and shall be paid in accordance with the management rules formulated by the company, while the remuneration of directors shall be paid in accordance with the policies stipulated in the Articles of Association of the company. If the company has profit in the year (profit refers to the profit before tax deducting the remuneration of assigned employees and directors), the company shall allocate not more than 5% of the remuneration of employees and directors separately.

Since the year 2022 is a surplus year, the board of directors resolved to pay the remuneration to directors and supervisors for the year 2022, which was evaluated by the Remuneration Committee for reasonableness, and the amounts declared were in accordance with the company's Articles of Association and related regulations, and the remuneration to directors and supervisors was based on the annual individual attendance rate of directors and performance evaluation results, which is reasonable.

4. Operations of Corporate Governance

(1) Operations of the Board of Directors

Term of Director: From 24 June 2022 to 23 June 2025

The Board of Directors has held 6 meetings (A) in 2022. The attendance of Directors is as follows:

Title	Name	Number of Actual Presence (Attendance) B	Number of Proxy Attendance	Rate of Actual Presence (Attendance) (B/A)	Note
Legal Person Representative of the Chairman of the Board	CHANG CHIEH MIN	6	0	100.00%	(Note 1)
Legal Person Representative of the Director	Si-hui Wu	5	0	83.33%	(Note 1)
Legal Person Representative of the Director	GOH SUE TENG	4	0	66.67%	(Note 1)
Director	Chin-Tai Cho	6	0	100.00%	--
Director	LO WEI CHANG	3	0	100.00%	(Note 2)
Director	CHIEN CHIH LANG	2	0	66.67%	(Note 3)
Independent Director	CHAN HUO LIEN	6	0	100.00%	--
Independent Director	LEE SHI YANG	6	0	100.00%	--
Independent Director	Chu Li Teh	3	0	100.00%	(Note 3)
Supervisors	Huang Ko-Kun	3	0	100.00%	(Note 2)
Supervisors	CHIEN CHIH LANG	2	0	66.67%	(Note 4)
Other items that shall be recorded:					

1. The matters listed in Article 14-3 of the Securities and Exchange Act and other matters decided by the board of directors with the objection or reservation of the independent director and the record or written statement, shall specify the date of the board meeting, the date of the meeting and the content of the proposal. All opinions of the independent directors and the company's treatment of the opinions of the independent directors: please refer to important resolutions of the shareholders' meeting and the board meeting, pp. 60-65.
2. Directors abstain from voting as a result of voting proposals, and the name of the Directors, the content of the proposal, reasons for recusal due to conflict of interests and the results of voting counts shall be stated:
 - (1) August 11, 2022, the 2nd Board Meeting of the 12th Term
 - Content of Bill: The Company intends to loan funds to SERIAL SYSTEM LTD.
 - Interest Avoidance Director: CHANG CHIEH MIN, Chairman of the Board; Si-hui Wu, Director.
 - Reasons for interest avoidance and voting participation: considering that the director of that company has an interest in the matter, the withdrawal of the director's interest shall be handled only in accordance with Article 15 of the "Rules of Procedures for Board of Directors' Meeting" of the Company. with the exception of the interested directors who did not participate in the discussion and vote due to the withdrawal of interests or not present in person, the acting chairman consulted the other directors present and passed the resolution without objection.
3. Self-valuation of the board of directors of the Company: Please refer to page 33-34.
4. Objectives of strengthening board functions in the current and most recent years (e.g., setting up Audit Committee, improving information transparency,) and performance evaluation:
 - (1) The operation of the board of directors of the Company is in accordance with the law, the Articles of Association and the resolution of the board of shareholders. All directors, in addition to having the necessary professional knowledge, skills and qualities to perform their duties, are guided by the principle of loyalty and good faith and the duty of care to create the maximum interests of all shareholders. Important proposals are published on the Market Observation Post System in accordance with the law, which really makes information public and promotes transparency.
 - (2) The Company has set up an Audit Committee and compensation to assist the board of directors in carrying out their duties and supervision responsibilities. In order to improve the supervision function and strengthen the management function, the Company has also formulated the "Rules of Procedures for Board of Directors' Meeting" and issued the "Code of Ethical Corporate Management", so as to more effectively establish the board of directors' governance system and improve the supervision function.
 - (3) The members of the board of directors continue to study their professional abilities from time to time to improve their cognition and implementation of corporate governance. Please refer to page 57 for further training of board members.

Note 1: The legal representative of Serial System LTD;

Note 2: 2022/6/24 Re-election and dismissal;

Note 3: 2022/6/24 Re-election and newly appointed.

Note 4: 2022/6/24 A full re-election of directors and the establishment of an audit committee to replace the supervisors' duties and responsibilities.

Implementation of Board Evaluation

Evaluation Period (Note 1)	Evaluation Life (Note 2)	Evaluation Scope (Note 3)	Evaluation Method (Note 4)	Evaluation Content (Note 5)
According to the performance evaluation method of the board of directors of the Company, the internal board of directors' performance evaluation shall be conducted once a year, and the annual performance evaluation shall be conducted at the end of each year, and the evaluation result shall be completed before the end of the first quarter of the next year. Performance evaluations are performed every three years by an	January 1, 2022 to December 31, 2022	Performance evaluation of the Board of Directors, individual board members and functional committees (including Compensation Committee and Audit Committee).	The financial accounting department will collect and analyze the internal questionnaire and submit it to the board of directors.	<p>(1) Board performance evaluation: including the degree of involvement in the operation of the company, improving the quality of board decision-making, board composition and structure, director selection and continuing education, internal control. After aggregated statistical analysis, the grade is excellent. In addition to the smooth operation of the board of directors, the members of the board of directors have an understanding of the company and the industry they belong to and can supervise the operation of the company. The directors have different expertise in various fields and can make certain contributions to the development and operation of the company.</p> <p>(2) Performance evaluation of individual directors: including mastery of company goals and tasks, cognition of directors' responsibilities, participation in company operations, internal relationship management and communication, professional and continuing education of directors, internal control. After aggregated statistical analysis, the grade is excellent. The members of the board of directors have an understanding of the company and the industry they belong to and can supervise the operation of the company. The directors have different expertise in various fields and can make certain contributions to the development and operation of the company; the only areas that could be further strengthened are directors' further education and communication with certified public accountants.</p> <p>(3) Audit Committee performance evaluation: including participation in the operation of the company, cognition of functional improve committees' responsibilities, improvement of decision-making quality of functional committees, composition and selection of members of functional committees, internal control. After aggregated statistical analysis, the grade is excellent. It was established on 2022/06/24. The overall operation is on track, and all members are competent to perform their duties on the checked matters.</p> <p>(4) Compensation Committee performance evaluation: including participation in the operation of the company, cognition of functional improve committees' responsibilities, improvement of decision-making quality of functional committees, composition and selection of members of functional committees.</p>

external professional independent body or by a team of external experts.				After aggregated statistical analysis, the grade is excellent. The smooth operation of the committee members and the other members have sufficient expertise to make effective contributions to the company.
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Note 1: fill in the performance period of the board review, e.g., once a year.

Note 2: Fill in the coverage period of the board evaluation, for example, evaluating the performance of the board from January 1, year 2022 to December 31, year 2022.

Note 3: The scope of evaluation includes the performance evaluation of the board, individual directors, and functional committees.

Note 4: the methods of evaluation include internal board evaluation, board member evaluation, peer evaluation, appointment of external professional organizations, experts or other appropriate methods for performance evaluation.

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

- (1) Board performance evaluation: at least including the degree of involvement in the operation of the company, the quality of board decision-making, board composition and structure, director selection and continuing education, internal control, etc.
- (2) Performance evaluation of individual directors: at least including mastery of company goals and tasks, cognition of directors' responsibilities, participation in company operations, internal relationship management and communication, professional and continuing education of directors, internal control, etc.
- (3) Performance evaluation of functional committees: participation in the operation of the company, cognition of functional committees' responsibilities, decision-making quality of functional committees, composition and selection of members of functional committees, internal control, etc.

(2) The Operation of the Audit Committee or the Involvement of the Supervisors in the Operation of the Board of Directors:

1. Operations of the Audit Committee

(1) The Audit Committee of the Company was established on June 24, 2022, consisting of all three independent directors.

(2) The current term runs from June 24, 2022 to June 23, 2022.

(3) Professional qualifications and experience of members are listed below:

Conditions	Category of Identity (Note 1)	Name	Professional Qualifications and Experience (Note 2)	Independence Status (Note 3)	Number of other public corporations in which the person concurrently serves as an independent director.
Independent Director (Convenor)	Chu Li Teh		Please refer to page 14 (1) Director Information and page 18 Disclosure of Director's Professional Qualifications and Independence of Independent Directors.		None
Independent Director	CHAN HUO LIEN				None
Independent Director	LEE SHI YANG				None

(4) The priorities for the 2022 Audit Committee review are as follows:

- To review the actual implementation of the 2022 annual audit plan.
- To review the effective implementation of internal control in 2022.
- To review the loan and situation of funds.

(5) The Audit Committee has held two meetings (A) in 2022. The attendance of Independent Directors is as follows:

Title	Name	Number of Actual Attendance (B)	Number of Proxy Attendance	Rate of Actual Attendance (%) (B/A)	Note
Independent Director (Convenor)	Chu Li Teh	2	0	100.00%	--
Independent Director	CHAN HUO LIEN	2	0	100.00%	--
Independent Director	LEE SHI YANG	2	0	100.00%	--

Other items that shall be recorded:

1. If one of the following circumstances occurs in the operation of the Audit Committee, it shall state the date and period of the Audit Committee meeting, the contents of the motions, the objections of the independent directors, the contents of the reserved opinions or major suggestions, the results of the Audit Committee's resolutions and the company's handling of the opinions of the Audit Committee.

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

Meeting Date	Bill Content	Opinions of the Audit Committee	Handling of the Opinions of the Audit Committee
The First of the First Session 2022.8.11	1. The Company's internal audit of the actual implementation of the plan. Submitted for approval. 2: The Company intends to loan funds to SERIAL SYSTEM LTD. Submitted for approval.	Adopted by all the members present without objection.	N/A
The Second of the First Session 2022.6.10	1. The Company's internal audit of the actual implementation of the plan. Submitted for approval. 2. Internal audit plan for 2022. Submitted for approval.	Adopted by all the members present without objection.	N/A

(2) Other than the matters mentioned above, other matters that are not approved by the audit committee but agreed by more than two-thirds of all the directors: none.

2. Independent Directors abstain from voting as a result of voting proposals, and the name of the Independent Directors, the content of the proposal, reasons for recusal due to conflict of interests and the results of voting counts shall be stated: none.
3. Communication between independent directors and the internal audit manager and accountant (including major matters, methods, and results of communication regarding the company's financial and business conditions):

(1) Situation of communication between the independent director (Audit Committee) and the accountant from 2022 to the publication date of the annual report:

Meeting Date	Communication Method	Communication Matters	Communication Result
2023.3.28	Audit Committee	1. The actual implementation of the Company's internal audit plan in December 2022 and January 2023. 2. The financial statement status and key review matters in 2022. 3. The internal control audit status in 2022. 4. Financial and overall operation of domestic and overseas subsidiaries.	No Opinion

(2) Communication between the independent director (Audit Committee) and the internal audit supervisor from 2022 to the publication date of the annual report:

Meeting Date	Communication Method	Communication Matters	Communication Result
2022.8.11	Audit Committee	1. The Company's internal audit of the actual implementation of the plan.	No objections.
2022.6.10	Audit Committee	1. The Company's internal audit of the actual implementation of the plan. 2. Internal audit plan for 2022.	1. No objections; 2. After deliberation, send a resolution to the Board of Directors.
2023.1.16	Audit Committee	1. The Company's internal audit of the actual implementation of the plan from August to November in 2022.	No objections.
2023.3.28	Audit Committee	1. The actual implementation of the Company's internal audit plan in December 2022 and January 2023. 2. 2022 Internal Control System Statement.	No objections.
2023.5.11	Audit Committee	1. The Company's internal audit of the actual implementation of the plan from February to March in 2023.	No objections.

2. Audit Committee Review: Please refer to page 33-34 for the Company's 2022 Audit Committee review.

3. The involvement of the supervisors in the operation of the board of directors:

Term of Supervisor: From 27 June 2019 to 26 June 2022. The Audit Committee was re-elected on June 24, 2022, and the supervisors were removed from office on the same day. The supervisor's attendance is as follows:

The Board of Directors has held 6 meetings (A) in 2022, and the attendance of the supervisors is as follows:

Title	Name	Number of Actual Attendance (B)	Rate of Actual Attendance (%) (B/A)	Note
Supervisors	Huang Ko-Kun	3	100.00%	--
Supervisors	CHIEN CHIH LANG	2	66.67%	--

Other items that shall be recorded:

1. Composition and duties of the Supervisors:

- (1) Communication between the Supervisors and shareholders and employees: Supervisors believe, when necessary, they shall communicate directly with employees and shareholders.
- (2) Communication between the Supervisors and audit supervisors and auditing accountants:
 1. The audit supervisor shall regularly deliver the audit report to or notify the supervisors in accordance with the regulations, and the supervisors shall have no objection.
 2. Audit supervisors attended the Board meeting and made presentations. Attending Supervisors

can express their opinion directly at the meeting for discussions, facilitating good communication. The auditor will immediately report to the verification supervisor in the event of any material irregularities or the risk of material damage to the company. The communication status in 2022 is as follows:

Meeting Date	Communication Status	Supervisor's Comments
January 10, 2022	Internal Audit Business Reports	No Objection
March 29, 2022	Internal Audit Business Reports	No Objection
May 12 2022	Internal Audit Business Reports	No Objection

3. Supervisors and audit supervisors communicate with accountants face to face or by telephone from time to time.
2. If the supervisor attends the board meeting and makes a statement, it shall state the date, period, content of the proposal, result of the resolution of the Board of Directors and the company's handling of the supervisor's statement: none.

(3) The operation of corporate governance and the reason of difference between it and the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies.

Evaluation Items	Operation Status			The Reason of Difference Between It and the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
1. Does the company establish and disclose a code of practice on corporate governance in accordance with the "Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies"?		V	The Company does not have a code of practice of corporate governance in place but the related functioning is in accordance with "Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies."	No Material Difference
2. Equity Structure and Stockholders' Equity of the Company				
(1) Does the company have internal procedures in place to handle shareholder suggestions, questions, disputes and lawsuits, and to follow those procedures?	V		(1) The Company has appointed a spokesman, an acting spokesman and a special representative to deal with shareholder issues. If there are any legal issues, the Company will ask the legal counsel appointed by the Company to help deal with them.	No Material Difference
(2) Does the company have a list of the substantial shareholder and the final list of controllers of the substantial shareholder who actually control the company?	V		(2) The Company shall be in charge of the professional stock agency and have staff to deal with relevant matters. The Company shall keep track of the shareholding status of directors, managers and major shareholders holding more than 10% of the shares at any time, and report the shareholding of major shareholders on time.	
(3) Does the company establish, implement risk management and firewall mechanisms with affiliated enterprises?	V		(3) The Company has formulated the relevant internal control system, and according to the provisions of the implementation.	
(4) Does the company have internal rules that prohibit insiders from trading marketable securities using market information that is not publicly available?	V		(4) The Company has formulated the "Prevention of Insider Trading Management Procedures" to prevent the occurrence of insider trading.	

Evaluation Items	Operation Status			The Reason of Difference Between It and the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
<p>3. Composition and Responsibilities of the Board of Directors</p> <p>(1) Does the Board of Directors formulate diversity policies, specific management objectives and implement them?</p> <p>(2) Besides the Remuneration Committee and Audit Committee, does the company voluntarily set up other functional committees?</p> <p>(3) Does the company have a performance evaluation method for the board of directors and its evaluation method, and the annual performance evaluation is conducted regularly?</p> <p>(4) Does the company regularly assess the independence of its auditing CPAs?</p>	<p>V</p> <p>V</p> <p>V</p> <p>V</p>		<p>(1) Each Director has different expertise in different domains that is helpful to the development and operations of the Company.</p> <p>(2) In addition to setting up a Remuneration Committee in accordance with law, and the Audit Committee to be set up in 2011, the governance and operation of the Company is delegated to the responsible departments. The Company will consider the necessity of setting up other functional committees according to actual needs.</p> <p>(3) The 2021 performance evaluation has been completed and submitted to the Board of Directors in the first quarter of 2022. This year's election will be used by the Board of Directors as a reference for the reappointment of individual directors, salary and compensation and Audit Committee nominations.</p> <p>(4) On January 16, 2023, the Board of Directors of the Company submitted a resolution to periodically evaluate the independence of visa accountants. Please refer to page 68 for the assessment.</p>	No Material Difference

Evaluation Items	Operation Status			The Reason of Difference Between It and the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
4. Does the TWSE & TPEX listed companies have a suitable and appropriate number of corporate governance personnel and designate a corporate governance officer to be responsible for corporate governance related matters (including but not limited to providing information necessary for directors and supervisors to perform their business, assisting directors and supervisors to comply with laws and regulations, conducting board and shareholders' meeting related matters in accordance with the law, and preparing minutes of board and shareholders' meetings, etc.)?	V		In order to implement corporate governance, promote the board of directors' due functions and protect shareholders' rights and interests, the board of directors has adopted a resolution on March 28, 2019 to appoint LO WEI CHANG, associate manager of the financial accounting office, as the director of corporate governance, responsible for the top director of corporate governance related matters.	No Material Difference
5. Does the company establish communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers, etc.), and set up a special area for stakeholders on the company website, and properly respond to the important issues of corporate social responsibility concerned by stakeholders?	V		<p>(1) The Company has a spokesperson and deputy spokesperson, whose contact information is available in the Market Observatory Post System. In addition, finance and stock related information is announced on the company website to establish communication channels with stakeholders with respect for their legal rights.</p> <p>(2) The Company has dedicated contact persons for suppliers who check and monitor transactions of the suppliers as well as serve as communication channels with the suppliers.</p> <p>(3) The Company has a special area for stakeholders on the company website to respond to the important issues of corporate social responsibility the stakeholders are concerned about?</p>	No Material Difference

Evaluation Items	Operation Status			The Reason of Difference Between It and the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
6. Does the company appoint a professional stock agency to handle the affairs of the board of shareholders?	V		The Company appoints the professional stock agency - Mega Securities Co., Ltd. Transfer Agency Department to handle the Company's stock affairs, and formulates the "Stock Affairs Management Measures" to regulate the relevant affairs.	No Material Difference
7. Information Disclosure				
(1) Does the company have a website that discloses financial and corporate governance information?	V		(1) All information of the Company shall be transparent, except that the company's website (www.bullwill.com.tw) has been set up with information related to the company's financial business, and has been linked to the Market Observation Post System.	No Material Difference
(2) Does the company adopt other methods of information disclosure (such as setting up an English website, appointing a person to be responsible for the collection and disclosure of company information, implementing a spokesperson system, and placing judicial person briefings on the company website)?	V		(2) The Company has appointed departments to be responsible for the collection and disclosure of company information, and has spokesperson in place and reported their information in accordance with the regulations.	
(3) Does the company announce and report the annual financial report within two months after the end of the fiscal year, and announce and report the first, second, and third quarter financial reports and the monthly operating conditions well in advance of the required deadline?		V	(3) The Company is currently announcing and filing annual financial reports within the prescribed period.	

Evaluation Items	Operation Status			The Reason of Difference Between It and the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
8. Does the company have other helps to understand the situation and the importance of corporate governance operation information (including but not limited to employee rights, employee care, investor relations, supplier relations, further education of directors and supervisors, implementation of risk management policies and risk measurement standards, implementation of customer policies, where the company purchases liability insurance for directors and supervisors, etc.)?	V		<p>(1) Employee rights and interests: The Company has always treated employees in good faith and protected their legitimate rights and interests according to the Labor Standards Act.</p> <p>(2) Employee care: through the company's welfare system and education and training system, the company has established a good relationship of mutual trust with employees, such as subsidizing employees' club activities, providing recreation, health care and medical treatment, etc. For example, subsidizing employee club activities, provide cultural and recreational entertainment, and health care subsidies.</p> <p>(3) Investor relationship: The Company has a stock office dedicated to handling shareholder proposals.</p> <p>(4) Supplier relationship: The Company has always maintained a good relationship with its suppliers.</p> <p>(5) Rights of stakeholders: stakeholders may communicate with the company and make suggestions to safeguard their legitimate rights and interests.</p> <p>(6) The status of directors and supervisors' further training: the directors and supervisors of the company have all attended the refresher courses from time to time.</p> <p>(7) Implementation of risk management policies and risk measurement standards: The Company formulates various internal regulations and carries out various risk management and evaluation.</p>	No Material Difference

Evaluation Items	Operation Status			The Reason of Difference Between It and the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
			<p>(8) Customer policy implementation: The Company maintains a stable and good relationship with customers to create corporate profits.</p> <p>(9) Where the company has purchased liability insurance for directors and supervisors: The Company has completed the renewal and announcement of the directors' liability insurance for 2023, and has reported the important contents of the insurance to the board of directors and declared the insurance status at the Market Observation Post System.</p>	
<p>9. Please state the improved situation in relation to the results of the corporate governance assessment issued by the governance center of the Taiwan Stock Exchange Corporation in its recent annual report, and propose priorities and measures for those that have not been improved. (Those not listed in the company evaluation need not fill in): None.</p>				

(4) If the company has a remuneration committee, it should disclose its composition and operation:

The Remuneration Committee is responsible for assisting the board to implement and evaluate the company's overall compensation and benefits policies, as well as managers' compensation.

(1) Information on the Members of the Remuneration Committee

<div> <div>Conditions</div> <div>Category of Identity (Note 1)</div> <div>Name</div> </div>		Professional Qualifications and Experience (Note 2)	Independence Status (Note 3)	Number of Members Who Are Also Members of the Remuneration Committee of Other Public Corporations
Independent Director (Convenor)	CHAN HUO LIEN	Please refer to page 14 (1) Director Information and page 18 Disclosure of Director's Professional Qualifications and Independence of Independent Directors.		None
Independent Director	LEE SHI YANG			None
Other	Chu Li Teh			None

Note 1: Please specify length of service, professional qualifications, experience and independence of each member of the Remuneration Committee. For independent directors, please refer to information on directors and supervisors (1) in Table 1 on page 14. Please state that you are independent director or other (if you are convenor, please add note).

Note 2: Professional qualifications and experience: state the professional qualifications and experience of individual members of the Remuneration Committee.

Note 3: Conforming to independence: State whether the members of the Remuneration Committee are independent, including but not limited to whether oneself, spouse or second degree of kinship are directors, supervisors or employees of the Company or its related enterprises. The number and proportion of shares held by oneself, spouse or second degree of kinship (or in the name of others). Whether to serve as a director, supervisor or employee of a company having a specific relationship with the company (refer to article 6, Item 1, Subparagraphs 5-8 of the rules governing the establishment and exercise of functions and powers of the Remuneration Committee of a company listed on the stock market or traded on the business place of a securities firm). The amount of remuneration obtained in the last 2 years for providing business, legal, financial, accounting and other services to the company or its affiliated enterprises.

(2) Information about the Operation of the Compensation Committee

1. The Company has a total of 3 members of the remuneration committee.
2. Term of Committee: From 24 June 2022 to 23 June 2025.

The Compensation Committee held 4 meetings (A) in 2022. Attendance and background of committee members is as follows:

Title	Name	Number of attendances in person (B)	Number of Proxy Attendance	Rate of Actual Attendance (%) (B/A)	Note
Convenor	CHAN HUO LIEN	4	0	100.00%	--
Independent Director	LEE SHI YANG	4	0	100.00%	--
Committee Member	Chu Li Teh	4	0	100.00%	--
Other items that shall be recorded: <ol style="list-style-type: none">1. If the board of directors does not accept or amend the recommendation of the remuneration committee, it shall state the date, stage, content of the proposal, result of the resolution of the board of directors, and the company's treatment of the opinion of the remuneration committee (if the remuneration approved by the board of directors is superior to the recommendation of the remuneration committee, the circumstances and reasons for the discrepancy shall be stated): No such situation.2. In the case of any objection or reservation made by a member to a decision of the remuneration committee, the date, date, contents of the proposal, all member opinions and the handling of member opinions shall be clearly stated: No such situation.					

(3) The content of the remuneration committee's proposals, summary results of important resolutions and the company's handling of the remuneration committee's opinions in 2022:

Meeting Date	Bill Content	Resolution Results	The company's handling of the remuneration committee's suggestions.
The 6th of the 4th 2022.01.10	Discuss the Company's manager's year-end bonus payment in 2021.	Adopted by all the members present without objection.	The board meeting is approved by all the directors present without objection.
7th of the 4th 2022.03.29	Remuneration for directors and supervisors and the allocation of remuneration for employees in 2021.	Adopted by all the members present without objection.	The board meeting is approved by all the directors present without objection.
1st of the 5th 2023.08.11	Discuss the Manager's Salary Adjustment Proposal	Adopted by all the members present without objection.	The board meeting is approved by all the directors present without objection.
2nd of the 5th 2022.6.10	Discuss the General Manager's Salary Adjustment Proposal	Adopted by all the members present without objection.	The board meeting is approved by all the directors present without objection.

(5) Promoting Sustainable Development Implementation and the Reason of Departure from the Corporate Sustainable Development Best Practice Principles for TWSE & TPEX Listed Companies

Evaluation Items	Operation Status			Differences and reasons from sustainability practices guidelines for listed and OTC companies.
	Yes	No	Summary and Explanation	
1. Does the company set up a governance structure to promote sustainable development, and set up a full-time (part-time) unit to promote sustainable development, which is authorized by the board of directors to handle the senior management, and the board of directors supervision?		V	The Company has not set up a corporate social responsibility full-time (part-time) unit, but its relevant operations are carried out in accordance with the "Corporate Social Responsibility Best Practice Principles for TWSE & TPEX Listed Companies".	The Company will set up full-time (part-time) corporate social responsibility units according to the actual needs and legal requirements.
2. Does the company carry out risk assessment on environmental, social and corporate governance issues related to the operation of the company in accordance with the principle of materiality and formulate relevant risk management policies or strategies?	V		In accordance with the Corporate Social Responsibility Best Practice Principles for TWSE & TPEX Listed Companies, the Company implements corporate governance, promotes the development of a sustainable environment and maintains social welfare, and carries out risk assessment based on the significance of the issues. The Company's "Prevention of Insider Trading Management Procedures", "Code of Ethical Corporate Management", "Operating Procedures of Ethical Corporate Management and Behavioral Guidelines", "Standards of Ethical Conduct for Directors and Supervisors", and "Standards of Ethical Conduct for Supervisors and Senior Professionals" are formulated for the implementation of risk management policies, and the contents are formulated in accordance with relevant government regulations.	No Material Difference
3. Environmental Issues (1) Does the company establish an appropriate environmental management system based on its industry characteristics?	V		(1) The Company occasionally collects and assess data on the impact of our operation on the environment, implement energy-saving and carbon reduction measures, review sustainability objectives, to make our	No Material Difference

Evaluation Items	Operation Status			Differences and reasons from sustainability practices guidelines for listed and OTC companies.
	Yes	No	Summary and Explanation	
(2) Does the company commit to improving energy efficiency and use recycled materials with low impact on the environment?	V		contributions to environmental protection. (2) The Company has designated personnel for overall resource planning to increase the efficiency of resource usage. Wastes are collected centrally and recycled for further usage. In the spirit of environmental protection, the annual reports and shareholders' meeting handbooks are printed on recycled paper.	
(3) Does the company assess the current and future potential risks and opportunities of climate change and take relevant measures?	V		(3) The potential risks faced by the Company are mainly from the market environment and business aspects: if the cost of raw materials increases, resources are scarce and labor costs increase, there is no significant impact or loss on the operation of the company due to the influence of the weather.	
(4) Has the company made statistics on greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulated policies for energy conservation, greenhouse gas reduction, water use reduction or other waste management?	V		(4) According to the influence of business activities, the company develops energy conservation and carbon reduction strategies, promotes various energy conservation measures, and reduces the impact of business operations on the natural environment. For example, in addition to actively carrying out garbage classification and recycling, and promoting energy conservation and carbon reduction, investment in energy conservation and carbon reduction equipment expenditure, etc., and encourage colleagues to take part in the mass rapid transit system, and implement the work of energy conservation and carbon reduction.	
4. Social Issues				
(1) Does the company establish management	V		(1) The Company, in accordance with the Labor	No Material Difference

Evaluation Items	Operation Status			Differences and reasons from sustainability practices guidelines for listed and OTC companies.
	Yes	No	Summary and Explanation	
<p>policies and procedures in accordance with relevant laws and regulations and international human rights conventions?</p> <p>(2) Does the company establish and implement reasonable employee benefits measures (including remuneration, leave and other benefits) and properly reflect the performance or results of its operations in employee remuneration?</p> <p>(3) Does the company provide a safe and healthy working environment for employees, and regularly implement safety and health education for employees?</p> <p>(4) Does the company establish effective career development programs for employees?</p> <p>(5) Does the Company comply with relevant regulations and international standards regarding customer health and safety, customer</p>	<p>V</p> <p>V</p> <p>V</p> <p>V</p>		<p>Standards Act and other relevant labor laws and regulations, has formulated internal management rules to protect the basic human rights of all staff, customers and stakeholders.</p> <p>(2) The Company shall follow the Labor Standards Act and other relevant labor laws and regulations, and formulate working rules to protect the legitimate rights and interests of staff.</p> <p>The company has set up an Employee Welfare Committee. Every year, the company allocates welfare funds and provides various benefits for colleagues, such as: employee travel allowance, birthday gift, marriage allowance, maternity allowance, funeral allowance, free employee travel, festive gift money, hospital comfort fund, New Year's Festival celebration and other benefits.</p> <p>(3) The Company reviews fire protection measures regularly, provides employee health check benefits, conduct occasional health and safety training, in order to create a safe and healthy work environment for employees.</p> <p>(4) The Company actively assists employees to improve their work knowledge and capability, and also regularly arranges educational training for employees to acquire promotion skills.</p> <p>(5) The Company follows laws and international codes of conduct, does not cheat or does anything that would break the trust of</p>	

Evaluation Items	Operation Status			Differences and reasons from sustainability practices guidelines for listed and OTC companies.
	Yes	No	Summary and Explanation	
<p>privacy, marketing and labeling of its products and services, and has a policy and complaint procedure to protect the rights and interests of consumers or customers?</p> <p>(6) Does the company have a supplier management policy that requires suppliers to comply with the relevant specifications and their implementation on issues such as environmental protection, occupational safety and health, or labor rights?</p>	V		<p>customers or damage their rights. If the customer has any doubts or concern about the product, the Company will do everything in its power to follow up and resolve the issue.</p> <p>(6) The Company will evaluate the green policy for all purchasing targets and will comply with the company's honesty policy. Any violation of the policy will result in immediate termination of the transaction, so as to jointly promote the company's corporate social responsibility with the supplier.</p>	
<p>5. Does the company prepare sustainability reports and other reports that disclose non-financial information of the company in accordance with international reporting standards or guidelines? Has the preceding report been confirmed or endorsed by a third party?</p>		V	<p>The Company has not yet prepared a corporate social responsibility report.</p>	<p>The Company will set up corporate social responsibility units according to actual needs and statutory requirements.</p>
<p>6. If the company has established its own sustainability guidelines based on the "Practical Guidelines for Sustainable Development of Listed and OTC Companies," please describe how they differ from the operational guidelines established.</p> <p>The Company does not have its own Principle of Corporate Social Responsibility in place but the related functioning is in accordance with “Corporate Social Responsibility Best Practice Principles for TWSE & TPEx Listed Companies.”</p>				

Evaluation Items	Operation Status			Differences and reasons from sustainability practices guidelines for listed and OTC companies.
	Yes	No	Summary and Explanation	
7. Other important information to understand the execution of sustainable development:				
I. Environmental protection: The threat of global warming is imminent, and everyone is responsible. The Company is dedicated to measures such as waste sorting and recycling; promotes energy saving and carbon reduction; invests in carbon reduction equipment (e.g., energy saving light tubes); and encourages employees to use public transportations. In addition, the Company’s products are 100% in compliance with the EU directive of RoHS (Restriction of Hazardous Substances).				
II. Encouraging employees to participate in social services: to enforce social responsibilities, the Company encourages employees to participate in social welfare activities. Many have joined volunteer groups dedicated to offering care for minority groups. In addition, the Company makes donations of goods to minority group and actively participate in social services.				
III. Consumer rights: The Company’s main products are passive components such as radiation protection components and power coils, as well as certain IC components. The main products are sold to manufacturers so the Company does not interact directly with consumers. Regarding customer complaints, the Company has set up “Procedures for Handling Customer Complaints.” Channels for making complaints are in place. Contracts of supplying and quality are signed with customers to protect their rights.				

(6) Implementation of ethical corporate management and differences and reasons between the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies.

Evaluation Items	Operation Status			Differences and Reasons Between the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
<p>1. Formulating Policies and Plans for Ethical Corporate Management</p> <p>(1) Has the company had a policy of ethical corporate management approved by the board of directors, and clearly state the policy and practice of ethical corporate management in the regulations and external documents, as well as the commitment of the board of directors and senior management to actively implement the policy?</p>	V		(1) The Company has established "Procedures and Guidelines for Ethical Corporate Management" and "Ethical Corporate Management Best Practice Principles" to promote a corporate culture and future development of ethical corporate management. In addition, Directors sign a "Statement of Non-Violation of Ethical Behavior Principle" when starting their term of office. The Board and the management of the	No Material Difference

Evaluation Items	Operation Status			Differences and Reasons Between the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
<p>(2) Has the company established an assessment mechanism for the risk of dishonest conduct, regularly analyzed and evaluated the business activities with high risk of dishonest conduct within its business scope, and formulated a plan to prevent dishonest conduct, including at least the preventive measures for the behaviors in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies?</p> <p>(3) Does the company specify, and implement, operating procedures, guidelines, and disciplinary and grievance systems for violations in the program for preventing dishonest conduct, and regularly review and revise the pre-disclosure program?</p>	V		<p>Company promote ethical corporate management as a vision to employees and stakeholders. The Procedures and Principles will be disclosed on the company website after this submission to the shareholders' meeting.</p> <p>(2) In the “Procedures and Guidelines for Ethical Corporate Management” and “Ethical Corporate Management Best Practice Principles,” the procedures, reward and punishment, grievance system, and disciplinary consequences of dishonest behavior and violation of the principles are specified and enforced in combination with the internal procedures. In addition, the Company promotes them in meetings and enforce these principles at all levels.</p> <p>(3) The Company promotes ethical principles and enforce specific work rules for the operating personnel with high risk of dishonest conduct within their business scope. Duty rotation is another countermeasure. The Company sets up a comprehensive management and internal control system and regularly checks and enforces the procedures. In addition, with the laws as the guiding principles, to prevent any employees taking chances, upon discovery of any inconsistency, the Company will investigate and handle the situation.</p>	
2. Implementation of Ethical Corporate Management				
(1) Does the company assess the integrity record of its	V		(1) The Company conducts due diligence when	No Material Difference

Evaluation Items	Operation Status			Differences and Reasons Between the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
<p>business contacts and specify the terms of good faith conduct in its contracts with its business contacts?</p> <p>(2) Does the company have a dedicated unit under the board of directors to promote ethical corporate management and report to the board of directors regularly (at least once a year) on its ethical corporate management policies, prevention plans and implementation monitoring?</p> <p>(3) Does the company have a conflict of interest prevention policy, provide appropriate representation channels, and implement them?</p> <p>(4) Has the company established an effective accounting system and internal control system in order to implement the operation in ethical corporate management, and the internal audit unit shall draw up the relevant audit plan based on the assessment results of the risk of dishonest</p>	V		<p>dealing with a supplier for the first time. If any negative record was discovered, the Company will not deal with a dishonest or unethical supplier or customer. Each department will also monitor the operational status of their respective business contacts. When working with important suppliers or customers, contracts and agreements will be drawn to govern the content of the deal and to remind each participating party of good faith.</p> <p>(2) The Company takes the Auditing Office as a dedicated unit to promote ethical corporate management, and reports the implementation status to the board of directors from time to time.</p> <p>(3) The Company has “Ethical Corporate Management Best Practice Principles” in place. In addition to self-regulation, where a Director or the judicial person he/she represents has a conflict of interest in the proposal the Board is discussing, he/she can express their opinion and answer questions, but may not, participate in the discussion or vote, and should recuse themselves during the discussion and voting.</p> <p>(4) The Company established an accounting system and internal control system, and regularly checks all departments on their status of compliance.</p>	

Evaluation Items	Operation Status			Differences and Reasons Between the Ethical Corporate Management Best Practice Principles for TWSE & TPEx Listed Companies
	Yes	No	Summary and Explanation	
<p>behaviors, and check the compliance of the plan to prevent dishonest behaviors, or entrust the accountant to carry out the audit?</p> <p>(5) Does the company regularly conduct internal and external education and training on ethical corporate management?</p>	V		(5) The Company has “Ethical Corporate Management Best Practice Principles” in place and will encourage relevant personnel to participate in training and seminars on ethical corporate management, or promote the principles in meetings.	
<p>3. Implementation of the Company's Whistleblowing System</p> <p>(1) Does the company have a specific whistleblowing and reward system, a convenient whistleblowing channel, and appropriate personnel assigned to handle the whistleblowing?</p> <p>(2) Does the company set up the standard operating procedures for the investigation of whistleblowing, the follow-up measures to be taken after the investigation and the relevant confidentiality mechanism?</p> <p>(3) Does the company take measures to protect the whistleblower against inappropriate disciplinary actions?</p>	<p>V</p> <p>V</p> <p>V</p>		<p>(1) The Company has a whistleblowing system, in addition to the mailbox of the general manager, or letters, mail whistleblowing, the company's website also has a whistleblowing mailbox. If there is a case of whistleblowers, the unit that accepts the case shall be the audit supervisor and the person in charge of the case or the investigation team appointed by the general manager to handle the relevant affairs.</p> <p>(2) According to the Company's whistleblowing system.</p> <p>(3) According to the Company's whistleblowing system.</p>	No Material Difference

Evaluation Items	Operation Status			Differences and Reasons Between the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary and Explanation	
<p>4. Strengthening Information Disclosure</p> <p>(1) Does the company disclose the content and effectiveness of its Code of Ethical Corporate Management on its website and in its Market Observatory Post System?</p>	V		<p>(1) In the corporate governance section of the company website, the Company has posted the "Standards of Ethical Conduct for Directors and Supervisors", "Standards of Ethical Conduct for Supervisors and Senior Professionals", "Code of Conduct for Personnel Below the Supervisor Level" and the whistleblowing system on the website.</p>	No Material Difference
<p>5. If the company has its own Code of Ethical Corporate Management in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies”, please state the difference between its operation and the code:</p> <p>There are no significant differences in the Ethical Corporate Management Best Practice Principles established by the Company.</p>				
<p>6. Other important information to help understand the ethical corporate management of the company: (e.g. company review and amendment of its Code of Ethical Corporate Management)</p> <p>The Company shall, from time to time, pay attention to the development of domestic and international ethical corporate management standards and encourage directors, managers and employees to make suggestions to review and improve the company's ethical corporate management policies and measures, so as to enhance the effectiveness of the company's ethical corporate management.</p>				

(7) The company has corporate governance codes and related regulations: although the company does not have a code of practice on corporate governance, the relevant measures are implemented in accordance with the spirit and norms of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies. The Company has established an "Ethical Corporate Management Best Practice Principles" and related rules and regulations, which are available on the Market Observation Post System and our website: <http://www.bullwill.com.tw>. Investors Service - > Corporate Governance.

(8) Other important information necessary to a comprehensive understanding of the Company’s corporate governance implementation:

1. Insiders such as the newly appointed Directors, Supervisors, and Managers, will receive the “Regulations and Important Notices about the shareholding of insiders of TWSE & TPEX Listed Companies” published by the Taipei Exchange when assuming their positions. Every year, occasionally, the latest amendments to insider shareholding related regulations will be announced at Board meetings to help insiders follow these rules.

The training of directors is as follows:

Title	Name	Time	Organizer	Refresher Courses	Course Hours	Whether it is in line with the further promotion of the key points for directors and supervisors of TWSE/TPEX Listed Companies
Director	CHIEN CHIH LANG	2022.08.15	Securities and Futures Institute	How Does the Director Analyze the Financial Statement Base to Grasp the Enterprise Risk Management	3	Yes
Legal Person Representative of the Director	CHANG CHIEH MIN	2023.03.02	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3	Yes
Director	Chin-Tai Cho	2023.03.02	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3	Yes
Director	CHIEN CHIH LANG	2023.03.02	Taiwan Academy of Banking and Finance	Corporate Governance Forum	3	Yes

2. The Company has formulated the "Prevention of Insider Trading Management Procedures" and the "Whistleblowing System", etc., and disclosed the above-mentioned measures and relevant corporate governance information on the investor section of the Company website.

(9) Implementation of Internal Control System

1. Statement of Internal Control:

BULL WILL CO LTD
Statement of Internal Control System

Date: 28 March 2023

The internal control system of the Company 2022 the year of 2022, based on the results of self-assessment, is hereby stated as follows:

1. It is the responsibility of the Board of Directors and Managers of the Company to establish, implement and maintain the internal control system, which the company has established. The objective is to provide reasonable assurance of operational effectiveness and efficiency (including profitability, performance and asset security), reporting reliability, immediacy, transparency, and compliance with relevant codes and regulations.
2. The internal control system has its inherent limitation, no matter how perfect the design is, the effective internal control system can only provide reasonable assurance for the above three objectives; moreover, the effectiveness of the internal control system may change with the change of environment and situation. However, the internal control system of the Company is provided with a self-monitoring mechanism, and the company will take corrective actions once the absence is identified.
3. The Company shall judge whether the design and implementation of the internal control system are effective or not according to the judgment items of the effectiveness of the internal control system stipulated in the "Guidelines for the Establishment of Internal Control System by Public Owned Corporations" (hereinafter referred to as "Handling Guidelines"). The internal control system used in the "Handling Guidelines" is used to determine the item. According to the process of management control, the internal control system is divided into five components: 1. Environment Control, 2. Risk Assessment, 3. Control Operation, 4. Information and Communication, and 5. Supervision Operation. Each component includes a number of items. For the foregoing items, please refer to the provisions of "Handling Guidelines".
4. The Company has adopted the above internal control system to judge items and evaluate the effectiveness of the design and implementation of the internal control system.
5. Based on the assessment results set forth in the preceding paragraph, the Company believes that the internal control system (including supervision and management of the subsidiaries) set up by the company on 31 December 2022, including the effectiveness of the design and implementation of the internal control system to understand the effectiveness and efficiency of the operation, the reliability, timeliness, transparency of reporting, and the compliance with relevant codes and regulations, will reasonably ensure the achievement of the above objectives.
6. This statement will be the main content of the Company's annual report and public statement, and will be made public. If any of the contents disclosed above is found to be false, with concealment or other illegal matters, it will involve legal liabilities under Articles 20, 32, 171 and 174

of the Securities and Exchange Act.

7. This statement was approved by the board of directors of the Company on March 28, 2023. Among the 7 directors present, 0 held opposing opinions. The rest agreed with the contents of this statement and made this statement.

BULL WILL CO LTD

Chairman of the Board: Signed by CHANG CHIEH MIN

General Manager: Signed by Li Tai-hsing

2. If an accountant is entrusted to examine the internal control system, the audit report shall be disclosed: none.

(10) Penalties imposed on the Company and its internal staff, penalties imposed on its internal staff, and any status of improvements made in the internal control system, where the penalty result may have a significant impact on shareholders' equity or the price of securities, the penalty content shall be listed, major deficiencies and improvements in the most recent year up to the publication date of this annual report: The spouse of the Chairman of the Board of the Company violated Section 157 of the Securities Exchange Act by trading for a short time because she was not familiar with the regulations. She has assigned the profit margin and interest to the Company and has a clear understanding of the regulations.

(11) Important resolutions of the Shareholders' Meeting and the Board of Directors in the most recent fiscal year up to the publication date of this annual report:

Date	Category	Resolutions	Provided by Article 14- 3 of the Securities and Exchange Act	Opinions of Independent Directors and the Company's Handling of Such Opinions	Board Resolution Results

2022.06.24	Shareholders' Meeting	<p>1.To ratify the Company's 2021 case of business report and final statements.</p> <p>2.To ratify the Company's 2021 case of earnings distributions.</p> <p>3.To amend the Company's case of "Articles of Association".</p> <p>4.To amend the Company's provisions of the operational procedures of acquisition or disposal of assets.</p> <p>5.To amend the Company's case of "Rules of Shareholders' Meetings".</p> <p>6.To amend the Company's endorsements and guarantees operation procedure.</p> <p>7.To amend the Company's case of "Operational Procedures of Engaging in Derivatives Trading".</p> <p>8.To amend the Company's procedure for loaning funds to others.</p> <p>9.To amend the Company's case of "Election Rules for Directors and Supervisors" and change its name to "Election Rules for Directors".</p> <p>10. 2022 annual private equity capital increase.</p> <p>11. Re-election of the board directors.</p> <p>12. Removal of the non-competition on new directors (including representative natural persons and independent directors) of the Company.</p>	<p>1. Comply with the results of the resolution.</p> <p>2. The results of the resolution have been complied with.</p> <p>3. The result of the resolution has been complied with and the registration has been approved by the competent authority on July 26, 2022.</p> <p>4. The results of the resolution have been complied with and announced on the company's website.</p> <p>5. The results of the resolution have been complied with and announced on the company's website.</p> <p>6. The results of the resolution have been complied with and announced on the company's website.</p> <p>7. The results of the resolution have been complied with and announced on the company's website.</p> <p>8. The results of the resolution have been complied with and announced on the company's website.</p> <p>9. The results of the resolution have been complied with and announced on the company's website.</p> <p>10. Comply with the results of the resolution.</p> <p>11. The result of the resolution has been complied with and the registration has been approved by the competent authority on July 26, 2022.</p> <p>12. The results of the resolution have been complied with.</p>		
1st of the 12th 2022.06.24	Ad Hoc Board Meeting	Cause of Action 1: to elect the chairman of the board of the Company. Submitted for approval.	V	None	Passed by all Directors attending the meeting without objections.

2nd of the 12th 2022.08.11	Board of Directors	Cause of Action 1: The Company intends to loan funds to SERIAL SYSTEM LTD. Submitted for approval.	V	None	Passed by all Directors attending the meeting without objections.
		Cause of Action 2: The Company's 2022 Q2 financial statements. Submitted for approval.	V	None	
		Cause of Action 3: Earnings distributions in 2022 Q2. Submitted for approval.	V	None	
		Cause of Action 4: Set the base date for employee stock option conversion and issuance of new shares. Submitted for approval.		None	
		Cause of Action 5: The overdue amount of the Company's accounts receivable and other accounts receivable as of the end of the second quarter of 2022 is not a fund loan and the nature of the case. Submitted for approval.		None	
		Cause of Action 6: The Company intends to renew and apply to financial institutions for annual line of credit. Submitted for approval.		None	
		Cause of Action 7: Compensation Committee to recommend managers' pay adjustments.		None	
3rd of the 12th 2022.11.10	Board of Directors	Cause of Action 1: The Company's 2022 Q2 financial statements. Submitted for approval.	V	None	Passed by all Directors attending the meeting without objections.
		Cause of Action 2: 2023 budget. Submitted for approval.		None	
		Cause of Action 3: Internal audit plan for 2023. Submitted for approval.		None	
		Cause of Action 4: The overdue amount of the Company's accounts receivable and other accounts receivable as of the end of the third quarter of 2022 is not a fund loan and the nature of the case. Submitted for approval.		None	
		Cause of Action 5: Set the base date for employee stock option conversion and issuance of new shares. Submitted for approval.		None	
		Cause of Action 6: The Company intends to renew and apply to financial institutions for annual line of credit. Submitted for approval.		None	
		Cause of Action 7: Established the Company's "Procedures for the Method of Major Information Processing". Submitted for approval.		None	
		Cause of Action 8: dispose of 30% of the equity of BULL WILL TRADING (S) PTE. LTD invested by the Company, Submitted for approval.		None	

		Cause of Action 9: Compensation Committee to discuss managers' pay adjustments.		None	
4th of the 12th 2022.01.16	Board of Directors	Cause of Action 1: The Company regularly assesses the independence and discretion of CPAs. Submitted for approval.		None	Passed by all Directors attending the meeting without objections.
		Cause of Action 2: The Company's 2023 CPA appointment and remuneration plan. Submitted for approval.	V	None	
		Cause of Action 3: Set the base date for the issuance of new shares in the fourth quarter of 2022 through employee stock option conversion. Submitted for approval.		None	
		Cause of Action 4: Pay the price of the third phase of the Company's investment in Trustbond. Submitted for approval.		None	
		Cause of Action 5: The overdue amount of the Company's accounts receivable and other accounts receivable as of the end of the fourth quarter of 2022 is not a fund loan and the nature of the case. Submitted for approval.		None	
		Cause of Action 6: The Compensation Committee proposed to discuss the 2022 year-end bonuses for the Company's managers. Submitted for approval.		None	
5th of the 12th 2023.03.28	Board of Directors	Cause of Action 1: Business report and financial statement for 2022. Submitted for approval.	V	None	Passed by all Directors attending the meeting without objections.
		Cause of Action 2: Earnings distributions in 2022. Submitted for approval.	V	None	
		Cause of Action 3: Capital surplus to increase capital and issue new shares. Submitted for approval.	V	None	
		Cause of Action 4: Status of director remuneration, director remuneration and employee remuneration distribution in 2022. Submitted for approval.	V	None	
		Cause of Action 5: Approving the 2022 Statement of Internal Control System. Submitted for approval.		None	
		Cause of Action 6: To apply for liability insurance for managers and supervisors. Submitted for approval.		None	
		Cause of Action 7: Handle the liquidation of subsidiary "Bull Will Electronics CO LTD". Submitted for approval.		None	
		Cause of Action 8: 2023 annual private equity capital increase. Submitted for approval.	V	None	
		Cause of Action 9: Amendment to the "Articles of Association" of the Company. Submitted for approval.	V	None	

		Cause of Action 10: Amendment to the "Rules of Procedure for Board of Directors Meetings" of the Company. Submitted for approval.		None	
		Cause of Action 11: Updated the Company's "Rules on the Scope of Responsibilities of Independent Directors". Submitted for approval.		None	
		Cause of Action 12: The overdue amount of the Company's accounts receivable and other accounts receivable as of the end of the fourth quarter of 2022 is not a fund loan and the nature of the case. Submitted for approval.		None	
		Cause of Action 13: Re-election of the board directors.		None	
		Cause of Action 14: A list of directors nominated by the board of directors. Submitted for approval.		None	
		Cause of Action 15: Releasing the Company's newly elected directors from the non-competition restrictions. Submitted for approval.		None	
		Cause of Action 16: To set up the operation related to the right to receive shareholder proposals. Submitted for approval.		None	
		Cause of Action 17: Establish procedures for accepting one shareholder-nominated director. Submitted for approval.		None	
		Cause of Action 18: The Company holds the 2023 regular meeting of shareholders. Submitted for approval.	V	None	
6th of the 12th 2023.05.11	Board of Directors	Cause of Action 1: The Company's 2023 Q1 financial statements. Submitted for approval.	V	None	Passed by all Directors attending the meeting without objections.
		Cause of Action 2: The overdue amount of the Company's accounts receivable and other accounts receivable as of the end of the first quarter of 2023 is not a fund loan and the nature of the case. Submitted for approval.		None	
		Cause of Action 3: Set the base date for employee stock option conversion and issuance of new shares. Submitted for approval.		None	
		Cause of Action 4: Not to proceed with the private ordinary shares approved by the 2022 annual meeting of shareholders. Submitted for approval.	V	None	
		Cause of Action 5: Amendment of the Company's "Prevention of Insider Trading Management Procedures". Submitted for approval.		None	
		Cause of Action 6: Amendment of the Company's "Procedures for the Method of Major Information Processing". Submitted for approval.		None	

		Cause of Action 7: The Company intends to apply to financial institutions for annual line of credit. Submitted for approval.		None	
7th of the 12th 2023.05.18	Board of Directors	Cause of Action 1: To amend and adjust the 2022 annual surplus distribution plan. Submitted for approval.	V	None	Passed by all Directors attending the meeting without objections.

(12) In the most recent year and up to the date of publication of the annual report, the Directors or Supervisors have different opinions on the important resolutions adopted by the Board of Directors which have been recorded or as written statements: none.

(13) In the most recent year and up to the date of the publication of the annual report, the summary of the resignation and dismissal of the chairman of the board, general manager, accounting supervisor, financial supervisor, internal audit supervisor, supervisor of corporate governance, and R&D supervisor of the company: none.

(14) Personnel related to the transparency of financial information and the certificates they have obtained from relevant authorities and governing bodies.

TITLE	NAME	ORGANIZER	CERTIFIED ITEMS
CFO	LO WEI CHANG	Securities and Futures Institute	Further education and examination for accounting supervisors
Audit Supervisor	HUNG LI JU	Securities and Futures Institute	Basic examination of corporate internal control
Audit Supervisor	HUNG LI JU	Securities and Futures Institute	Professional Competence Test for Stock Business
Audit Supervisor	HUNG LI JU	Securities and Futures Institute	Examination of common knowledge of financial market and professional ethics
Audit Supervisor	HUNG LI JU	Securities and Futures Institute	Basic Competence Test of Corporate Governance

(15) The Company's Board of Directors regularly evaluates the independence of the CPAs:

The Company evaluated the independence of the CPAs in 2022 according to the following assessment items, and has obtained the statement of independence issued by the CPAs. The independent assessment of accountants is arranged in the agenda of the board of directors to discuss matters.

Independent Assessment Criteria	Yes	No
1. Not employed by the Company or affiliated enterprises.	V	
2. Whether the CPA or the firm or its affiliated companies have any direct or indirect significant financial interests with the company, its board of directors, supervisors, and managers.	V	
3. Whether the CPA or the firm or its affiliated enterprises have any financing or guarantee activities with the company or its board of directors, supervisors, and managers.	V	

4. Whether the CPA or the firm or its affiliated enterprises have any close business relationship with the company.	V	
5. Whether the members of the CPA and audit service team are currently or within the last two years acting as directors or managers of the company or having a significant impact on the audit case.	V	
6. Whether the members of the CPA and audit service team are related to the board of directors, supervisors, managers, or personnel with significant influence on the audit case. Whether they have a spouse or second degree of kinship.	V	
7. Whether the chairman of the board, general manager, or manager in charge of financial or accounting affairs of the company does not work for the current CPA firm or its affiliated company within the last one year.	V	
8. Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies.	V	
9. No management function involving decision-making by the Company or affiliated enterprises.	V	

5. CPA Fee Information

CPA Fee Information

Amount Unit: NT\$ 1,000

Name of CPA Firm	Name of CPA	Audit Period by CPA	Audit Fees	Non-Audit Fees	Total	Note
Moore Stephens DaHua CPAs	Andrea Kuo	Jan 1 2022 to Dec 31 2022	1,230	70	1,300	Non-Audit Fees Is Transfer Pricing Report
	Jessie Young	Jan 1 2022 to Dec 31 2022				

(1) If an accounting firm is replaced and the audit fee paid in the replacement year is reduced compared with the audit fee paid in the previous year, the amount of audit fees paid and the reasons before and after the replacement shall be disclosed: No such situation.

(2) If the audit fee is reduced by more than 10% compared with the previous year, the amount, proportion and reason of the reduction shall be disclosed: No such situation.

6. Information on Replacement of CPAs

(1) About the Former Accountant: No such situation.

(2) About the Successor Accountant: No such situation.

(3) The company shall send to the former accountant the matters specified in Item 1 and Item 1-3 above, and notify the former accountant to reply within 10 days in case of any disagreement. The company shall disclose the former accountant's reply: No such situation.

7. The company's chairman of the board, general manager, manager in charge of financial or accounting affairs, who has worked in the CPA firm or its affiliated enterprises in the most recent one year: None.

8. The transfer and pledge of shares of directors, supervisors, managers and shareholders holding more than 10% of the shares in the most recent year and as of the date of publication of the annual report:

(1) Changes in the Equity of Directors, Supervisors, Managers and Major Shareholders

Unit: Shares

Title	Name	2022		As of April 30, 2023	
		Shares Held Increase (Decrease)	Pledge Shares Increase (Decrease)	Shares Held Increase (Decrease)	Pledge Shares Increase (Decrease)
Judicial Person Director	Entrusted with Mega International Commercial Bank Custody of Serial System LTD Investment Account	0	0	0	0
Chairman of the Board (Note 1)	CHANG CHIEH MIN	450,000	0	(206,000)	0
Director (Note 1)	GOH SUE TENG	0	0	0	0
Director (Note 1)	Si-hui Wu	0	0	0	0
Director	Chin-Tai Cho	0	0	0	0
Director (Note 2)	LO WEI CHANG	38,000	88,000	187,000	187,000
Independent Director	CHAN HUO LIEN	0	0	0	0
Independent Director	Li Hsi-yan	0	0	0	0
Independent Director (Note 3)	Chu Li Teh	0	0	0	0
Director (Note 4)	CHIEN CHIH LANG	0	0	0	0
Supervisor (Note 2)	Huang Ko-Kun	0	0	0	0
General Manager	Lee Tai Hsiang	110,000	0	0	0
Majority Shareholder	Entrusted with Mega International Commercial Bank Custody of Serial System LTD Investment Account	0	0	0	0
Majority Shareholder	Shun-Fa Cho	0	0	0	0
Majority Shareholder	Fu-Tian Xie	0	0	0	0

Note 1: The legal representative of Serial System LTD.

Note 2: Re-election and dismissal.

Note 3: Re-election and newly-appointed.

Note 4: 2022/6/24 A full re-election of directors and the establishment of an audit committee to replace the supervisors' duties and responsibilities.

(2) Where the transfer of shares is an affiliate concerned: None.

(3) Where the pledge of shares is an affiliate concerned: None.

9. Top 10 shareholders in terms of shares held who are related persons, spouse, or relative within second degree of kinship:

April 30, 2023

NAME	SHARES HELD		SHARES HELD BY SPOUSES AND MINOR CHILDREN		TOTAL SHARES HELD IN THE NAME OF OTHER PERSONS		THE TITLES OR NAMES AND RELATIONSHIPS OF THE TOP TEN SHAREHOLDERS WHO ARE RELATED PERSONS, SPOUSES, OR RELATIVES WITHIN THE SECOND DEGREE OF KINSHIP		NO TE
	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Name	Relationship	--
Cho Shun-fa	3,788,481	18.82%	0	0.00%	0	0.00%	None	None	--
Mega International Commercial Bank with the Custody of Investment Account in Serial System LTD	2,666,474	13.24%	0	0.00%	0	0.00%	Chao-Yu Cheng	The person in charge of the invested sub-subsidary, Serial System LTD, that is invested by the investment account in Serial System LTD by the custody of Mega International Commercial Bank.	--
Hsieh Fu-tien	1,559,963	7.75%	0	0.00%	0	0.00%	None	None	--
FU-NING LIN	885,000	4.40%	0	0.00%	0	0.00%	None	None	--
CHUN-CHING LIN	682,000	3.39%	0	0.00%	0	0.00%	None	None	--
Cheng Chao-yu	485,230	2.41%	0	0.00%	0	0.00%	Mega International Commercial Bank with the Custody of Investment Account in Serial System LTD	The Parent Company of Serial System Ltd Parent company	--
Huang Yu Hsu Ying	402,530	2.00%	0	0.00%	0	0.00%	None	None	--
LO WEI CHANG	375,000	1.86%	0	0.00%	0	0.00%	None	None	--

NAME	SHARES HELD		SHARES HELD BY SPOUSES AND MINOR CHILDREN		TOTAL SHARES HELD IN THE NAME OF OTHER PERSONS		ITLES OR NAMES AND RELATIONSHIPS OF THE TOP TEN SHAREHOLDERS WHO ARE RELATED PERSONS, SPOUSES, OR RELATIVES WITHIN THE SECOND DEGREE OF KINSHIP		NO TE
	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Shares	Shareholding Percentage	Name	Relationship	
MEI-CHU HUNG	306,000	1.52%	0	0.00%	0	0.00%	None	None	--
Huang Ko-Kun	268,353	1.33%	0	0.00%	0	0.00%	None	None	--

10. The number of shares held by the company, its directors, supervisors, managers and enterprises directly or indirectly controlled by the company in the same reinvested enterprise, and the comprehensive shareholding ratio shall be calculated on a consolidated basis.

Reinvested Businesses (Note)

December 31, 2022 Unit: Share

Reinvested Businesses (Note)	Investment of the Company		Investments of Directors, Supervisors, Managers and Businesses Directly or Indirectly Controlled		Consolidated Investments	
	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio
Huizhou Jun Chao Electronic CO LTD	--	100.00%	0	0.00%	--	100.00%
Hong Kong Bull Will Holdings	11,619,229	100.00%	0	0.00%	11,619,229	100.00%
Hsin Yeh Investment Limited	11,619,229	100.00%	0	0.00%	11,619,229	100.00%
BULL WILL Electronics Co., Ltd.	2,655	100.00%	0	0.00%	2,655	100.00%
Dongguan Zhao Kang Electronic Co., Ltd.	--	100.00%	0	0.00%	--	100.00%
Huizhou Bullwill Electronic Co., Ltd.	--	100.00%	0	0.00%	--	100.00%
Trustbond Technology Corp	1,604,885	80.24%	0	0.00%	1,604,885	80.24%

Note: This table represents the company's long-term investment under the equity method.

4. Funding Status

1、Share Capital and Shares

(1) Source of Share Capital

1. Share Capital Formation Process

Unit: Share / NT\$1,000

Year / Month	Issuance Price	Authorized Capital		Paid-In Capital		Note		
		Shares	Amount	Shares	Amount	Source of Share Capital	Equity-Settled Share-Based Payment	Other
1998/03	10	3,000,000	30,000	3,000,000	30,000	Increment of Cash NT\$ 15,000,000	None	--
2000/01	10	4,200,000	42,000	4,200,000	42,000	Increment of Cash NT\$ 12,000,000	None	Approved by letter NO. 89261654, Taipei Builder Word 2, Taipei City Government, dated February 15, 2000.
2000/07	16 10	10,000,000	100,000	6,000,000	60,000	Increment of Cash NT\$ 11,000,000 Surplus Transferred to Capital Increase NT\$7,000,000	None	Approved by letter NO. 89311932, Taipei Builder Word 8, Taipei City Government, dated February 15, 2000.
2001/09	12 10	10,000,000	100,000	9,807,000	98,070	Increment of Cash NT\$ 18,000,000 Surplus Transferred to Capital Increase NT\$18,000,000 Employee Bonus Transferred to Capital Increase NT\$2,070,000	None	Approved by Securities and Futures Commission, Ministry of Finance (90) Taiwan Financial Securities (1) letter NO. 142560, dated July 10, 2001.
2002/09	20 10	25,000,000	250,000	20,933,700	209,337	Increment of Cash NT\$ 68,649,000 Surplus Transferred to Capital Increase NT\$29,421,000 Capital Surplus Transferred to Capital Increase NT\$ 9,807,000, Bonus for Employee Transferred to Capital Increase NT\$ 3,390,000	None	Approved by Securities and Futures Commission, Ministry of Finance (91) Taiwan Financial Securities (1) letter NO. 0910138502, dated July 12, 2002.
2003/08	10	30,000,000	300,000	23,322,605	233,226	Surplus Transferred to Capital Increase NT\$20,933,700 Bonus for Employee Transferred to Capital Increase NT\$ 2,955,350	None	Approved by Securities and Futures Commission, Ministry of Finance (92) Taiwan Financial Securities (1) letter NO. 0920131769, dated July 15, 2003.
2004/09	10	50,000,000	500,000	26,313,387	263,134	Surplus Transferred to Capital Increase NT\$27,322,610 Employee Bonus Transferred to Capital Increase NT\$2,585,210	None	Approved by letter NO. 09317433510, Taipei Builder Word, Taipei City Government, dated September 1, 2004.
2004/10	24.2	50,000,000	500,000	26,433,220	264,332	Conversion of Corporate Bonds into Shares NT\$1,198,330	None	Approved by letter NO. 09323040210, Taipei Builder Word, Taipei City Government, dated October 27, 2004.

Year / Month	Issuance Price	Authorized Capital		Paid-In Capital		Note		
		Shares	Amount	Shares	Amount	Source of Share Capital	Equity-Settled Share-Based Payment	Other
2007/04	5.18	70,000,000	700,000	41,433,220	414,332	Increment of Cash (Private Offering) NT\$ 150,000,000	None	Approved by letter NO. 09683289920, Taipei Builder Word, Taipei City Government, dated April 23, 2007.
2007/08	5.08	205,000,000	2,050,000	53,933,220	539,332	Increment of Cash (Private Offering) NT\$125,000,000	None	Approved by letter NO. 09601227330, Authorized Commerce Word, dated September 14, 2007.
2007/09	13.92	205,000,000	2,050,000	53,961,953	539,620	Conversion of Corporate Bonds into Shares NT\$287,330	None	Approved by letter NO. 09601253880, Authorized Commerce Word, dated October 17, 2007.
2008/04	11.81	205,000,000	2,050,000	55,613,096	556,131	Conversion of Corporate Bonds into Shares NT\$16,511,430	None	Approved by letter NO. 09701093240, Authorized Commerce Word, dated April 22, 2008.
2008/09	10	205,000,000	2,050,000	44,490,477	444,905	Capital Reduction to Cover Losses NT\$111,226,190	None	Approved by letter NO. 09789249600, Authorized Commerce Word, dated September 16, 2008.
2009/09	6.50	205,000,000	2,050,000	56,490,477	564,905	Increment of Cash (Private Offering) NT\$ 120,000,000	None	Approved by letter NO. 09801202080, Authorized Commerce Word, dated September 4, 2009.
2009/11	6.50	205,000,000	2,050,000	60,190,477	601,905	Increment of Cash (Private Offering) NT\$ 37,000,000	None	Approved by letter NO. 09801270700, Authorized Commerce Word, dated November 23, 2009.
2010/01	8.3 9.8	205,000,000	2,050,000	61,743,477	617,435	Employee Stock Option NT\$ 12,470,000 Employee Stock Option NT\$ 3,060,000	None	Approved by letter NO. 09901011290, Authorized Commerce Word, dated January 20, 2010.
2010/04	9.8	205,000,000	2,050,000	63,433,477	634,335	Employee Stock Option NT\$ 16,900,000	None	Approved by letter NO. 09901078650, Authorized Commerce Word, dated April 19, 2010.
2010/07	9.23	205,000,000	2,050,000	68,833,477	688,335	Increment of Cash (Private Offering) NT\$ 54,000,000	None	Approved by letter NO. 09901143920, Authorized Commerce Word, dated July 5, 2010.
2010/10	9.8	205,000,000	2,050,000	69,074,477	690,745	Employee Stock Option NT\$2,410,000	None	Approved by letter NO. 09901235860, Authorized Commerce Word, dated October 20, 2010.
2011/04	9.8	205,000,000	2,050,000	69,914,977	699,150	Employee Stock Option NT\$8,405,000	None	Approved by letter NO. 10001076950, Authorized Commerce Word, dated April 20, 2011.

Year / Month	Issuance Price	Authorized Capital		Paid-In Capital		Note		
		Shares	Amount	Shares	Amount	Source of Share Capital	Equity-Settled Share-Based Payment	Other
2011/07	9.8	205,000,000	2,050,000	69,929,977	699,300	Employee Stock Option NT\$150,000	None	Approved by letter NO. 10001164570, Authorized Commerce Word, dated July 20, 2011.
2012/09	10	205,000,000	2,050,000	48,118,977	481,189	Capital Reduction to Cover Losses NT\$218,110,000	None	Approved by letter NO. 10187375800, Authorized Commerce Word, dated September 10, 2012.
2014/05	10	205,000,000	2,050,000	48,472,977	484,730	Employee Stock Option NT\$3,540,000	None	Approved by letter NO. 10384048200, Authorized Commerce Word, dated May 20, 2014.
2014/10	13.7 10	205,000,000	2,050,000	53,942,477	539,425	Increment of Cash NT\$ 68,500,000 Employee Stock Option NT\$4,695,000	None	Approved by letter NO. 10301210750, Authorized Commerce Word, dated October 14, 2014.
2014/12	10	205,000,000	2,050,000	54,700,977	547,010	Employee Stock Option NT\$7,585,000	None	Approved by letter NO. 10301251690, Authorized Commerce Word, dated December 26, 2014.
2015/02	14.9 10 14.2	205,000,000	2,050,000	65,552,497	655,525	Conversion of Corporate Bonds into Shares NT\$98,590,200 Employee Stock Option NT\$5,200,000 Employee Stock Option NT\$6,709,500	None	Approved by letter NO. 10401029220, Authorized Commerce Word, dated February 24, 2015.
2015/05	14.9 10	205,000,000	2,050,000	72,519,951	725,200	Conversion of Corporate Bonds into Shares NT\$68,724,540 Employee Stock Option NT\$950,000	None	Approved by letter NO. 10401088670, Authorized Commerce Word, dated May 13, 2015.
2015/08	14.9 10	205,000,000	2,050,000	72,809,430	728,094	Conversion of Corporate Bonds into Shares NT\$469,790 Employee Stock Option NT\$2,425,000	None	Approved by letter NO. 10401162270, Authorized Commerce Word, dated August 19, 2015.
2015/11	10	205,000,000	2,050,000	72,836,430	728,364	Employee Stock Option NT\$270,000	None	Approved by letter NO. 10401231120, Authorized Commerce Word, dated November 9, 2015.
2016/03	10	205,000,000	2,050,000	72,936,430	729,364	Employee Stock Option NT\$1,000,000	None	Approved by letter NO. 10501033210, Authorized Commerce Word, dated March 1, 2016.

Year / Month	Issuance Price	Authorized Capital		Paid-In Capital		Note		
		Shares	Amount	Shares	Amount	Source of Share Capital	Equity-Settled Share-Based Payment	Other
2017/10	1.5	205,000,000	2,050,000	111,336,430	1,113,364	Increment of Cash (Private Offering) NT\$ 57,600,000	None	Approved by letter NO. 10601148300, Authorized Commerce Word, dated October 25, 2017.
2020/08	10	205,000,000	2,050,000	15,507,206	155,072	Capital Reduction to Cover Losses NT\$ 958,292,240	None	Approved by letter NO. 10952370900, Authorized Commerce Word, dated August 5, 2020.
2021/12	15.1	205,000,000	2,050,000	16,111,206	161,112	Employee Stock Option NT\$ 6,040,000	None	Approved by letter NO. 11055837810, Authorized Commerce Word, dated December 6, 2021.
2022/02	15.1	205,000,000	2,050,000	17,611,206	176,112	Employee Stock Option NT\$15,000,000	None	Approved by letter NO. 11145906410, Authorized Commerce Word, dated February 14, 2022.
2022/06	15.1	205,000,000	2,050,000	18,517,206	185,172	Employee Stock Option NT\$ 9,060,000	None	Approved by letter NO. 11149739000, Authorized Commerce Word, dated June 1, 2022.
2022/09	15.1	205,000,000	2,050,000	18,914,206	189,142	Employee Stock Option NT\$ 3,970,000	None	Approved by letter NO. 11152726820, Authorized Commerce Word, dated September 13, 2022.
2022/12	15.1	205,000,000	2,050,000	19,534,206	195,342	Employee Stock Option NT\$ 6,200,000	None	Approved by letter NO. 11155390400, Authorized Commerce Word, dated December 5, 2022.
2023/02	15.1	205,000,000	2,050,000	19,762,206	197,622	Employee Stock Option NT\$2,280,000	None	Approved by letter NO. 11245777300, Authorized Commerce Word, dated February 4, 2023.

2. Type of Shares

April 30, 2023; Unit: Shares

Type of Shares	Authorized Capital			Note
	Outstanding Shares	Unissued Shares	Total	
Registered Ordinary Shares	20,133,706 (Including private offering 9,479,171 shares)	184,866,294	205,000,000	Emerging Stock Market

3. General Declaration Related Information: None.

(2) Shareholder Structure

April 30, 2023

Shareholder Structure Number	Financial Institutions	Other Juristic Persons	Personal	Foreign Institutions and Individuals	Total
Number of Persons	1	11	4,475	6	4,493
Shares Held	139	71,042	11,763,329	8,299,196	20,133,706
Shareholding Ratio	0.00%	0.35%	58.43%	41.22%	100.00%

(3) Distribution of Equity Ownership

Shareholding Distribution Status

(NT\$ 10 per share)

April 30, 2023

Shareholding Class	Number of Shareholders	Shares Held	Shareholding Ratio
1 to 999	3,066	398,019	1.98%
1,000 to 5,000	1,086	2,303,183	11.44%
5,001 to 10,000	181	1,444,822	7.18%
10,001 to 15,000	54	686,879	3.41%
15,001 to 20,000	23	419,438	2.08%
20,001 to 30,000	31	795,792	3.95%
30,001 to 40,000	15	543,526	2.70%
40,001 to 50,000	8	379,145	1.88%
50,001 to 100,000	13	838,491	4.16%
100,001 to 200,000	5	661,380	3.28%
200,001 to 400,000	4	1,193,353	5.93%
400,001 to 600,000	2	887,760	4.41%
600,001 to 800,000	1	682,000	3.39%
800,001 to 1,000,000	1	885,000	4.40%
1,000,001 +	3	8,014,918	39.81%
Total	4,493	20,133,706	100.00%

(4) List of Major Shareholders (top 10 shareholders in equity ratio)

April 30, 2023

Shares	Shares Held (shares)	Shareholding Percentage (%)
Name of Major Shareholders		
Shun-Fa Cho	3,788,481	18.82%
Mega International Commercial Bank with the Custody of Investment Account in Serial System LTD	2,666,474	13.24%

Shares Name of Major Shareholders	Shares Held (shares)	Shareholding Percentage (%)
Fu-Tian Xie	1,559,963	7.75%
FU-NING LIN	885,000	4.40%
CHUN-CHING LIN	682,000	3.39%
Chao-Yu Cheng	485,230	2.41%
Hsu-Ying Yu Huang	402,530	2.00%
LO WEI CHANG	375,000	1.86%
MEI-CHU HUNG	306,000	1.52%
Huang Ko-Kun	268,353	1.33%

(5) Information on Market Price, Net Value, Surplus and Capital Bonus Per Share for the Most Recent Two Years

Unit: NT\$ / 1,000 Shares

Year			2021	2022	From This Year to 2023 March 31
Items					
Market Price Per Share (Note 1)	Highest		38.70	49.60	24.05
	Lowest		12.65	18.10	21.60
	Average		25.33	35.05	23.36
Net Worth Per Share (Note 2)	Before Distribution		13.90	15.51	15.54
	After Distribution		13.69	15.00	Unresolved
Basic Earnings Per Share	Weighted Average Shares		15,590	18,390	19,722
	Earnings Per Share (Note 3)		0.03	1.14	0.14
Diluted Earnings Per Share	Weighted Average Shares		19,081	19,820	20,999
	Earnings Per Share (Note 3)		0.03	1.06	0.13
Dividend Per Share	Cash Dividend		0.20	0.70	Unresolved
	Unrequited Stock Dividends	Surplus Stock Dividends	0	0	Unresolved
		Capital Surplus Distribution	0	0.4999998	Unresolved
	Accumulated Unpaid Dividend (Note 4)		--	--	--
Analysis of	Price-to-Earnings Ratio (Note 5)		844.33	30.75	166.86

Return on Investment	Price-to-Dividend Ratio (Note 6)	126.65	70.10	--
	Cash Dividend Yield Ratio (Note 7)	0.79%	1.43%	--

*Where surplus or capital surplus are used for additional share placements, information on retroactively adjusted market prices and cash dividends based on the number of shares issued shall also be disclosed.

Note 1: List the highest and lowest market prices of ordinary shares for each year, and calculate the average market price for each year based on the transaction value and volume of the year.

Note 2: Please fill in the number of shares issued at the end of the year according to the situation of allocation by the resolution of the board of directors or the next annual shareholders' meeting.

Note 3: If there is any retrospective adjustment required due to unrequited stock dividends, the earnings per share before and after adjustment should be listed.

Note 4: If there is any requirement for issuing equity securities that require undistributed dividends for the current year to be accumulated to the annual distribution of the retained earnings, it shall separately disclose the accumulated undistributed dividends as of that year.

Note 5: P/E Ratio = Average closing price per share for the current fiscal year/earnings per share.

Note 6: P/D = Average closing price for each share for the current fiscal year/cash dividend per share.

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

Note 8: Net worth per share and earnings per share shall be filled with the data of the most recent quarter that has been verified (examined) by CPAs up to the date of printing of this annual report: The rest of the columns should be filled.

(6) Dividend Policy and Implementation

1. The dividend policy stipulated in the articles of association of the Company:

The Company's dividend policy is based on the current and future development plans, the investment environment, funding needs, international competitions, and shareholders' interests. Each year, no less than 30% of the distributable earnings will be allocated for shareholders' dividends and bonuses, but if the distributable earnings are less than 10% of the paid-up capital, then no earnings will be distributed. Shareholders' dividends and bonuses can be distributed in the form of cash or stock, but cash dividends should be no less than 50% of the total dividends.

2. The proposed distribution of dividends at this shareholders' meeting:

- (1) a. The Company issued a cash dividend of NT\$0.7 per share by the resolution of the Board of Directors on May 18, 2023, totaling NT\$14,093,594.

Unit: NTD 1,000

Item	Amount	Note
Accumulated Earnings at the Beginning	4,277,767	
Plus: Capital Reduction to Cover Losses	0	
Plus: 2022 Net Profit After Tax	21,012,908	
Minus: To Make Provision of Appropriated as Legal Capital Reserve 10%	(2,101,291)	
Total Surplus Available for Distribution in the Current Period	23,189,384	
Distributable Items		
Shareholder Dividends	(14,093,594)	
Unappropriated retained earnings at the end of this period	9,095,790	

Note 1: Based on the estimated 20,133,706 shares issued by the Company as at May 18, 2023, the cash issue per share is NT\$0.7. The cash dividends are calculated on a pro rata basis up to the NTD, with the amount below the NTD being rounded off and the total amount of the deficient NTD being adjusted from the decimal point from the largest to the smallest and the account number from the front to the back in order to meet the total amount of cash dividends distributed.

- b. To issue new shares from the capital reserve at NT\$10,051,850, to issue 1,005,185 new shares at NT\$10 each, according to the shareholding recorded on the shareholders' register on the issuance date, each shareholder will be entitled to a distribution of NT\$ 0.4999998 (equivalent to 0.04999998 shares) per share. This amounts to a gratuitous allocation of approximately 49.99998 shares (about 50 shares) per thousand shares. Shareholders are required to register the consolidation of fractional shares with the Company's share registrar within five days from the date of cessation of share transfer for the new shares. If the consolidation is not completed or the resulting number of shares is still less than one, according to Article 240 of the Company Act, the fractional

portion will be rounded down to the nearest whole share, and the corresponding cash amount will be paid based on the par value, rounding down to the nearest dollar. The Chairman of the Board is authorized to negotiate with specific individuals for the purchase of the remaining fractional shares at par value.

- (2) In accordance with the Articles of Association of the company, it is proposed allocation cash remuneration of NT\$ 687,329 to the directors and supervisors and cash remuneration of NT\$ 1,145,549 to the employees. It has been approved by the board of directors on 2023/03/28 and proposed to report to the shareholders' meeting in 2023.

3. Explanation of expected significant changes in dividend policy: none.

- (7) The impact of the proposed stock dividends at this shareholders' meeting on the company's operating performance and earnings per share:

According to the "Criteria Governing the Public Disclosure of Financial Forecast Information by Publicly Owned Corporation", the Company is not required to disclose financial forecast information for 2023. Therefore, the relevant information regarding changes in business performance, earnings per share, and return on investment for shareholders does not apply.

- (8) Employee bonus and directors' and supervisors' remuneration:

1. The percentage or scope of employee bonus and directors' and supervisors' remuneration as set forth in the articles of association:

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 and supervisors), the company shall allocate not more than 5% of the remuneration paid to employees and the remuneration paid to directors and supervisors respectively. However, if the Company has accumulated deficit, the priority is to allocate an amount to offset the deficit 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/Supervisors can only be paid in the form of cash.

The two aforementioned items shall be determined by the Board in resolutions and be reported at the shareholders' meeting.

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 Company's dividend policy is based on the current and future development plans, the

investment environment, funding needs, international competitions, and shareholders' interests. Each year, no less than 30% of the distributable earnings will be allocated for shareholders' dividends and bonuses, but if the distributable earnings are less than 10% of the paid-up capital, then no earnings will be distributed. Shareholders' dividends and bonuses can be distributed in the form of cash or stock, but cash dividends should be no less than 50% of the total dividends.

2. The basis of the valuation of employees and directors and supervisors' remuneration for the period shall be calculated on the basis of the number of shares of employees' remuneration for the assignment of shares and the actual distribution shall be accounted for if there is a difference between the valuation and the actual distribution: No difference.

3. Remuneration distribution approved by Board of Directors:

Director remuneration: NT\$687,329.

Employee remuneration: NT\$1,145,549.

There is no difference with the amount of costs recognized in the year 2022.

4. Actual distribution of remuneration to employees, directors and supervisors in the previous year:

Actual distribution of employee remuneration in 2021: NT\$48,930 in cash.

Actual distribution of directors' and supervisors' remuneration in 2021: NT\$ 29,358 in cash.

(9) The company buys back the shares of the Company: None.

2、Corporate bond handling: None.

3、Preferred stock handling: None.

4、Overseas depositary receipt handling: None.

5、Handling of employee stock option warrants:

(1) Handling of stock option warrants for employees not yet retired:

April 30, 2023

Types of Employee Stock Option Warrants	First Employee Stock Option Warrants in 2019
Effective Date of Declaration & Total Number of Units	May 27, 2019
Issuing Date	June 10, 2019
Number of Units Issued	9,000,000 Shares
Number of Units Available	--

The Ratio of the Number of Shares Subscribed to the Total Number of Shares Issued	44.70%
Stock Subscriptions Duration	June 10, 2019 to June 9, 2026
Performance Method	Delivery of New Shares Issued by the Company
Restricted Subscription Period and Ratio (%)	By the End of 2 Years 50.00% By the End of 3 Years 75.00% By the End of 4 Years 00.00%
Number of Obtained Shares Exercised	4,626,500 Shares
Amount of Subscribed Shares Exercised	NT\$69,860,150
Number of Unexercised Subscribed Shares	3,573.500 shares
Subscription Price Per Share for Unexercised Subscriptions	15.1
Number of Unexercised Subscriptions as a Percentage of Total Issued Shares (%) as a percentage of total outstanding shares : (%)	28.03%
Impact on Shareholders' Equity	Based on the current number of issued shares of 20,133,706, the number of unexercised stock subscriptions accounted for 17.75%, which had limited impact on shareholders' equity.

- (2) The names, acquisition and subscription of the managers who have obtained employee stock option warrants and the top ten employees who have obtained stock option warrants as of the annual report publication date:

April 30, 2023

	Title	Name	Number of Acquired Subscriptions	The Ratio of the Number of Acquired Subscriptions to the Total Number of Shares Issued (Note)	Exercised				Unexercised			
					Subscription Number	Subscription Price	Subscription Amount	The Ratio of the Number of Subscriptions to the Total Number of Shares Issued (Note)	Subscription Number	Subscription Price	Subscription Amount	The Ratio of the Number of Subscriptions to the Total Number of Shares Issued (Note)
Manager	Chairman of the Board:	CHANG CHIEH MIN	2,400,000	11.92	1,085,000	15.1	16,383,500	5.39%	1,315,000	15.1	19,856,500	6.53%
	General Manager	Lee Tai Hsiang										
	Assistant Manager	LO WEI CHANG										

Top 10 Employees	Employee	I CHIN HO	4,840,000	24.04	2,799,500	15.1	42,272,450	13.90%	2,040,500	15.1	30,811,550	10.14%
		Hung-Kang Huang										
		Yuan-Liang Wu										
		HUNG LI JU										
		Chun-Hsien Li										
		Chao-Yu Huang										
		Cheng-Hsiung Wang										
		Wei-Min Cheng										
		I-Chun Lin										
		Ying-Chieh Li										

Note: The total number of issued shares is 20,133,706.

6. Handling of restricted employee shares: None.

7. Issuance of new shares for M&A handling: None.

8. Execution process of application of funds:

(1) Project Contents:

1. Private offering, cash capital increase, and issuance of new shares in 2022:

As of the date of publication, due to the lack of a suitable strategic partner investor, the issue period will expire on June 23, 2023. Therefore, the board of directors of the Company has decided on May 11, 2023 that it will not continue to handle the issue within the period.

(2) Exercised status and exercised benefit analysis: None.

5. Operation Overview

1. Business Contents

(1) Business Scope

1. Main Business Content

- (1) Manufacturing of computers and the peripheral equipment.
- (2) Manufacturing and reproduction of recorded media.
- (3) Manufacturing of wired communication equipment and apparatus.
- (4) Manufacturing of wireless communication equipment and apparatus.
- (5) Electronic components manufacturing.
- (6) International trading.
- (7) Wholesale of computing and business machinery equipment.
- (8) Wholesale of telecommunication instruments
- (9) Wholesale of computer software
- (10) Electronic materials wholesale
- (11) Information software services
- (12) Data processing services
- (13) Digital information supply services
- (14) Product design
- (15) Telecommunication control RF equipment input
- (16) Except for permitted business, the company may engage in business not prohibited or restricted by law.

2. Business Proportion of Main Products

Unit: NT\$1,000

Product \ Year	Year 2022		Year 2021	
	Amount	Percentage (%)	Amount	Percentage (%)
Standard Electronic Components	431,822	71.43%	235,037	63.32%
Customized Magnetic Components	171,284	28.33%	134,846	36.33%
Transformer	1,398	0.23%	1,017	0.27%
Others	23	0.01%	282	0.08%
Total	604,527	100.00%	371,182	100.00%

3. Current Product and Service of the Company

- (1) Electromagnetic wave protection against static electricity / Production and sales of

surge protection components

- (2) Production and sales of power supply related magnetic winding components
- (3) Wafer lamination / Production and sales of winding inductance
- (4) The distribution of high-frequency ferrite cores and alloy cores
- (5) Agent and distributor of APEC (Advanced Power Electronics Corp.) MOS FET
- (6) Other related electronic components and materials import and export business

4. Developed New Products

Product Category	Applications of Developed New Products
SMD Standard Products (SMD standard products)	Applied in high-speed transmission interface, direct current input of all types of chips, and EMI/EMC solutions for high-frequency clock rate calculators.
Reactors of composite magnetic materials combined with flat copper wire (Hybrid reactors)	1. PV inverter for wind turbine and solar power 2. Variable-frequency household appliances 3. Electronic power converter for automobiles and charging pole
High-performance, high-power inductors(PHD chokes)	PHC needed for power supplies of 80 Plus Gold and atinum Chokes & Output Chokes.
Ultra-Thin Power Inductor (Super Slim PFC Chokes)	Used for thin and high efficiency power supply, such as cloud server and flat screen TV.
Wireless Charging Coil (TX & RX Coil Units)	Used for power supply modules for transmitter and receiver of Wireless Power Systems.
High Performance and High-Power Reactor (PHD Reactors)	1. Renewable energy inverter system. 2. Charging piles for electric vehicles.
Flat Coil Common Mode Inductance	Filter applied to the mains input of 100W~500W power supply.

5. Planned Development of New Products

Product Category	Applications of Planned New Products
High-Cost Performance Ripple Suppression Inductance (Hi-C/P Output Chokes)	Used for ripple suppression of large current output of various power supplies. The traditional design is mostly due to the high price of flat wire and the high cost of die cutting. If one can find a low-cost solution on wire and machining, it will help to expand this market.

(2) Industry Overview

(1) Current Status and Development of the Industry:

The components of electronic products can be divided into two categories. An electronic

component capable of performing data operations is called an active element. Components that do not perform operations on or command a passing current signal, but simply adjust the strength of the current signal, or allow the current signal to pass or not pass, are classified as passive components. The passive components are resistors, capacitors and inductors. The inductor is designed according to the principle of electromagnetic induction, which is used to prevent electromagnetic wave interference, filter current noise and stabilize current. It can be widely used in desktops, notebooks, mobile phones, tablets, servers, audiovisual equipment, automotive electronics and other fields, especially in consumer electronics and electronic products as the major fields; it is the indispensable key part.

According to Mordor Intelligence LLP's 2019 research report "Inductors Market - Growth, Trends, and Forecast (2020- 2025)", the sales volume of the global inductance market is US\$ 4.481 billion in 2019, and it is estimated that it will grow to US\$ 5.485 billion in 2025, with a compound annual growth rate of 3.5%. Among them, the largest application fields are still consumer electronics and electronic products and smart phones. However, automotive electronics, 5G related applications, Internet of things, cloud computing, medical treatment, aviation and other markets have obvious growth space for inductive components in the future. The number of inductors used continues to increase due to various emerging applications. In terms of sales area, the Asia-Pacific region is still the region with the highest consumption, mainly benefiting from the demand driven by industrial economies such as mainland China, South Korea, Japan, India and other technologically advanced countries.

In addition, the Industrial Technology Research Institute announced in October 2020, the international trade war triggered a shift in global supply chains, increased willingness of Taiwanese businesses to invest back in Taiwan, and continued progress in advanced manufacturing processes by Taiwanese semiconductor manufacturers. The development of 5G infrastructure and the application of relevant new products have driven the demand for electronic components and terminal products. It is estimated that Taiwan's manufacturing output value will be NT\$ 19.68 trillion in 2021, with a growth rate of 4.75%. However, the impact of international political and economic turmoil on the global economy is becoming more apparent, including trade disputes between the United States and China, Japan and South Korea, Britain's decision to leave the European Union and geopolitical conflicts. In addition, COVID-19 in the Chinese mainland is spreading around the world, and its two largest economies, the U.S. and China, are both major export markets for Taiwan. If the U.S. and Chinese economies do not perform as well as expected, Taiwan's manufacturing sector will also be put to the test.

Growth Rate Prediction of Taiwan's Manufacturing Output in 2020

Currency: TWD

臺灣製造業產值成長率預測					
2020 年			2021 年		
期間	年增率 (%)	產值 (兆元)	期間	年增率 (%)	產值 (兆元)
全年	-4.05	18.79	全年	4.75	19.68
Q1	-2.22	4.57	Q1	3.56	4.73
Q2	-8.37	4.51	Q2	6.06	4.78
Q3	-3.25	4.79	Q3	4.77	5.02
Q4	-2.30	4.92	Q4	4.63	5.15

資料來源：工研院產科國際所 (2020/11)
 註：1.產值數字為名目值，含臺灣地區從事外銷之公民營廠商國內接單海外生產的三角貿易價差。2.產值採四捨五入取至小數點第二位，各季度加總與整體數字可能有些微落差。3.產值根據主計處最新數據發布進行回測修正。

(2) Correlation Between Upper, Middle and Lower Downstream Sectors

The Company is to position the winding inductance components as the core products of the company and its subsidiaries. Strategic cooperation between the upstream and downstream of the industrial chain has become an important strategy for enterprise management. In addition to actively developing new products through strategic cooperation with upstream core material manufacturers, and carefully selecting potential cooperators to establish an alliance relationship, we hope to effectively extend the product line breadth and market reach in a short period of time.

(3) Various Product Development Trends and Competition Status

A. Various Product Development Trends

At present, the main inductance component suppliers in the world are mainly Japanese manufacturers. For Taiwan's inductive component industry, the market still has room to expand. Based on the competitive advantages accumulated in the past, Taiwan's inductive component manufacturers are not only in the consumer electronics and electronic products, smart phone application market, but also in other application fields such as 5G, Internet of things and automotive electronics. It is necessary to guard against the excessive expansion of popular products and markets by large factories in different countries, which may lead to the imbalance of supply and demand and the decline of average unit price.

B. Competition

Winding inductance components need precision manufacturing, the process is more manual processing, and has the ability of customized design, so the advantages of customized price are more stable. However, electronic products are developing towards the trend of slim, light, short and high function. Traditional winding inductors cannot meet the requirements of miniaturization, and the industry has shifted to the development of integrated inductor components and other high-end fields. Therefore, the price of winding inductor components is difficult to grow

significantly. However, the industry concentration of inductive components is relatively high. According to the data of Electronics Supply and Manufacturing-China, it is pointed out that in terms of global competitors of passive components, Japanese enterprises are the best, and Murata, TDK, Taiyo Yuden and other enterprises occupy more than 50% of the market share of global passive components.

Structure Classification of Inductive Elements and Comparison of the Advantages and Disadvantages

Category	Winding Type	Laminated Type	Thin Film Type	Integrated Type
Advantage	Wide range of inductance, high precision, high power, high Q value.	Low cost, small size, automated production.	High consistency, good parameters, high stability, small size.	Low loss, low impedance, high electromagnetic shielding, small size, good temperature rise current and saturation current characteristics.
Disadvantage	The size is difficult to miniaturize, the process is complex, the technology is lower.	Low power, low pass rate, lower inductance, low Q value.	Higher cost, suitable for high-tech industry.	The technical threshold is high, the production equipment is expensive, the production cost is high.

Note: Q value is the parameter to measure the inductance element. The higher Q value is, the smaller the loss is, and the higher the efficiency is, and vice versa.

In addition, as far as the application side is concerned, the usage of inductive components of smart phones accounts for 55% of the total demand of the whole industry, which is much higher than that of other consumer electronic products such as notebooks and desktops. It is obvious that smart phones are the main sales market of inductive components. However, the smart phone market is relatively concentrated, so it is not easy to break into the supply chain. At present, it is mainly controlled by Japanese companies such as Murata and Taiyo Yuden. However, the main advantage of Japanese enterprises lies in their profound brand and technology, while Taiwan and China enterprises mainly rely on their scale and price to win in the market. Therefore, it also determines the application division of inductive component manufacturers in the high, middle and low-end markets.

Currently, the global suppliers of inductive components are still dominated by Japanese manufacturers. After the merger of Taiwan-based enterprise, Chilisin Electronics Corp. with Mag.Layers Scientific Technics Co., Ltd and MAGIC TECHNOLOGY CO., LTD., it has become one of the top five suppliers in the industry. Due to the rapid growth of the local domestic market, the sales performance of China manufacturers has also improved rapidly. However, the industry ecology of inductance is moving towards the Evergrande trend. Facing the compressed living space, small and medium-sized manufacturers are bound to develop unique business strategies to avoid being eliminated.

In addition to expanding the production capacity of the original products, the Company continues to develop to meet the market needs of various components. In recent years, a number of new products have been introduced into the sales content, so that the downstream customers are distributed in the consumer electronic products, information products, communication products, automotive electronics and other high-tech electronic industries, so as to diversify the risks of

marketing in a single industry, to enhance their competitiveness and to respond to the rapid changes in the market.

Global Representative Suppliers of Inductive Components

Japanese Manufacturers	TDK, Murata, Taiyo Yuden, Panasonic, Sagami, Sumida
U.S. Manufacturers	Vishay, Coilcraft
Korean Manufacturers	Samsung Electro-Mechanics, Samwha
Taiwanese Manufacturers	Chilisin, Delta Electronics, Cytotec, TAI-TECH, ABC Taiwan Electronics, King Core, Darfon Electronics Corp., INPAQ Technology Co.
Chinese Manufacturers	Sunlord Electronics, FENGHUA ADVANCED TECHNOLOGY, Microgate, Codaca Electronic

(3) Technology and R&D Overview

(1) R&D Personnel and Their Academic Qualifications/Work Experiences

The Company and its subsidiaries carried out organizational transformation in 2011, intending to transform the company from the original business pattern of agent sales and factory OEM into a full-service oriented business model with the capability of product research and development and design. To this end, we have changed the Company's mission from engineering department to R&D engineering department, focusing on new product development, innovative design and customized design service. For this aim, the Company reassigned the Engineering Office as the R&D and Engineering Office and tasked it with the R&D of new products, innovative design, and customization. At the present stage, we will focus on customizable new design and technical support.

April 30, 2022

Academic Qualifications	Number of Persons	%
Higher education (colleges and universities)	2	100%
Total	2	100%
Average Seniority	9.1	

(2) R&D Expense

Unit: NT\$1,000

Items	Year 2021	Year 2022	As of March 31, 2023
R&D Expense (A)	2,300	2,400	572
Operating Income Net Amount (B)	371,182	604,527	108,491
(A)/(B)	0.62%	0.40%	0.53%

(3) Successfully Developed Technologies or Products

Year	Successfully Developed Technologies or Products	
2011	<ol style="list-style-type: none"> 1. Introduction of low-cost design for copper-clad aluminum wire. 2. PFC chokes for a new PHD framework. 3. Innovative design and patent preparation of inductive components for complex magnet framework. 	<ol style="list-style-type: none"> 1. All kinds of high power reactor and SG magnetic ring automatic winding products. 2. Gold and platinum power supplies for all types of power supplies.
2012	<ol style="list-style-type: none"> 1. Obtained Taiwan and China "iron core replaceable wound inductor components" patent. 2. First generation of PHD patent products: BWLX3015 & BWLX3020 series. 3. Wireless charging coil set (Tx & Rx coil units). 	<ol style="list-style-type: none"> 1. Gold and platinum power supplies for all types of power supplies. 2. Wireless chargers for various consumer electronic products.
2013	<ol style="list-style-type: none"> 1. Second generation of PHD patent products: BWLX-PQ26 & BWLXPQ32 series. 2. High-power reactors. 	Gold and platinum power supplies for all types of power supplies.
2014	<ol style="list-style-type: none"> 1. Ultra-thin PHD patented products: BWLX-PQ3211 series. 2. High-power PHD reactors: BWLX-PQ50 series. 	<ol style="list-style-type: none"> 1. Power supply for flat panel display or TV. 2. Renewable energy inverter system and electric vehicle charging pile.
2015	<ol style="list-style-type: none"> 1. Ultra-thin PHD patented products: BWLX-PQ2715F-V series. 2. BWLX-EQ4030 series. 	<ol style="list-style-type: none"> 1. Ultra-thin power supply for flat panel display or TV. 2. 800W power supply for Gold and Platinum.
2016	<ol style="list-style-type: none"> 1. Advanced PHD-2 core structure Obtained Taiwan and China "iron core replaceable wound inductor components" patent. 2. Flat coil common mode inductance. 	<ol style="list-style-type: none"> 1. It can reduce the cost of iron core for the first edition of PHD products. 2. Inductance adjustment and change are more flexible.
Year 2021	Ultra compact and high efficiency inductors.	TWS headphones/wearable devices and other miniaturized products for use.
Year 2022	High power industrial grade power inductor.	Custom high power inductors for use in industrial measuring instruments, etc.

(4) Future R&D plan and expected invested R&D cost: No plan yet.

(4) Long-Term and Short-Term Business Development Plans

(1) Short-Term Business Development Plans

A. Marketing Strategy

- a. Continue to strengthen support and services to existing local customers, and actively develop important potential customers in China through the marketing base of Serial System group in mainland China.
- b. Continue to build the brand image of the agent components, consolidate and expand the scale of operation in the domestic and foreign markets.
- c. Shorten delivery time, establish complete service network and system to improve customer satisfaction.
- d. Continue to seek strategic cooperation with international companies.
- e. Increase the added value of products and develop foreign niche markets.

B. Products Development Direction

- a. The Company's engineering technology and resources are integrated, and the application engineers provide custom-tailored product design services.
- b. PFC chokes of high reliability and efficacy.
- c. High-performance and high-power reactors.
- d. Development of a variety of power inductor products based on PHD design patents.
- e. Ultra-thin PFC chokes.
- f. Development of a variety of power inductor products based on advanced PHD-2 design patents.

C. Scale of Operation and Financial Coordination

- a. Promote the information flow operation, establish the communication network between the original component suppliers and the customer base in Taiwan headquarters, quickly respond to the causal relationship between each other, in order to achieve the spirit of integration of production and sales and improve the business performance.
- b. Conduct general and professional training for all levels of employees, improve the professional quality of all employees, in order to adapt to the changing times, follow the trend of the world, so as to improve business performance.
- c. Continue to improve the ERP system, to optimize the operation process to establish e-commerce (B to B) operation environment with customers and suppliers, to provide self-procurement, orders, inquiries to receive and pay the automatic convenience services.
- d. Reinforce financial management, centrally plan the funding, production, and sales of subsidiaries, and expand when appropriate the production lines to increase
- e. The company actively and responsibly embraces a proactive corporate spirit, implementing an action-oriented philosophy to fundamentally strengthen its operations and enhance its resilience.

(2) Long-Term Business Development Plans

A. Marketing Strategy

- a. Based on the good interaction between upstream suppliers and downstream customers, promote a seamless integration of production and sales and form

strategic alliances.

- b. Train professional salespersons with technical background for the future trend of technical selling in the market.
- c. Allocate sufficient resources to the local sales and marketing offices and maintain a good relationship with customers.
- d. Plan regional warehouse facilities in response to market competition demands.

B. Product Development Direction

- a. Develop multi-functional, high value-added components for information and communication products.
- b. Develop packaged L-C ultra-wide bandwidth filter.
- c. Development of complex magnetic core, toward high power and high efficiency and low cost reactor development.
- d. Extend the design of the new PHD structure and develop it into the core product series of Bullwill.
- e. Make full use of the resources of subcontractors to develop high power, low frequency silicon steel chip reactors and transformers.

C. Scale of Operation and Financial Coordination

- a. Implement quality operations, promote computerization and reduce operating costs.
- b. with the increasing operational scale, conduct organization restructuring, enforce horizontal connections, and realize the teamwork spirit.
- c. Implement specialized and focused operation, technical orientation, and best value for money, to build competitive advantage.
- d. Continuously improve financial capabilities, in accordance with the long-term business plan of the Company, make careful planning and preparation of funding.
- e. Use various tools in the capital market to obtain funding at low cost to support the operation and development of the Company.

2. Market and Production & Marketing Status

(1) Market Analysis

(1) Sales (Provision) Area of Major Products (Services)

Unit: NT\$1,000; %

Year Items		Year 2022		Year 2021	
		Amount	%	Amount	%
Domestic sales		355,030	58.73%	156,878	42.26%
Overseas sales	Asia	238,105	39.39%	189,546	51.07%
	America	6,906	1.14%	725	0.20%
	Europe	4,486	0.74%	24,033	6.47%
Total		604,527	100.00%	371,182	100.00%

(2) Market Share

Due to the wide variety of products represented by electronic component distributors and the different product lines represented by each distributor, it is impossible to calculate the market share on an objective basis. The company and its subsidiaries have a wide range of customers including notebook computers, cloud servers, industrial computers, digital cameras, and handheld consumer products, which occupies an important position in the market.

Although in recent years, desktops and notebooks and other overall sales market performance are not as expected, coupled with the rapid rise of the red supply chain in mainland China and the rising labor costs in mainland China, it is more difficult for enterprises to operate in the production base there. At the same time, we have to face the competition of the same industry and the pressure of customers to lower prices, which makes the future economy and economy full of challenges. However, Taiwan's electronics industry has accumulated abundant R&D, design and production capacity, and abundant upstream and downstream resources. Under the environment of complete industrial supply chain, consumer electronic information products have become a key production center in the world, providing relatively good development space for the electric components industry, and the market scale can be expanded accordingly.

(3) Future Market Supply & Demand Situation and Growth

Inductance components have a significant effect on the stability and quality of downstream products. If the downstream customers switch to the inductors, the testing time and cost will be lost and the operation risk will be increased. Therefore, the manufacturers above and below the industry stream maintain a stable cooperative relationship. The products of the company and its subsidiaries are used for desktop, notebook, server power supply or transformer. In addition to maintaining existing customers, we will actively develop new products, extend new application markets and expand new customers. Therefore, the following is a description of the current situation of the end application market of our company and its subsidiaries.

● Desktop Computer

According to the global PC report released by Canalys, the total global PC shipments for the year 2021 reached 285 million units, representing a 16% decline compared to the previous year. However, despite the impact of the COVID-19 pandemic, the shipment volume has still shown improvement when compared to the pre-pandemic period. In fact, it has increased by 7% compared to the year 2019. However, the impact of the ongoing COVID-19 pandemic on inventory digestion and demand fluctuations in the industry is still being observed. In the short term, it is expected to have a significant impact on the global industry. Additionally, regional

trade conflicts and overall economic factors may further suppress the overall PC industry.

Global Desktop Shipments from 2018 to 2022

Device Type	2018 Years	2019 (f)	2020 (f)	2021 (f)	2022 (f)
PC (Desktop, Notebook)	195,317	191,595	178,279	169,891	161,672
Ultra mobiles (Top Model)	64,471	69,641	72,529	76,789	80,036
PC Market Shipments	259,763	261,237	250,807	246,680	241,708
Growth Rate	-	0.6%	-4.0%	-1.6%	-2.0%

Source: Gartner (January 2020)/ (Unit: 1,000s)

● Notebook Computer

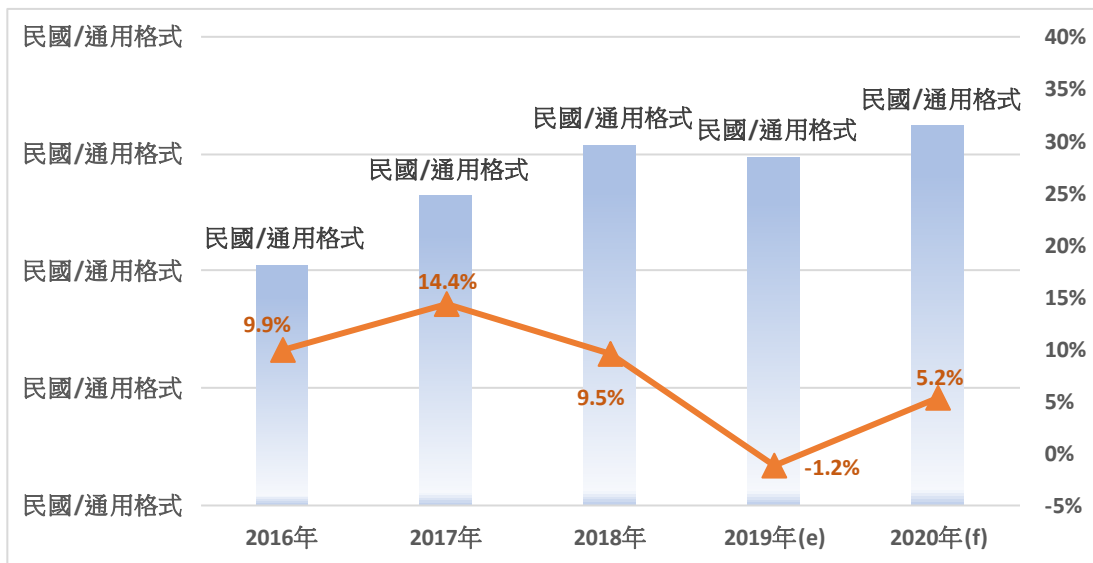
with the development of manufacturing technology, the difference between the hardware size of laptop and desktop computer has narrowed, making the laptop powerful enough to reach the same level of desktop computer 70 to 80 percent at a relatively affordable price. Among them, e-sports notebook computer can meet both entertainment and work purposes, and computer specifications and sound and light effects continue to pursue the level of e-sports, and toward the development of low price, which is the future of personal computer, and its growth rate is higher and worthy of attention.

It is estimated that the overall market will be flat or slightly reduced in 2022 due to the explosive demand of long-distance work and education market in 2021. Special attention shall be paid to market changes and inventory management to avoid being affected.

● Server

The demand for servers extended from 5G, cloud, and data center remains strong. According to market research, the demand for cloud servers will grow by an average of more than 20% in the next five years, exceeding the overall industry average of 14%. In addition, Cisco also estimated that the global super large data centers will grow from 338 in 2016 to 628, with a compound annual growth rate of 13%, indicating that cloud services continue to grow, driving up the demand for data centers. The key to the core of data center is to build a huge number of server hardware.

Global Server Shipments Change and Forecast



Source: DIGITIMES Research/ (Unit: 1,000s)

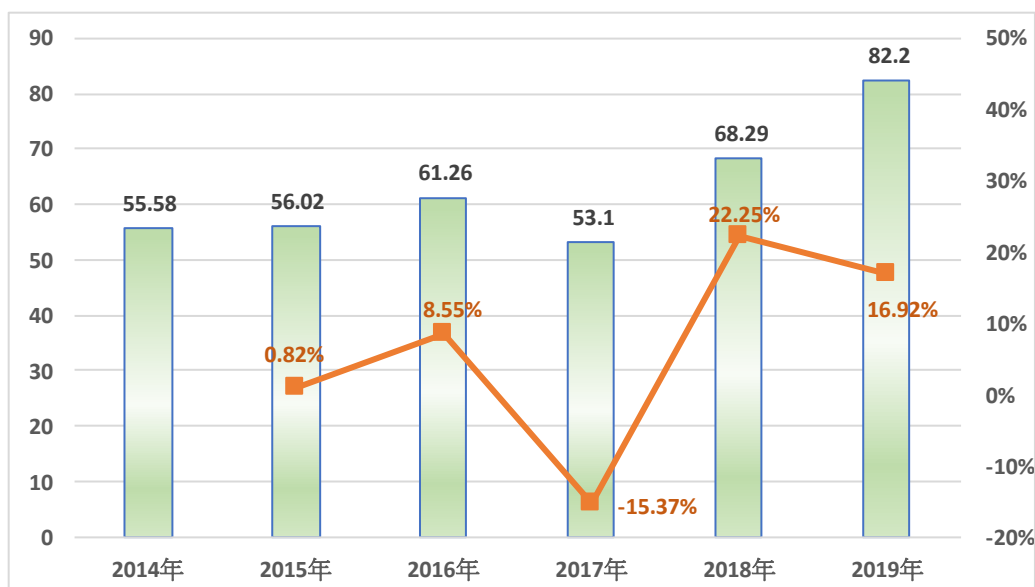
● Medical Instruments

The global medical device market continues to grow in response to aging, chronic disease prevention and disability technologies. According to the BMI report, the global medical device industry market size in 2018 is US\$ 389.9 billion, which is estimated to reach US\$ 490.2 billion in 2022, and the compound growth rate from 2018 to 2022 is up to 5.9%.

Medical devices may also include instruments, devices, apparatus, materials, implants, in vitro testing agents, or other objects. Among them, medical testing and monitoring equipment (such as electronic sphygmomanometer, thermometer, ear temperature gun, air testing product, constant temperature product) are developed by wireless, digital and informationization. We can make use of the capabilities and advantages of software and hardware in the information and communications industry to bridge the gap in the global industrial chain, and carry out cross-domain value-added cooperation through artificial intelligence technology, so as to develop intelligent medical services and grasp business opportunities in intelligent medical care.

According to market research firm MarketsandMarket, the medical IoT market was valued at US\$ 41.2 billion in 2017, and is expected to reach US\$ 158.1 billion in 2022. Among them, the interconnected medical device market in the medical Internet of things is expected to grow from US\$ 14.9 billion in 2017 to US\$ 52.2 billion in 2022.

Manufacturing Value of Radiological and Electronic Medical Equipment in Taiwan



Source: Department of Statistics, Ministry of Economic Affairs/ (NT\$ 100 million)

● Automotive Electronics

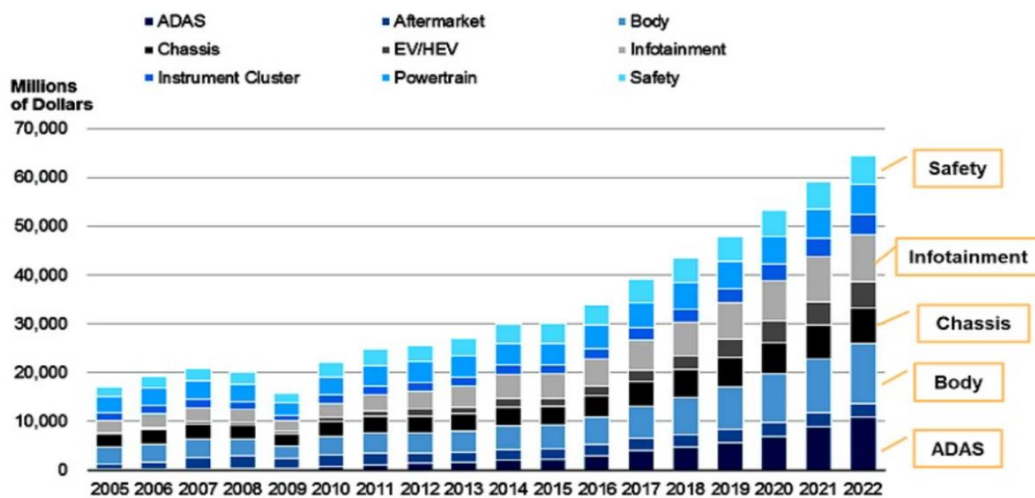
Thanks to new technology and new applications, the automobile industry has entered the bifurcation point, in addition to the existing traditional car market, the application of electric vehicles, intelligent vehicle electronic car network, advanced driving assistance system (ADAS) and other goals. In terms of fundamentals, under the action of the US, Europe and China that may raise automobile tariffs, the traditional automobile market is under pressure, but the degree of automobile electronization is increasing year by year. In addition, with the support of laws and regulations of various countries, various advanced driving assistance systems have gradually become the standard equipment for vehicles, driving the increasing demand for vehicle image systems, blind spot detection, lane deviation, parking assistance systems, vehicle LED and other application products, making the future development of vehicle electronic market highly anticipated.

The SAE International standard is widely used in the definition of self-drive. SAE is divided into 6 evaluation levels, 0~Level 5, according to the degree of vehicle automation. In 2012, the vehicle will be initially automated. In 2016, the Level 2 self-driving function will be installed on the vehicle. From 2019 to 2020, the Level 2 self-driving function will enter the commercial popularization stage, and in 2021, the Level 4 self-driving sharing mobile economy will be developed. It is expected that from 2022 to 2025, Level 4 self-driving cars will be commercialized, and Level 5 self-driving cars will be launched in 2030.

with the increasing degree of EV electrification, EV has become the mainstream in the future. The proportion of automotive electronics in the total vehicle cost has been

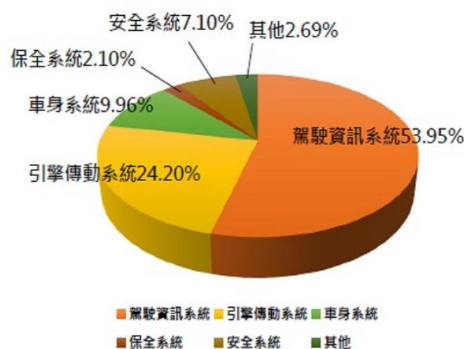
estimated to reach 50% by 2030, up from 20% in 2000. According to research firm Strategy Analytics, the global automotive electronics output value will reach us US\$ 355 billion by 2023, with a compound annual growth rate of 5.6%. In addition, driven by the demand from the government, the market and consumers, self-driving cars will create a business opportunity of about us US\$ 800 billion in 2035 and US\$ 7 trillion in 2050, according to the Automotive Research & Testing Center.

Trends in the Development of Automotive Electronic Systems



Source: Gartner, IEK, SIPO (2018/07)

Forecast of Vehicle Electronic Output Value in Taiwan



Source: Gartner, IEK, SIPO (2018/07)

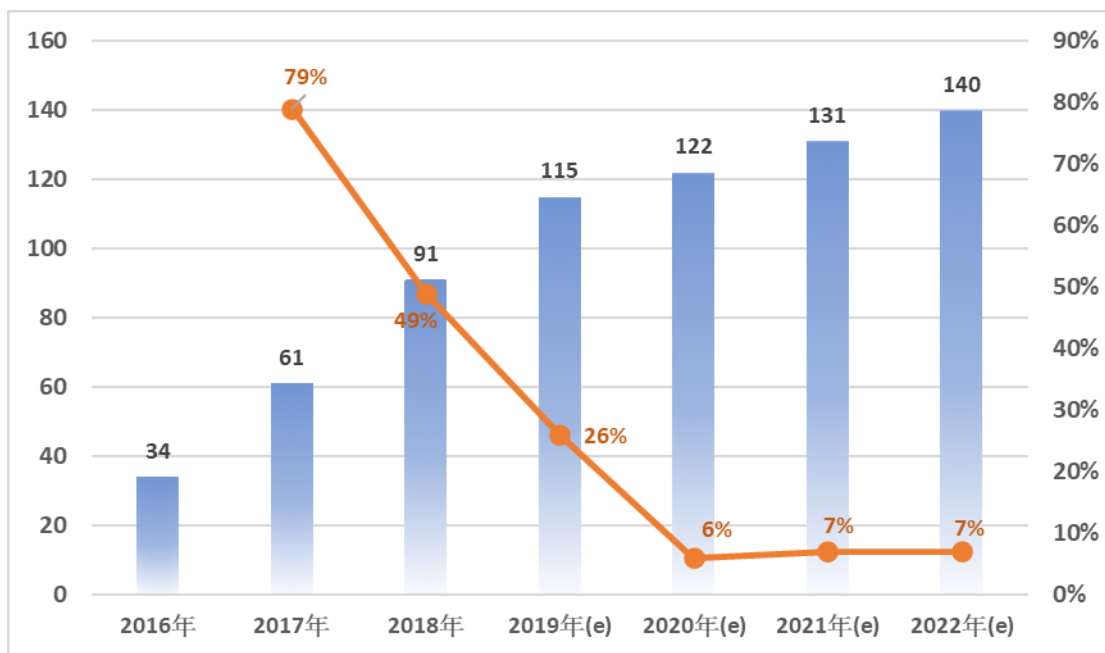
● Wireless Charging

Inductor component is the key component of wireless charging device. with the application of wireless charging technology more and more widely, the inductor market will usher in new business opportunities. with the gradual maturity of wireless

charging technology based on electromagnetic induction, the industrialization development trend is gradually formed. According to the data of Beijing JINZHICX, a research institute, the global market size of wireless charging devices was US\$ 3.4 billion in 2016, and will reach US\$ 14 billion in 2022, with an annual compound growth rate of 27%. However, due to the popularity of wireless charging technology, the growth rate of market size will show a decline.

with the popularization of wireless charging technology to smart phone products, it is estimated that by 2020, more than 1 billion smart phones will be equipped with wireless charging technology, and the penetration rate is expected to increase to 60%. At the same time, it can also provide charging scenarios in intelligent hardware, automobile and other fields, so it has great potential in wearable devices, Internet of things and automotive electronics markets. In the future, the wireless charging technology will be extended from mobile phone application to other application fields, which is expected to bring a lot of demand for the inductor industry.

Global Market Scale and Forecast of Wireless Charging Devices from 2016 to 2022



Source: Beijing JINZHICX/(US\$ 100 million)

● Green Energy

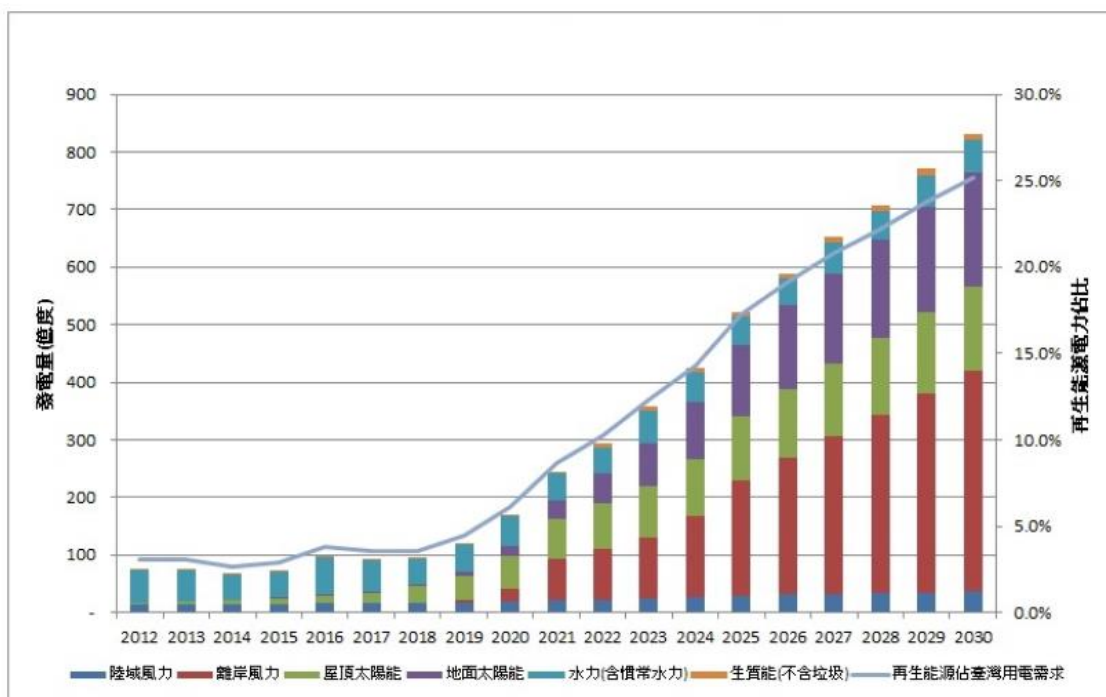
Fossil fuels account for nearly three-quarters of the world's energy consumption, while green power accounts for only a quarter of the world's electricity. Therefore, green energy has also become the development axis of governments under the global greenhouse effect. Green energy includes solar energy, hydraulic energy, wind energy, geothermal energy, hydrogen energy, biomass energy, tidal energy, etc., also known as renewable energy. In recent years, wind power generation has grown rapidly and become the focus of green energy development. Many countries have actively

invested in the development of wind power generation to provide new power sources.

Since Taiwan began to develop wind power in 2000, the land wind field has been developed gradually. The difficulty in finding the location of the land wind field for development, coupled with the negative effects of noise, glare and visual impact, as well as the rising public awareness and environmental resistance, has led to many difficulties in the development of the land wind field. Relatively speaking, the offshore wind field in the western sea area of Taiwan has good wind conditions and great potential for development. In the future, Taiwan will focus on the development of offshore wind field.

In order to accelerate the development of offshore wind power and promote the development of Taiwan's offshore industry, the "wind power offshore system demonstration award method" was announced in 2012 to start the development of offshore wind power. A large-scale wind farm development operation will be launched in 2018 to reach the 2025 target of non-nuclear homeland, which is expected to drive more than NT\$ 900 billion. The inductor component is the main part of the wind power system. It is used to charge the inductor with the input voltage when the power switch is on. Therefore, it depends on the value of the inductor and the current of the load in the inductive current mode or non-inductive current mode.

Estimation of Renewable Energy Generation in Taiwan



Source: Greenpeace East Asia

Inductive devices are mainly used in the field of consumer electronics. with the popularity of consumer electronics products and the increase of penetration, the

market tends to be competitive and saturated, which also makes the inductive device industry market in a declining trend. However, as countries around the world vigorously advocate the development of 5G, the Internet of things, artificial intelligence, green energy, electric vehicles and other related industries, it also brings new market demands, thus promoting the growth of the market scale of inductors and bringing new opportunities for industrial development.

(4) Beneficial and Unfavorable Factors in the Development Prospect and Countermeasures

A. Beneficial Factors

a. Complete Product Line Portfolio

The Company currently produces and acts as agent for more than 10 kinds of commodities, with many world-famous brands. The company agents hundreds of products, complete product lines, can provide customers with a full range of solutions, and has the convenience of a full purchase, and can reduce the risk of customer inventory, but also save their procurement time costs.

b. Professional Engineering Team

The Company has a professional technical team specializing in magnetic circuit design, electromagnetic interference analysis and countermeasures, coil inductance design, to assist customers to apply electronic components to products as early as possible, as well as facilitate downstream customers to grasp the market opportunities. In addition, it provides complete solutions in the mode of co-development or agency development, and establishes long-term cooperative partnership with customers. In addition, through co-development or commissioned development, we offer comprehensive solutions and build long-term partnerships with our customers.

c. Increasing Importance of Distributor Value in the Vertically Integrated Industry

Currently the information electronics industry is in the advantage of being highly vertically divided in terms of labor. To upstream suppliers, electronic component distributors can help them save on management expenses, provide the latest updates on the market, help suppliers pursue the best marketing strategy in a timely manner. To downstream customers, they can provide timely technical support and the needed components. Therefore, the midstream role of electronic component distributors is valued by upstream and downstream customers. The Company is recognized by the upstream suppliers as well as downstream customers, an evidence of our irreplaceable market leading position that we have established since founding.

d. Continuous Growth in End Consumer Products

The electronic components produced and sold by the Company and its subsidiaries are mainly used in notebook computers, handheld products (wearable devices, smart phones, tablets, digital cameras, etc.), e-sports and multimedia, wireless netcom products, LCD Monitor/TV, inverter and cloud server of renewable energy industry and health care industry, which are the most notebooks, etc. in the future. with the continuous growth of terminal products, the continuous expansion of market size is of great benefit to the growth of performance. The continuous growth of the market scale of end consumer products is expected to

boost the sales performance of the Company.

B. Disadvantages

a. Fierce price competition

Due to the high homogeneity of some products and the large number of competitors, the domestic electronic component manufacturers and distributors form price competition.

Coping Strategies:

- I. Maintain good relationship with existing key customers, and develop new customers and new markets with stable supply quality, quality pre-sales and after-sales service and technical support.
- II. Develop competitive niche products and agency lines, rich and diverse product portfolios, enterprise-oriented marketing strategies and the industry will naturally distinguish itself from others.
- III. Consolidate existing product lines with high gross margin, and actively strive for the dealership of future niche products.
- IV. To obtain high recognition from upstream suppliers by operating performance and complete marketing network; to obtain long-term customer support and trust with a professional image.

b. Product Life Cycle is Shorter

Electronic industry has the characteristics of short life cycle, rapid price decline, indirect compression of component gross profit margin.

Coping Strategies:

- I. Each product generation change time point is different, devotes to the product variety diversification in order to disperse the risk.
- II. Circuit automation process, with process scheduling flexibility, so as to meet the changes in market demand, reduce the risk of stock.
- III. Priority shall be given to products with large profit margins and need professional help to design and match.
- IV. Suppliers establish alliances to develop new products with market uniqueness and high entry threshold.

c. Risk of Exchange Rate Fluctuation

The main transaction currency of the Company is US dollars, and the exchange rate risk mainly comes from US dollars.

Coping Strategies:

- I. with foreign currency creditor's rights, the debts offset each other to produce the natural hedging effect.
- II. Keep an eye on the exchange rate changes and the company's demand for funds at any time, and determine the time of foreign exchange in order to minimize the adverse effects of exchange rate changes on the company's profits.
- IV. The financial department shall, depending on the actual situation, conduct forward foreign exchange operations to avoid losses due to exchange rate fluctuations.

(2) Important uses and production processes of the main products:

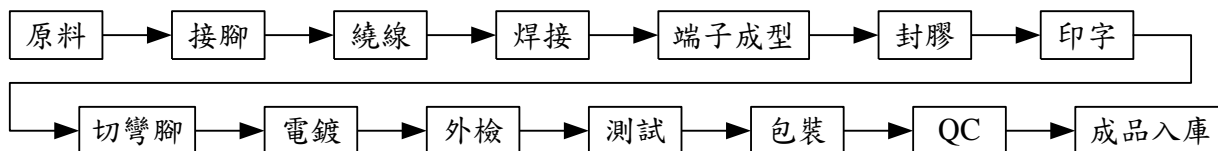
1. Main functions:

Main Products	Uses and Functions
Electromagnetic Wave Protection and Countermeasure Component	It mainly refers to magnetic bead, iron core, electrostatic/shock absorber, common mode coil, wave absorbing material, etc. The main function is to filter/suppress noise waves or electrostatic shock waves, so that the product conforms to the safety certification of various countries. It is mainly used for notebook computer, monitor, mobile phone, PDA, wireless headset microphone, and so on.
Power Supply Related Magnetic Component	Energy-storing inductors, power-adjusting inductors; with key functions of storing energy to supply rush current, adjusting power factors, and improving surges; and used mainly in PCs, home appliances, monitors, and chargers.

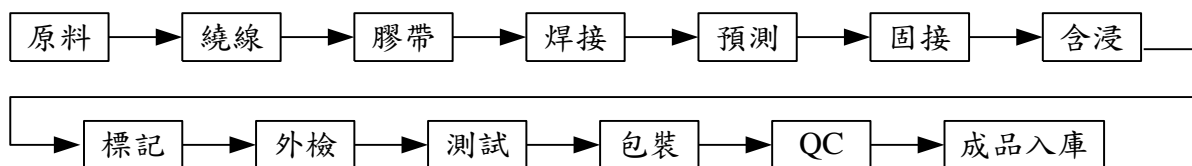
2. Production Process:

A. Electromagnetic wave protection and countermeasures components - in addition to the agent sales products, the production process of common mode coil products produced by our Company is summarized as follows:

a. SMD Common Inductance

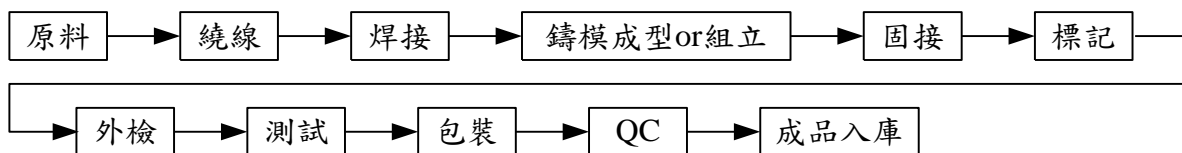


b. General Wound Common Inductance

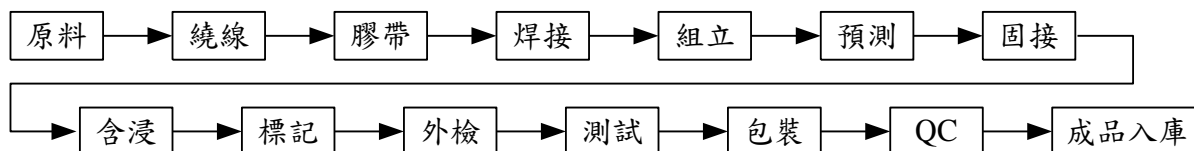


B. Power supply related magnetic element - the manufacturing process of power inductance products manufactured by the Company is summarized as follows:

a. SMD Power Inductance



b. General Wound Power Inductance



c. Other LEDs, three layers of insulated wire - mainly for the agent sales of products, no production instructions are given here.

(3) Supply Status of Primary Raw Materials

The Company's main raw materials are magnetic core, wire frame and copper wire. We maintain at least two manufacturers of materials admitted by the company to ensure a safe supply. And with the main material suppliers to establish a long-term partnership, we can obtain the first priority support in the price and delivery time. There are always at least two recognized material suppliers to ensure stable supplies. Established long-term partnering with main raw material suppliers to ensure the Company is always prioritized in terms of pricing and delivery terms.

(4) The name of the customer that has accounted for more than 10% of the total amount of goods purchased (sold) in any of the recent two years and the amount and proportion of the goods purchased (sold):

1. Information of Major Suppliers for the Last Two Years

Unit: NT\$1,000

	2021				2022				As of 1st Quarter in 2023			
Items	Name	Amount	Percentage of Net Purchases for the Year	Relationship with the Issuer	Name	Amount	Percentage of Net Purchases for the Year	Relationship with the Issuer	Name	Amount	Percentage of Net Purchases for the Current Year up to the Previous Quarter	Relationship with the Issuer
1	Others	294,330	100.00%	None	Hui Company	78,690	17.66%	None	Hui Company	19,436	25.04%	None
2					Others	367,004	82.34%	None	Qian Company	10,151	13.08%	None
3									Others	48,042	61.88%	None
	Net Purchase	294,330	100.00%	--	Net Purchase	445,694	100%	--	Net Purchase	77,629	100%	--

Reasons for increase or decrease:

1. Hui Company is the supplier of the major group's new reinvestment companies, and has been listed as more than 10 percent of the manufacturers since 2022.
2. Due to the substantial increase of customer orders in 2023, the purchase ratio of Qian Company has increased.

2. Information of Major Sales Customers in the Last Two Years

Unit: NT\$1,000

	2021				2022				As of 1st Quarter in 2023			
Items	Name	Amount	Ratio of Total Annual Net Sales	Relationship with the Issuer	Name	Amount	Ratio of Total Annual Net Sales	Relationship with the Issuer	Name	Amount	Percentage of Net Sales for the Current Year up to the Previous Quarter	Relationship with the Issuer
1	Wistron Corporation (Zhongshan) - F138	43,778	11.79%	None	LITEON	54,553	9.02%	None	Allis Electric CO LTD	16,013	14.76%	None
2	LITEON	40,801	10.99%	None	Wistron Corporation (Zhongshan) - F138	46,595	7.71%	None	LITEON	11,353	10.46%	None
3	Others	286,603	77.22%	None	Other	503,379	83.27%	None	Other	81,125	74.78%	None
	Net sales	371,182	100.00%	--	Net sales	604,527	100.00%	--	Net sales	108,491	100.00%	
Reasons for increase or decrease:												
1. In 2023, Wistron's ratio decreased due to the slow season in the first quarter, but it still ranks among the top 5 customers of the group.												
2. As a result of the increase of new orders from Allis Electric CO LTD, the ratio in 2023 increased significantly.												

(5) Table of production volume and value of the recent two years:

Unit: 1,000 pieces / NT\$ 1,000

Year Production Volume Value Main Product (or department)	Year 2021			Year 2022		
	Production Capacity	Production Volume	Production Value	Production Capacity	Production Volume	Production Value
Electronic Components	5,814	4,845	124,304	5,306	4,422	136,551

(6) Table of sales volume and value of the recent two years:

Unit: 1,000 pieces / NT\$ 1,000

Year Sales Volume Value Main Product (or department)	Year 2021				Year 2022			
	Domestic Sales		Foreign Sales		Domestic Sales		Foreign Sales	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Electronic Components	51,117	156,878	210,629	214,304	70,535	355,030	144,125	249,497

3. Employee Information:

Employee Information for the Recent Two Years Up to
the Publication Date of This Annual Report

Year		Year 2021	Year 2022	As of April 30, 2023
Number of Employees	Business	6	6	6
	Administration	15	14	14
	Research and Development	2	2	2
	Total	23	22	22
Average Age		49.5	50.5	50.7%
Average Years of Service		13.65	14.00	14.26
Ratio on Distribution of Academic	Ph.D.	0.00%	0.00%	0.00%
	Postgraduate	8.70%	9.00%	9.00%

Qualification	Undergraduate	91.30%	91.00%	91.00%
	Pre-Bachelor	0.00%	0.00%	0.00%
	Total	100.00%	100.00%	100.00%

4. Information on Environmental Protection Expenditure:

Losses suffered as a result of environmental pollution in the most recent year and up to the date of publication of the annual report, and disclose the estimated amounts and measures currently and possibly in the future, if not reasonably estimated, stating the fact that they are not reasonably estimated:

1. As a manufacturer of electronic components, our company is not an energy-intensive and major energy-consuming industry, so we have not suffered any loss or punishment due to environmental pollution.
2. Future countermeasures and possible expenditure: None.

5. Labor Management Relations

(1) Employee benefit measures, further education, training, retirement system and its implementation, as well as the agreements between labor and management and various employee rights protection measures of the company as follows:

1. Employee Welfare and Its Implementation Status:

- A. Group insurance.
- B. Travel safety insurance.
- C. Inclusion of labor insurance and health insurance: according to the provisions of the Labor Insurance Act and National Health Insurance Act, all employees shall be covered from the date of their employment.
- D. Annual bonus: Spring Festival, Dragon Boat Festival, Mid-Autumn festival gifts (gift money) and year-end bonus.
- E. To contribute fund for an Employee Welfare Committee.
- F. Subsidize the annual travel for employees, and hold regular dinner for employees and year-end party.
- G. Employees are entitled to education and training in and out of the company from time to time.
- H. Regular employee health check.
- I. Reward long-serving employees.

2. Staff Development and Training:

The Company provides staff education and training, in order to improve staff quality, enhance staff work knowledge, and to reserve technical and management personnel, in order to cooperate with the company's business development, seek effective use of human resources, and set up education and training management methods.

The employee education and training from January 1, 2022 to December 31, 2022 is as follows:

Course Name	Course Unit	Hours	Total Fee (NT\$1,000)
The Latest "Internal Control Handling Guidelines Amendment" and "Information Security" Compliance Practices for Anti-Fraud Measures	Accounting Research and Development Foundation	6	43
Common Deficiencies in "Financial Statement Audits" and Key Insights into Important Internal Control Regulations and Practices (Speech by the Chief Officer: Actual Financial Statement Audits/Loans/Backing Guarantees/withdrawal)	Accounting Research and Development Foundation	6	
Accounting Executive Continuing Education Course	Accounting Research and Development Foundation	12	
Accounting Executive Continuing Education Course	Accounting Research and Development Foundation	12	
Common Deficiencies in the Preparation of Corporate Financial Statements and Compliance with Internal Audit and Internal Control Laws	Accounting Research and Development Foundation	6	
Operational Practices and Case Analysis of Corporate Governance	Securities and Futures Institute	6	
2022 Seminar on Promoting the Adoption of International Financial Reporting Standards in Taiwan	Taipei Exchange	3	
Self-evaluation Practices	Internal Audit Association	6	
Common Internal Control Management Deficiencies in Enterprises and Analysis of Practical Case Studies	Accounting Research and Development Foundation	6	
Common Deficiencies in "Financial Statement Audits" and Key Insights into Important Internal Control Regulations and Practices, Actual Financial Statement Audits/Loans/Backing Guarantees/withdrawal	Accounting Research and Development Foundation	6	

3. Working Environment and Personal Safety Protection Measures for Employees:

In order to provide a quality working environment and improve the personal safety of employees, the company has implemented various protective measures in accordance with the laws and regulations on labor safety and health. The following are the key

points for the actual implementation of such measures as firefighting equipment, safety management, environmental hygiene and personal protection:

- (1) Human rights protection: The Company attaches great importance to the rights and interests of employees, respects gender equality, sets up staff education and training methods, and continuously carries out staff function training, self-target management, human resources allocation, performance appraisal, promotion, salary, welfare and other activities. There is no discrimination between the two sexes, and there are also complaint channels for employees and prevention measures against sexual harassment. In accordance with the labor related laws and regulations to formulate work rules, standards and methods and new information of laws and regulations in addition to the Internet email notification and public notice to employees, and also disclosed on the company's internal website for employees to check, in order to promote employees' concept of human rights and rule of law.
- (2) Firefighting equipment: The design and construction of the Company's main interior decoration shall be carried out in accordance with the interior decoration management rules of the building issued by the Ministry of the Interior. The old fire-fighting and emergency evacuation equipment shall be replaced regularly, and the company shall have a plan for disaster prevention and escape in accordance with the annual fire-fighting inspection, and carry out the fire-fighting safety inspection every year. The company has public accident liability insurance.
- (3) Safety management: The Company has security personnel stationed in the building for personnel access control, building elevator card control and automatic power system regular maintenance. Monitor devices are installed in the blind spots of the building and basement, and business halls and offices are equipped with connection security system.
- (4) Habeas corpus: The Company, in accordance with the labor safety and health related laws and regulations, has a director of labor safety and health business in the head (sub) companies, and accepts the relevant business training to obtain licenses, handling safety and health work.
In addition, an ambulance notification mechanism and a list of emergency contact persons for employees have been established. Measures for preventing and controlling sexual harassment and measures for employees to complain have been set up. Employees shall be covered by labor and health insurance, group insurance and medical examination every two years.
- (5) Environmental hygiene: The water tower is regularly cleaned in the Company building, the filter center of the drinking machine is regularly replaced in the drinking water dispenser to ensure the quality of drinking water for the employees, the air conditioning and environment of the building are regularly maintained by staff, and the comprehensive smoking ban in the office building is implemented, as well as the classification and recycling of resources.

(6) Energy saving and carbon deduction: The Company diligently promotes energy saving and carbon deduction, as well as a green environment. The following measures have been taken:

1. Replace energy-saving LED lights in the office.
2. Air conditioning setting 26 °C with timing control.
3. The emergency indicator and light will be replaced with LED.
4. Through the electronic leave and electronic signature system to achieve paperless documents.
5. Turn off the lights during lunch break to conserve energy.

4. Retirement System and Its Implementation Status:

The Labor Pension Act will apply to all those starting to work for the Company after (including) July 1, 2005. Those who have been employed before July 1, 2005 May choose the pension system under the Labor Pension Act or the Labor Standards Act within five years starting from July 1, 2005 according to their actual needs. If the employee has not chosen by the expiration date, the pension provisions of the Labor Standards Act shall continue to apply as of the date of implementation. Employees who meet the requirements of Article 53 of the Labor Standards Act may retire at their own will. In order to support our employees after retirement, the Company has set aside a retirement reserve account at the Bank of Taiwan at the rate of 2% of the total amount of wages paid. Retirement regulations have been implemented in accordance with the provisions of the Labor Standards Act. In line with the implementation of the new regulations, the Company has remitted the above-mentioned retirement reserves to the employee's personal account designated by the Bureau of Labor Insurance.

5. Employee Conduct or Ethical Practice:

The Company has established a "code of conduct" for the conduct of directors, supervisors, managers and employees of Bull Will Co., Ltd. Please refer to the company's website: <http://www.bullwill.com.tw> → Shareholder Services

6. Conditions of the Agreement Between Labor and Management:

Any new or revised measures in relation to industrial relations of the Company is settled only after full agreement and communication between the parties, so there is no dispute.

(2) In the last two years and up to the date of publication of the prospectus, the company has suffered losses due to labor disputes and disclosed the estimated amount and countermeasures that may occur now and in the future:

- 1、In 2022 and up to the date of the publication of the annual report, total amount of losses and penalties due to labor relation disputes: No such thing happened in the Company.

- 2、Current and future possible estimated amounts and response measures:

In addition to improving employee benefits, welfare and working conditions, the Company also holds non-scheduled meetings to maintain smooth communication channels between labor and management, if necessary, so as to maintain a

harmonious and mutually beneficial environment between labor and management.

6. Information Security Management

- (1) State the risk management framework for information and communications security, information and communications security policies, specific management plans, and resources devoted to information and communications security management, etc.:

In light of the current information security emerging trends, such as ransomware, Trojan horses, social engineering attacks, and phishing websites, etc., the general management office of the Company pays close attention to major network security issues and makes corresponding plans in time, in order to detect and complete the obstruction in the earliest time, and report the information of security management to the board of directors from time to time. The Company's response measures are as follows:

- 1 、 Before using computers, networks and systems, company personnel should apply to the general management office for permission to use (disable) the information system application form to apply for the account number and the level of permission to use each system.
- 2 、 The information operating system (operating system, application software) of the whole company shall be uniformly planned by the general management office, and the user department shall not modify or add the established operation mode by itself.
- 3 、 Programs belonging to the operating system (Windows, DOS) themselves are classified as such. They are not allowed to be installed by other personnel without the approval of the general management office or by the general management office personnel.
- 4 、 The computers, printers, hubs, network paths and other related peripherals of the company's administrative network are under the jurisdiction of the general management office; if the user needs to move, power off or other needs, it shall inform the general management office in advance, and the staff of the general management office shall decide whether the above operation needs can be fulfilled.
- 5 、 Company personnel using the network system shall not file illegal program data or program data that is not approved by the general management office (text files, drivers can be saved).
- 6 、 Open folders on the company's internal host server must be approved and opened by the general management office.
- 7 、 Departments or personal folders open for use on the host server are used for backup information of departments or individuals. Personal data and files are not allowed to be stored. The general management office shall conduct cleaning and inspection from time to time.
- 8 、 General Administration may limit the usage of personal files to prevent the host server from being unusable due to excess space on the host server.
- 9 、 If an individual has illegal use or stored relevant digital files that damage the copyright, the general management office can delete them by itself once they are found and confirmed to be correct.
- 10 、 The access and use of programs and files are controlled and managed by the general

management office on the host server in accordance with the relevant permissions.

- 11、Firewall settings only allow the internal network to use standard communication port, website visits, E-mail, etc.; the above special requirements shall be opened and used with the approval of the general management office. External network cannot access internal network host server, database and other network systems. It prevents external hackers to enter the company's internal network. If there are special service requirements, submit them to the General Management Office for explanation and add fixed IP addresses to the whitelist or allow the General Management Office to install VPN to ensure Intranet security.

- (2) Set forth the losses, possible effects and responses to major information and communications security incidents suffered in the most recent year and up to the date of the publication of the annual report, and state the fact that it cannot be reasonably estimated if it cannot be reasonably estimated:

No such thing happened in the Company.

7. Important Contracts

April 30, 2023

Type of contract	The Principal	Contract Start/End Date	Main Content	Restrictive Covenants
Agent Contract	TAI-TECH	2001.01.01 ~ Upon Termination of the Agreement Between the Parties	Non-exclusive Sales Agent for Electromagnetic Wave Protection Components (Magnetic Beads, Iron Cores)	None
Mid-Term Secured Loan/Mid-Term Loan	Bank of Panhsin Xinyi Branch	2020.07.20 ~2023.07.20	Operating Capital Loans and Revitalization Capital Loans	None
Mid-Term (Secured) Loan	Taiwan Cooperative Bank - East Taipei Branch	2020.11.19~2026.10.30	Operating Capital Loans	None
Mid-Term (Secured) Loan	Taiwan Cooperative Bank - East Taipei Branch	2020.11.19~2026.11.19	Operating Capital Loans	None

Note: The contract is usually one year or two years. It is agreed that if both parties have no objection before the expiration of the contract, the contract will be automatically renewed.

6. Financial Overview

1. Condensed Balance Sheet and Composite Income Sheet for the Last Five Years

(1) 1. Concise Balance Sheet (Individual) - International Financial Reporting Standards

Unit: NT\$1,000

<div>Year</div> <div>Items</div>		Financial Information for the Most Recent 5 Years (Note 1)				
		2018	2019	2020	2021	2022
Current Asset		243,891	303,209	282,006	295,478	296,281
Real Estate, Plant, and Equipment		4,144	3,339	2,264	2,092	3,666
Intangible Assets		--	--	--	--	--
Net Investment Property		21,157	21,019	20,881	20,743	20,605
Other Assets		33,726	4,812	4,721	22,935	68,050
Total Assets		302,918	332,379	309,872	341,248	388,602
Current Liability	Before Distribution	82,263	35,416	45,566	60,574	72,848
	After Distribution	82,263	35,416	45,566	64,174	82,900
Non-Current Liability		88,110	89,985	50,205	35,950	9,268
Total Liabilities	Before Distribution	170,373	125,401	95,771	96,524	82,116
	After Distribution	170,373	125,401	95,771	100,124	92,168
Equity Attributable to Owners of Parent Company		132,545	206,978	214,101	244,724	306,486
Share Capital		1,113,364	1,113,364	155,072	161,112	195,342
Advance Share Capital		--	--	--	22,650	3,443
Capital Surplus		43,306	43,702	44,054	47,298	74,967
Legal Surplus Reserve		--	--	--	822	875
Retained Earnings	Before Distribution	(1,030,829)	(958,292)	8,221	7,931	25,291
	After Distribution	(1,030,829)	(958,292)	8,221	4,331	15,239
Other Equities		6,704	8,204	6,754	4,911	6,568

Treasury Stock		--	--	--	--	--
Non-Controlling Interest		--	--	--	--	--
Equities Total	Before Distribution	132,545	206,978	214,101	244,724	306,486
	After Distribution	132,545	206,978	214,101	241,124	296,434

Note 1: All the information in the table has been checked (approved) by the accountant.

2. Concise Balance Sheet (Consolidated) - International Financial Reporting Standards

Unit: NT\$1,000

Year Items		Financial Information for the Most Recent 5 Years (Note 1)					As of March 31, 2022 Financial Information (Note 1)
		2018	2019	2020	2021	2022	
Current Asset		149,799	231,455	257,915	363,675	404,689	374,686
Real Estate, Plant, and Equipment		7,000	4,826	2,965	3,563	6,345	6,156
Intangible Assets		--	--	--	31,487	29,435	28,922
Other Assets		59,305	30,066	28,383	27,651	28,746	28,287
Total Assets		216,104	266,347	289,263	426,376	469,215	438,051
Current Liability	Before Distribution	99,180	54,586	66,728	110,075	119,992	89,949
	After Distribution	99,180	54,586	66,728	113,675	130,044	Unresolved
Non-Current Liability		--	4,783	8,434	31,040	26,724	24,611
Total Liabilities	Before Distribution	99,180	59,369	75,162	141,115	146,716	114,560
	After Distribution	99,180	59,369	75,162	144,715	156,768	Unresolved
Equity Attributable to Owners of Parent Company		132,545	206,978	214,101	244,724	306,486	312,449
Share Capital		1,113,364	1,113,364	155,072	161,112	195,342	197,622
Advance Share Capital		--	--	--	22,650	3,443	5,157
Capital Surplus		43,306	43,702	44,054	47,298	74,967	74,134
Legal Reserve Surplus		--	--	--	822	875	875
Retained	Before	(1,030,829)	(958,292)	8,221	7,931	25,291	28,075

Earnings	Distribu tion						
	After Distribu tion	(1,030,829)	(958,292)	8,221	4,331	15,239	Unresolved
Other Equities		6,704	8,204	6,754	4,911	6,568	6,586
Treasury Stock		--	--	--	--	--	--
Non-Controlling Interest		(15,621)	--	--	40,537	16,013	11,042
Total Equity	Before Distribu tion	116,924	206,978	214,101	285,261	322,499	323,491
	After Distribu tion	116,924	206,978	214,101	281,661	312,447	Unresolved

Note 1: All the information in the table has been checked (approved) by the accountant.

(2) 1. Concise Composite Income Sheet (Individual) - International Financial Reporting Standards

Unit: NT\$1,000

<div>Year</div> <div>Item</div>	Financial Information for the Most Recent 5 Years (Note 1)				
	2018	2019	2020	2021	2022
Operating Income	268,781	202,093	139,574	185,778	195,986
Operating Margin	34,280	32,805	33,371	21,534	14,175
Operating Profit and Loss	(10,316)	(34,080)	(9,841)	(20,854)	(33,574)
Non-Operating Income and Expenses	(9,280)	141,330	18,055	21,754	55,216
Net Profit Before Tax	(19,596)	107,250	8,214	900	21,642
Continuing Operations Net Income	(21,026)	72,537	8,221	532	21,013
Loss from Suspended Operations	--	--	--	--	--
Current Net Profit (Loss)	(21,026)	72,537	8,221	532	21,013
Current Other Comprehensive Income (Net Amount After Tax)	(147)	1,500	(1,450)	(1,843)	1,657
Current Total Comprehensive Profit and Loss	(21,173)	74,037	6,771	(1,311)	22,670
Net Income Attributable to Owners of Parent Company	(21,026)	72,537	8,221	532	21,013
Net Profit Attributable to Non-Controlling Interests	--	--	--	--	--
Total Comprehensive Profit and Loss Attributable to Owners of Parent Company	(21,173)	74,037	6,771	(1,311)	22,670
Total Comprehensive Income Attributable to Non-Controlling Interests	--	--	--	--	--

Earnings Per Share	(0.19)	0.65	0.53	0.03	1.14
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Note 1: All the information in the table has been checked (approved) by the accountant.

2. Concise Composite Income Sheet (Consolidated) - International Financial Reporting Standards

Unit: NT\$1,000

Year Item	Financial Information for the Most Recent 5 Years (Note 1)					As of March 31, 2023 Financial Information (Note 1)
	2018	2019	2020	Year 2021	Year 2022	
Operating Income	245,875	195,657	187,504	371,182	604,527	108,491
Operating Margin	47,124	42,915	47,025	71,229	111,839	26,209
Operating Profit and Loss	(27,577)	(49,073)	(10,396)	3,456	21,772	4,576
Non-Operating Income and Expenses	8,966	156,697	18,510	4	7,621	333
Net Profit Before Tax	(18,611)	107,624	8,114	3,460	29,393	4,909
Continuing Operations Net Income	(20,508)	72,759	8,067	2,092	23,610	3,151
Loss from Suspended Operations	(92)	(263)	154	--	--	--
Current Net Profit (Loss)	(20,600)	72,496	8,221	2,092	23,610	3,151
Current Other Comprehensive Income (Net Amount After Tax)	(1,087)	1,617	(1,450)	(1,843)	1,657	18
Current Total Comprehensive Profit and Loss	(21,687)	74,113	6,771	249	25,267	3,169
Net Income Attributable to Owners of Parent Company	(21,026)	72,537	8,221	532	21,013	2,784
Net Profit Attributable to Non-Controlling Interests	426	(41)	--	1,560	2,597	367
Total Comprehensive Profit and Loss Attributable to Owners of Parent Company	(21,173)	74,037	6,771	(1,311)	22,670	2,802
Total Comprehensive Income Attributable to Non-Controlling Interests	(514)	76	--	1,560	2,597	367
Earnings Per Share	(0.19)	0.65	0.53	0.03	1.14	0.14

Note 1: All the information in the table has been checked (approved) by the accountant.

(3) Name and Audit Opinion of CPA for the Last Five Years

Year	Name of CPA Firm	CPA	Audit Opinion
2018	SHINEWING TAIWAN	Chen Kuang-hui, Yao Yu-lin	Unqualified Opinion
2019	Moore Stephens DaHua (Taiwan) CPAs	Andrea Kuo, Ian Yang	Unqualified Opinion
2020	Moore Stephens DaHua (Taiwan) CPAs	Andrea Kuo, Ian Yang	Unqualified Opinion
2021	Moore Stephens DaHua (Taiwan) CPAs	Andrea Kuo, Ian Yang	Unqualified Opinion
2022	Moore Stephens DaHua (Taiwan) CPAs	Andrea Kuo, Ian Yang	Unqualified Opinion

2. Financial Analysis for the Last Five Years

1. Financial Analysis Sheet (Individual) - International Financial Reporting Standards

<div>Year</div> <div>Analysis Items (Note 2)</div>		Financial Analysis for the Most Recent 5 Years (Note 1)				
		2018	2019	2020	Year 2021	Year 2022
Financial Structure (%)	Ratio of Liabilities to Assets	56.24	37.73	30.91	28.29	21.13
	Ratio of Long-Term Capital to Real Estate, Plant, and Equipment	3,198.48	6,198.8	9,689.89	12,330.74	8,596.78
Debt-Paying Capacity (%)	Current Ratio	296.48	856.14	618.9	487.8	406.71
	Quick Ratio	289.03	851.94	608.99	407.51	352.01
	Interest Coverage Ratio	(15.59)	967.17	64.18	2.89	34.67
Operating Capacity	Receivables Turnover Rate (Times)	1.28	1.10	0.93	1.4	1.51
	Average Collection Days	285	332	392	261	242
	Inventory Turnover Rate (Times)	2.3	2.08	1.31	2.01	2.19
	Payables Turnover Rate (Times)	8.07	7.36	4.88	5.93	6.31
	Average Days for Sales	159	175	279	182	167
	Real Estate Plant, and Equipment Turnover Rate (Times)	64.86	60.53	61.65	88.8	53.46
	Total Asset Turnover Rate (Times)	0.84	0.64	0.43	0.57	0.54
Profitability Capacity	Rate of Return on Assets (%)	(6.28)	22.86	2.59	0.28	5.9
	Return on Equity (%)	(14.69)	42.73	3.9	0.23	7.62

	Net Pretax Profit to Paid-in Capital Ratio (%)	(1.76)	9.63	5.3	0.56	11.08
	Net Profit Margin (%)	(7.82)	35.89	5.89	0.29	10.72
	Earnings Per Share (NT\$)	(0.19)	0.65	0.53	0.03	1.14
Cash Flow	Cash Flow Ratio (%)	14.16	109.66	50.62	(20.02)	5.12
	Cash Flow Adequacy Ratio (%)	(12.6)	300.45	7,808.54	1,301.64	638.99
	Cash Flow Reinvestment Ratio (%)	4.8	11.49	6.81	(3.75)	0.95
Degree of Leverage	Degree of Operating Leverage	0.86	0.95	0.84	0.93	0.96
	Degree of Financial Leverage	0.9	1.00	0.99	0.98	0.98

Please explain the reasons for the changes in financial ratios in the latest two years. (increase or decrease of less than 20% is exempted)

1. Financial structure: Recently, due to the increase of the company's net profit and available funds, the debt ratio decreased.
2. Solvency: The company needs short-term operation turnover, so that short-term loan increases, so that the debt paying ability is lower than in the previous period.
3. Operating ability: Effective inventory management and timely collection of accounts, resulting in increased inventory turnover and account turnover.
4. Profitability: During the current period, due to the growth of revenue, the appreciation of the US dollar resulted in the increase of exchange benefits and the increase of affiliate benefits, so the increase of current assets cash and pre-tax benefits, resulting in the improvement of solvency.
5. Cash flow: Increased cash inflows due to increased earnings and employee exercising stock options.

Note 1: All the information in the table has been checked (approved) by the accountant. Note 2: Explanation of financial analysis calculation formulas:

1. Financial Structure

(1) Liabilities to Assets Ratio = Total Liabilities / Total Assets.

(2) Long-Term Capital to Property, Plant, And Equipment Ratio = (Total Equity + Non-Circulating Liability) / Net Amount of Property, Plant and Equipment.

2. Solvency

(1) Current Ratio = Circulating Asset / Circulating Liability.

(2) Quick Ratio = (Circulating Asset – Inventory – Prepaid Expense) / Circulating Asset.

(3) Interest Coverage Ratio = Net Profit Before Income Tax and Interest Expense / Current Interest Expenditure

3. Operating Performance

(1) Accounts Receivable (including receivable and bills receivable arising from business operations) Turnover Rate = Net Sales / Balance of Average Receivable in Various Periods (including accounts receivable and bills receivable arising from business operations).

(2) Average Collection Days = 365 / Receivables Turnover Rate.

(3) Inventory Turnover Rate = Cost of Sales / Average Inventory Value.

(4) Accounts Payable (including payable and bills payable arising from business operations) Turnover Rate = Cost of Sales / Balance of Average Payable in Various Periods (including accounts payable and bills payable arising from business operations).

- (5) Average Days of Sales = $365 / \text{Inventory Turnover Rate}$.
- (6) Property, Plant and Equipment Turnover Rate = $\text{Net Sales} / \text{Average Net Amount of Property, Plant and Equipment}$.
- (7) Total Asset Turnover Rate = $\text{Net Sales} / \text{Average Total Assets}$.
4. Profitability Capacity
- (1) Return on Asset = $[\text{Post-Tax Profit or Loss} + \text{Interest Expense} (1 - \text{Tax Rate})] / \text{Average Total Assets}$.
- (2) Return on Equity = $\text{Post-Tax Profit or Loss} / \text{Average Total Equity}$.
- (3) Profit Margin = $\text{Post-Tax Profit or Loss} / \text{Net Sales}$.
- (4) Earnings Per Share = $(\text{Gain or Loss Attributable to Owners of the Parent Company} - \text{Preference Dividend}) / \text{Weighted Average Number of Issued Shares}$.
5. Cash Flow
- (1) Cash Flow Ratio = $\text{Net Cash Flow from Operating Activities} / \text{Circulating Liability}$.
- (2) Net Cash Flow Adequacy Ratio = $\text{Net Cash Flow from Operating Activities for the Past 5 Years} / (\text{Capital Expenditure} + \text{Inventory Increase} + \text{Cash Dividends}) \text{ for the Past 5 Years}$.
- (3) Cash Flow Reinvestment Ratio = $(\text{Net Cash Flow from Operating Activities} - \text{Cash Dividend}) / (\text{Gross Property, Plant and Equipment} + \text{Permanent Investment} + \text{Other Non-Current Assets} + \text{Operating Capital})$.
6. Degree of Leverage
- (1) Degree of Operating Leverage = $(\text{Net Operating Income} - \text{Variable Operating Costs and Expenses}) / \text{Operating Profit}$
- (2) Degree of Financial Leverage = $\text{Operating Profit} / (\text{Operating Profit} - \text{Interest Expense})$.

2. Financial Analysis Sheet (Consolidated) - International Financial Reporting Standards

Analysis Items (Note 2)		Financial Analysis for the Most Recent 5 Years (Note 1)					As of March 31, 2023 (Note 1)
		2018	2019	2020	2021	2022	
Financial Structure (%)	Ratio of Liabilities to Assets	45.89	22.29	25.98	33.10	31.27	26.15
	Ratio of Long-Term Capital to Real Estate, Plant, and Equipment	1,670.34	4387.92	7,505.4	8,877.38	5,503.91	5,654.68
Debt-Paying Capacity (%)	Current Ratio	151.04	424.02	386.52	330.39	337.26	416.55
	Quick Ratio	124.51	398.65	353.7	280.56	308.7	376.79
	Interest Coverage Ratio	(12.12)	711.97	38.08	7.34	29.04	16.71
Operating Capacity	Receivables Turnover Rate (Times)	1.39	1.76	2.3	2.98	3.85	3.16
	Average Collection Days	263	207	158	122	94	115
	Inventory Turnover Rate (Times)	1.28	1.24	1.18	2.3	3.8	2.73
	Payables Turnover Rate (Times)	4.89	4.38	3.89	5.81	8.68	7.25
	Average Days for Sales	285	294	309	158	96	133

	Real Estate Plant, and Equipment Turnover Rate (Times)	28.92	33.09	48.13	113.72	122.03	69.43
	Total Asset Turnover Rate (Times)	1.02	0.81	0.67	1.04	1.35	0.96
Profitability Capacity	Rate of Return on Assets (%)	(8.05)	30.1	3.02	0.71	5.46	0.75
	Return on Equity (%)	(16.12)	44.76	3.9	0.84	7.77	0.98
	Net Pretax Profit to Paid-in Capital Ratio (%)	(1.68)	9.64	5.33	2.15	15.05	2.48
	Net Profit Margin (%)	(8.38)	37.05	4.38	0.56	3.91	2.9
	Earnings Per Share (NT\$)	(0.19)	0.65	0.53	0.03	1.14	0.14
Cash Flow	Cash Flow Ratio (%)	11.83	16.69	(15.98)	(14.12)	55.65	8.93
	Cash Flow Adequacy Ratio (%)	(40.15)	92.25	2,267.04	74.05	269.55	244.06
	Cash Flow Reinvestment Ratio (%)	7.08	3.28	14.06	(4.4)	17.18	2.07
Degree of Leverage	Degree of Operating Leverage	0.88	0.92	0.62	2.13	1.23	1.05
	Degree of Financial Leverage	0.95	1.00	0.98	1.2	1.05	1.01

Please explain the reasons for the changes in financial ratios in the latest two years. (increase or decrease of less than 20% is exempted)

1. Financial structure: Recently, due to the increase of the company's net profit and available funds, the debt ratio decreased.
2. Solvency: The company needs short-term operation turnover, so that short-term loan increases, so that the debt paying ability is lower than in the previous period.
3. Operating ability: Effective inventory management and timely collection of accounts, resulting in increased inventory turnover and account turnover.
4. Profitability: During the current period, due to the growth of revenue and the appreciation of the US dollar, the exchange benefits increased. Therefore, the cash in current assets increased and the pre-tax benefits increased, resulting in the improvement of solvency.
5. Cash flow: Increased cash inflows due to increased earnings and employee exercising stock options.

Note 1: All the information in the table has been checked (approved) by the accountant. Note 2: Explanation of financial analysis calculation formulas:

1. Financial Structure

(1) Liabilities to Assets Ratio = Total Liabilities / Total Assets.

(2) Long-Term Capital to Property, Plant, And Equipment Ratio = (Total Equity + Non-Circulating Liability) / Net Amount of Property, Plant and Equipment.

2. Solvency

(1) Current Ratio = Circulating Asset / Circulating Liability.

(2) Quick Ratio = (Circulating Asset – Inventory – Prepaid Expense) / Circulating Asset.

(3) Interest Coverage Ratio = Net Profit Before Income Tax and Interest Expense / Current Interest

Expenditure

3. Operating Performance

- (1) Accounts Receivable (including receivable and bills receivable arising from business operations) Turnover Rate = $\text{Net Sales} / \text{Balance of Average Receivable in Various Periods (including accounts receivable and bills receivable arising from business operations)}$.
- (2) Average Collection Days = $365 / \text{Receivables Turnover Rate}$.
- (3) Inventory Turnover Rate = $\text{Cost of Sales} / \text{Average Inventory Value}$.
- (4) Accounts Payable (including payable and bills payable arising from business operations) Turnover Rate = $\text{Cost of Sales} / \text{Balance of Average Payable in Various Periods (including accounts payable and bills payable arising from business operations)}$.
- (5) Average Days of Sales = $365 / \text{Inventory Turnover Rate}$.
- (6) Property, Plant and Equipment Turnover Rate = $\text{Net Sales} / \text{Average Net Amount of Property, Plant and Equipment}$.
- (7) Total Asset Turnover Rate = $\text{Net Sales} / \text{Average Total Assets}$.

4. Profitability Capacity

- (1) Return on Asset = $[\text{Post-Tax Profit or Loss} + \text{Interest Expense (1-Tax Rate)}] / \text{Average Total Assets}$.
- (2) Return on Equity = $\text{Post-Tax Profit or Loss} / \text{Average Total Equity}$.
- (3) Profit Margin = $\text{Post-Tax Profit or Loss} / \text{Net Sales}$.
- (4) Earnings Per Share = $(\text{Gain or Loss Attributable to Owners of the Parent Company} - \text{Preference Dividend}) / \text{Weighted Average Number of Issued Shares}$.

5. Cash Flow

- (1) Cash Flow Ratio = $\text{Net Cash Flow from Operating Activities} / \text{Circulating Liability}$.
- (2) Net Cash Flow Adequacy Ratio = $\text{Net Cash Flow from Operating Activities for the Past 5 Years} / (\text{Capital Expenditure} + \text{Inventory Increase} + \text{Cash Dividends}) \text{ for the Past 5 Years}$.
- (3) Cash Flow Reinvestment Ratio = $(\text{Net Cash Flow from Operating Activities} - \text{Cash Dividend}) / (\text{Gross Property, Plant and Equipment} + \text{Permanent Investment} + \text{Other Non-Current Assets} + \text{Operating Capital})$.

6. Degree of Leverage

- (1) Degree of Operating Leverage = $(\text{Net Operating Income} - \text{Variable Operating Costs and Expenses}) / \text{Operating Profit}$
- (2) Degree of Financial Leverage = $\text{Operating Profit} / (\text{Operating Profit} - \text{Interest Expense})$.

3. Audit Committee's Review on the Financial Report for the Most Recent Year:

Audit Committee's Review Report

The Audit Committee has approved and the Board of Directors has resolved the Company's Business Report, Financial Statements, and Surplus Allocation Proposal for the year 2022. The financial statements have been duly audited and certified by certified public accountants Andrea Kuo and Ian Yang from Moore Stephens DaHua (Taiwan) CPAs. The Business Report, Financial Statements and Surplus Allocation Proposal have been reviewed and determined to be correct and accurate by the Audit Committee. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, I hereby submit this report on behalf of all members of the committee to the 2017 Annual General Shareholders' Meeting for ratifications.

Sincerely

2023 BULL WILL CO LTD Shareholders' General Meeting

Coordinator of the Audit Committee: Chu Li Teh

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4. Most recent annual consolidated financial report: Please refer to Appendix I on pages 142-215.
5. Individual financial report for the most recent year audited and certified by an accountant: Please refer to Appendix II on pages 216-293.
6. The impact on the financial position of the company in the event of financial turnover difficulties in the most recent year and up to the date of publication of the annual report of the company and its affiliated enterprises: None.

7. Review and Analysis of Financial Position and Performance and Risk Items

1. Financial Status

Major causes and effects of significant changes in assets, liabilities and equity in the last two years:

Unit: NT\$1,000

Items \ Year	Year 2021	Year 2022	Increased (Decreased) Amount	%
Current Asset	363,675	404,689	41,014	11.28
Investments Accounted for Using the Equity Method	5,068	--	(5,068)	(100.00)
Real Estate, Plant and Equipment	3,563	6,345	2,782	78.08
Intangible Assets	31,487	29,435	(2,052)	(6.52)
Other Assets	22,583	28,746	6,163	27.29
Total Assets	426,376	469,215	42,839	10.05
Current Liability	110,075	119,992	9,917	9.01
Non-Current Liability	31,040	26,724	(4,316)	(13.90)
Total Liabilities	141,115	146,716	5,601	3.97
Share Capital	161,112	195,342	34,230	21.25
Advance Share Capital	22,650	3,443	(19,207)	(84.80)
Capital Surplus	47,298	74,967	27,669	58.50
Legal Surplus Reserve	822	875	53	6.45
Retained Earnings	7,931	25,291	17,360	218.89
Other Equities	4,911	6,568	1,657	33.74
Equity Attributable to Owners of Parent Company	244,724	306,486	61,762	25.24
Non-Controlling Equity	40,537	16,013	(24,524)	(60.50)
Total Equity	285,261	322,499	37,238	13.05

1. If the change rate of increase or decrease is less than 20% and the change amount is less than NT\$ 10 million, it is not analyzed and explained:
 - (1) Increase in current assets: mainly due to the increase in cash due to the execution of stock options by employees.
 - (2) Reduction in equity acquisition: the reduction in equity acquisition is due to the disposal of BULL WILL TRADING(S)PTE LTD.
 - (3) Increase in share capital: an increase in share capital as a result of an employee's exercise of stock options.
 - (4) Increase in advance share capital: an increase in advance capital stock resulting from an employee's exercise of stock options.
 - (5) Increase in capital surplus: the premium on common stock due to the exercise of stock options by the employee and the premium on the equity investment for the investment in Trustbond.
 - (6) Retained earnings, increase in equity attributable to the owner of the parent company: mainly due to the increase in current profit, equity and capital reserves.
2. Future response plan: due to market demand, the revenue will grow by increasing orders. In the future, we will expand cooperation partners and industrial alliances to improve the company's profits.

Note: The above are consolidated financial figures.

2. Financial Performance

- (1) Major changes in operating income, net operating profit and net profit before tax in the last two years:

Unit: NT\$1,000

Year Items	Year 2021	Year 2022	Difference	
			Increased & Decreased Amount	Change Ratio (%)
Operating Income Net Amount	371,182	604,527	233,345	62.87
Operating Cost	(299,953)	(492,688)	192,735	64.26
Operating Margin	71,229	111,839	40,610	57.01
Operating Expenses	(69,558)	(90,067)	20,509	29.48
Expected Credit Impairment Recovery Profit (Loss)	1,785	--	(1,785)	(100.00)
Operating Profit (Loss)	3,456	21,772	18,316	529.98
Non-Operating Income and Expenses	4	7,621	7,617	190,425
Pretax Profit (Loss)	3,460	29,393	25,933	749.51
Income Tax Expense (Interest)	1,368	5,783	4,415	322.73

Suspended Operations (Loss) Profit	--	--	--	--
Current (Loss) Profit	2,092	23,610	21,518	1,028.59
1. If the change rate of increase or decrease is less than 20%, it is not analyzed and explained: (1) Increase of operating revenue: Due to market influence, orders increase, resulting in growth of operating revenue. (2) Increase of operating costs: Affected by market inflation of raw material supply, operating costs increase. (3) Increase of operating expenses: A slight increase in operating expenses as a result of revenue growth. (4) Expected recovery benefit of credit impairment: Recovery benefit of bad debt assessment. (5) Decrease in non-operating income: The appreciation of the US dollar resulted in an increase in exchange benefits. (6) Increase of income tax expense: Income tax expense increases as a result of profit growth. 2. Future response plan: due to market demand, the revenue will grow by increasing orders. In the future, we will expand cooperation partners and industrial alliances to improve the company's profits.				

Note: The above are consolidated financial figures.

- (2) Expected sales volume in the coming year, basis and response plan: please refer to page 5 of this annual report.

3. Cash Flow

(1) Analysis of Recent Annual (2022) Cash Flow Changes

Unit: NT\$1,000

Items \ Year	Year 2021	Year 2022	Increase or Decrease Proportion
Cash Inflow (Outflow) From Operating Activities	(15,540)	66,773	--
Cash Inflow (Outflow) From Investment Activities	43,764	(2,226)	--
Cash Inflow (Outflow) From Fundraising Activities	45,915	16,247	64.62%
Analysis of increase or decrease of 20% or more:			
(1) Cash from operating activities: The increase in operating profit in the current period compared to the previous period, the inflow of accounts receivable and inventory, resulting in cash inflow from the overall operating activities.			
(2) Cash from investment activities: Cash outflows resulting mainly from the purchase of equipment assets.			
(3) Cash from financing activities: A decrease in the amount of principal loan inflows, resulting in a decrease in cash inflows.			

- (2) Illiquidity improvement plan: N/A

(3) Analysis of cash liquidity in the next year (2023)

Unit: NT\$1,000

Beginning balance (1)	Net Cash flow from operating activities of the whole year (2)	Net Cash flow from investment activities of the whole year (3)	Net Cash Flow from Financing Activities Throughout the Year (4)	Effect of exchange rate changes on cash and cash equivalents (5)	Amount of cash surplus (deficit) (1)+(2)+(3)+(4)+(5)	Projected Cash Balance Remedial Measures for Cash Inadequacy	
						Investment Plan	Financing Plan
174,559	18,058	2,588	(32,568)	--	162,637	--	--
<p>1. Analysis of changes in cash flows for the coming year:</p> <p>(1) Operating activities: Mainly due to the company's performance growth and profit, resulting in a net cash inflow from operating activities of NT\$ 18,058 thousand.</p> <p>(2) Investment activities: Mainly selling the listed stocks of short-term investment to increase cash inflow.</p> <p>(3) Financing activities: Mainly to repay bank loans, resulting in cash outflow.</p> <p>2. Remedial measures and liquidity analysis of anticipated cash shortfalls: It is estimated that the cash will be enough to support the normal operation of the company within the next year, and there will be no shortage.</p>							

4. The analysis of recent material capital expenditures on financial operations: None.

5. Recent annual reinvestment policy, main reason for income or loss, improvement plan and investment plan for the next year:

Reinvestment Analysis Sheet

December 31, 2022 / Unit: NT\$1,000

tion Items	Explana Investment Amount	Main Business Items / Policy	Main Cause of Profit or Loss	Improvement Plan	Coming Year Investme nt Plan
Hong Kong Bull Will Holding CO LTD	385,105	Group Investment Holding Company	Mainly due to recognizing the investment interests of Hong Kong Serial Investment	-	None
Hong Kong Serial Investment CO LTD	385,097	Group Investment Holding Company	Mainly due to recognizing the interests of Huizhou Chunchao and Huizhou Bullwill	-	None
BULL WILL Electronics Co., Ltd. (BVI)	106,660	Responsible for overseas sales.	Recent decrease in	On March 28, 2023,	None

tion Items	Explana	Investment Amount	Main Business Items / Policy	Main Cause of Profit or Loss	Improvement Plan	Coming Year Investme nt Plan
				operations	the board of directors made a decision to end operations.	
Huizhou Chunhao Electronics Corporation		47,151	Responsible for overseas processing business.	The increase in processing revenue was mainly due to the increase in orders from the group's customers	-	None
Huizhou Bullwill Electronic Co., Ltd.		19,102	Responsible for sales and processing business in mainland China.	The increase in profit was mainly due to the increase in orders from the group's customers	-	None
Dongguan Zhao Kang Electronic Co., Ltd.		35,738	Responsible for sales in mainland China.	Recent decrease in operations	Actively develop new clienteles and get new orders.	None
Trustbond Technology Corp		43,682	Electronic Components Sales	The increase in profit was due to the increase in orders for electronic components.	-	None

6. The following items shall be analyzed and evaluated in the most recent year and as of the date of publication of the annual report:

(1) Impacts on interest rate, fluctuation in exchange and inflation on corporate gains and losses and future countermeasures:

1. Interest rate: The Company is engaged in short-term and long-term borrowing, part of the floating rate of debt. Market interest rate changes will make the effective interest rate of short-term and long-term borrowing change accordingly, so the company to establish diversified financing channels to reduce borrowing rates.
Exchange rate:

(1)

Unit: NT\$1,000

Year	Year 2021	Year 2022
Exchange gain or loss	(6,599)	8,692
Operating Income	371,182	604,527
Operating Profit (Loss)	3,456	21,772
Percentage of Consolidated	(1.78)	1.44

Operating Income (%)		
Percentage of Consolidated Operating Profit and Loss (%)	(190.94)	39.92

The Company's foreign currency payment is mainly received in US dollars, while foreign currency purchase is mainly in US dollars. For USD there is natural hedging and pre-sale hedging. To avoid exchange rate risks from operations, the Company engages in the trading of derivatives, including forward exchange contracts.

- (2) The finance department supervisors are responsible for monitoring the risks in exchange rate changes. Considering opinions of FX experts at banks, they pay close attention market trends, to ensure risk management measures are effective, to lower the impact of exchange rate changes on the Company's profits.

2. Impact of recent annual inflation on corporate profits and losses and future countermeasures: none.

- (2) Policies on high-risk, highly leveraged investments, capital loans for others, endorsements, and derivative transactions, major causes of profits or losses and future countermeasures:

1. The Company does not engage in high-risk, high-leverage investments, nor does it make endorsement/guarantee for others. Derivatives trading is mainly of forward exchange contracts and options for the purpose of adapting to foreign exchange rate changes.
2. Financing: Financing as at the end of 2020, please refer to page 209 of this annual report.

- (3) Future R&D plan and expected invested R&D cost: No plan yet.

- (4) The impact of important domestic and foreign policies and laws on the company's financial business and countermeasures:

In order to reduce the impact on the Company's financial business, the Company shall consult and evaluate the relevant professional units such as law and accounting, and plan relevant measures to coordinate with the changes in policies and laws.

- (5) The impact of technological change (including information security risk) and industrial change on the company's financial business and corresponding measures:

The Company mainly distributes electronic components and parts, with application in 3C electronics, diversifying risks within a single industry. The Company also strives to gain distribution rights of star products of the new generation. Therefore, technological changes do not have a great impact on our existing product lines, and bring new opportunities for expanding our product lines.

- (6) Impact of corporate image change on corporate crisis management and countermeasures:

The Company seeks development in the spirit of honesty, trust, professionalism, and

service. After becoming listed on TPEx, the Company's financial and business information has become more transparent, elevating the Company's image, attracting more professional talents to join. In addition, with the implementation of internal control and professional management, the Company has boosted its management capabilities and crises management abilities, becoming a stronger and more robust enterprise.

- (7) Anticipated benefit, possible risks of the merger and acquisition and countermeasures:
The Company has not made any acquisition plans so far, but when it does, it will conduct a careful evaluation to see if the acquisition can bring about a concrete and comprehensive effect for the company, so as to ensure the original shareholders' rights and interests.
- (8) Anticipated efficiency, possible risks of the expanded plants and countermeasures:
The Company has not expanded the plant so far, so there is no risk of expanding the plant.
- (9) Risks and countermeasures encountered in the purchase or turnover concentration:
The Company actively strives for the agency company, in order to reduce the risk of concentrated purchase, and actively develops the business, in order to reduce the risk of concentrated sales.
- (10) The impact and risk of a substantial transfer or replacement of the shares of directors, supervisors or major shareholders holding more than 10% of the shares on the company, and countermeasures:
There is no substantial transfer of shares by the directors, supervisors or major shareholders holding more than 10% of the Company.
- (11) The impact and risks of changes in the management of the Company, and corresponding strategies:
There is no change of management right in the Company.
- (12) The company and its directors, supervisors, general managers, substantial heads, major shareholders holding more than 10% of the shares of the company and its subsidiaries shall be listed in the litigation or non-litigation or administrative disputes in which the company has determined or is still in possession. Where the outcome may have a material impact on shareholders' equity or securities prices, it shall disclose the facts of the dispute, the target amount, the commencement date of the lawsuit, the major litigants involved and the disposition as of the date of publication of the annual report:
 1. Civil Claims of Securities and Futures Investors Protection Center
 - (a) The Principal:
Plaintiff: Securities and Futures Investors Protection Center
Defendant: Bull Will (publisher), Singapore Serial Systems Co. Ltd (Judicial person Director), WU MU HSING (Chairperson), WU SHU CHEN (Director), Tsai Te-liang (former Supervisor), He I-chin (former Chairperson), Huang Shu-hsuan (Director), Lin Tsai-Po (Independent Director), Chan Huo-lien (Independent Director), Chien Chih-lang (Supervisor), Huang Ko-kun (Supervisor), Lo Wei-chang (Director/CFO), auditors, and underwriters.
 - (b) Facts:
Securities and Futures Investors Protection Center (hereinafter referred to as "protection center"), with the former director of BULL WILL as the center, engaged in false trading, suspected of false trading and beautification of financial statements with Yang Hua, Green Energy, Micro Alpha Technology,

SUPERMICRO, and Ote Power Corp. On behalf of the investor, sought compensation of NT\$ 113,798,500 in compensation from the defendants, including BULL WILL (publisher), Singapore Serial System Ltd (corporate director), GOH BAK HENG (Director), GOH SUE TENG (Director), De-Liang Tsai (former director), HO I CHIN (former chairman of the board), NG CHER YAN (Director), Tsai-Po Lin (independent director), CHAN HUO LIEN (independent director), CHIEN CHIH LANG (supervisor), WUI HECK KOON (supervisor), LO WEI CHANG (Director and chief financial officer), accountant, securities underwriter, and other defendants under article 32, article 20, article 20-1 of the Securities and Exchange Act, article 28, article 184 of the Civil Code, article 23, paragraph 2, Company Act, etc.

(c) The Current Situation of the Case:

This protection center filed a lawsuit on January 26, 2017, and is currently under trial by Shilin district court (case no. 2017 finance word no. 2). At the beginning of the court session on 24 January 2019, the defendant requested the termination of the proceedings. The court has now informed the plaintiff and all the defendants to agree to terminate the proceedings on April 24, 2019. Later, as the Securities and Futures Investors Protection Center recognized the need to renew the lawsuit, they applied for the renewal of the lawsuit on July 23, 2019. On June 11, 2021, the Taiwan Shihlin District Court rejected the lawsuit, and the insurance center applied for compensation. The insurance center has appealed to the Taiwan High Court for this lawsuit.

The Company believes that all the board supervisors of BULL WILL have fulfilled the responsibilities of the board supervisors' team, and BULL WILL team shall have the opportunity to win the civil lawsuit. In addition, in accordance with article 39 of the Corporate Governance Best Practice Principles, the Company shall purchase liability insurance for the directors in accordance with their legal liability for the scope of business they carry out during their term of office, so as to reduce and disperse the risk of material damage to the company and shareholders caused by the mistakes or negligence of the directors. The Company is insuring with Cathay Century Insurance policy for US\$ 5 million (about NT\$ 154,000,000). The amount is sufficient to cover the claim of the protection center (NT\$ 113,709,850). So far, the insurance company has paid NT\$ 7,466,249 in advance for the lawyer's fees in accordance with the terms of the policy. It is estimated that the final result of the case will have no significant impact on the company.

(13) Other important risks and countermeasures:

1. The organization and operation of the Company's risk management are based on the development and standards of internal audit and control to strengthen the management of enterprise risks, including risk detection, assessment, reporting and handling, which are very cautious and strict. In order to achieve the purpose of risk control, there are three levels (mechanisms): To achieve risk control and management, there are three levels of mechanism:

First level: the organizer and the officer must be responsible for the consideration, system design, and prevention behind detecting, assessing, and controlling the risks.

Second level: The Legal department of the General Management Office and the department of finance and accounting are responsible for assessing legal and financial risks, respectively. After the first and the second

level, based on the significant of the cases and the authority hierarchy of the Company, the cases should be submitted to General Manager, CEO, and Chairperson for approval and implementation.

Third level: Board of Directors, based on the authority hierarchy of the Company, sends the cases involving major company decision making and planning to the relevant departments for analysis and assessment of information, after which the Directors and Supervisors of the Board review the cases and make the final decisions.

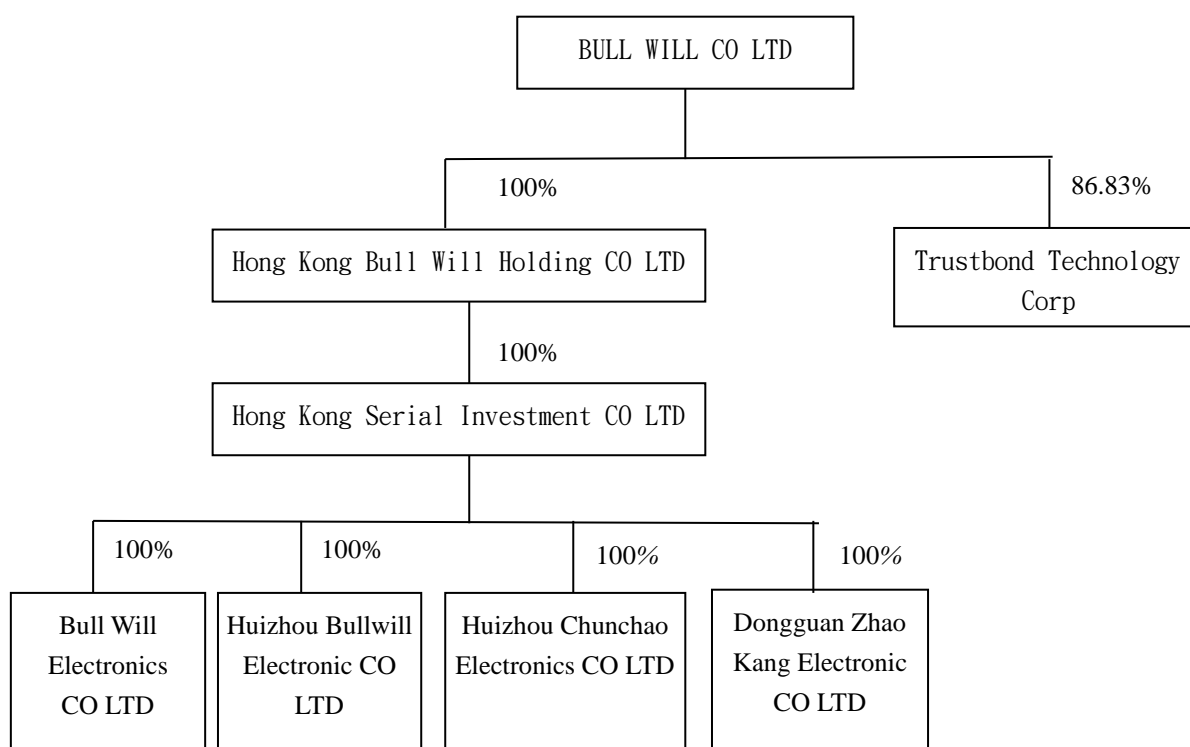
7. Other important matters to report: None.

8. Special Noted Items

1. Consolidated business report of affiliated enterprises, consolidated financial statements of affiliated enterprises, and the relationship report

(1) Consolidated Business Report of Affiliated Enterprises

1. Organization Chart of Affiliated Enterprises:



2. Basic Information on Affiliated Enterprises

March 31, 2023

Enterprise Name	Setup Time	Address	Paid-Up Capital (NT\$ 1000)	Main Business Items
Hong Kong Bull Will Holding CO LTD	March 2005	1004AXA Centre,151 Gloucester Road,Wan Chai,Hong Kong	HKD 95,765 USD 355	General Investment Business
Hong Kong Serial Investment CO LTD	March 1995	1004AXA Centre,151 Gloucester Road,Wan Chai,Hong Kong	HKD 95,765 USD 355	General Investment Business
BULL WILL Electronics Co., Ltd. (BVI)	January 2007	OM Chambers, P.O. Box 3152, Road Town, Tortola, British Virgin Islands	HKD 26,550	General Investment Business

Huizhou Chunhao Electronics Corporation	July 1995	Banqiao Industrial Zone, Taimei Town, Bolou Country, Huizhou City, Guangdong Province	HKD 13,000	Agent for the Company's Products and Manufacturing
Dongguan Zhao Kang Electronic Co., Ltd.	January 2010	Fuji Industrial City, Qinghu Industrial Park, Qingxi Town, Dongguan City	HKD 9,000	Sales Agent for the Company's Products
Huizhou Bullwill Electronic CO LTD	November 2010	Qike Industrial Park, Banqiao Industrial Zone, Taimei Town, Bolou Country	HKD 5,000	Agent for the Company's Products and Manufacturing
Trustbond Technology Corp	August 2009	2F., No. 152, Baoqiao Rd., Xindian Dist., New Taipei City	NTD20,000	Electronic Components Sales

3. Presumed to be in control and subordination: none.

4. Sectors covered by the overall business operation of the related companies:

- (1) Hong Kong Bull Will Holding CO LTD: it is a holding company established by the Company to control overseas reinvestment, and it has no other business except investment.
- (2) Hong Kong Serial Investment CO LTD: it is an investment company established by the Company to control overseas reinvestment, and it has no other business except investment.
- (3) BULL WILL Electronics Co., Ltd. (BVI): responsible for overseas sales.
- (4) Huizhou Jun Chao Electronic Co., Ltd: responsible for the manufacture of related products in order to support sales.
- (5) Dongguan Zhao Kang Electronic Co., Ltd: responsible for sales in mainland China.
- (6) Huizhou Bullwill Electronic Co., Ltd: responsible for the manufacture of related products in order to support sales.
- (7) Trustbond Technology Corp: Electronic components sales.

5. Information on directors and general manager of affiliated enterprises:

Unit: 1,000 shares; %; March 31, 2023

Enterprise Name	Title	Name or Representative	Shares Held (Note)	
			Shares (1,000)	Shareholding Ratio

Hong Kong Bull Will Holding CO LTD	Director	I CHIN HO	11,619	100%
Hong Kong Serial Investment CO LTD	Director	I CHIN HO	11,619	100%
BULL WILL Electronics Co., Ltd. (BVI)	Director	I CHIN HO	2.655 (Note 1)	100%
Huizhou Chunchao Electronics Corporation	Director	Yuan-Liang Wu	--	100%
Dongguan Zhao Kang Electronic Co., Ltd.	Director	Hung-Kang Huang	--	100%
Huizhou Bullwill Electronic CO LTD	Director	Hung-Kang Huang	--	100%
Trustbond Technology Corp	Director	CHANG CHIEH MIN	1,737	86.83%

Note: Is the number of shares held by the company; Note 1: face value HK\$ 10,000

6. Operating profile of affiliated enterprises:

December 31, 2022 / Unit: NT\$1,000

Reinvested Businesses	Main Business	Investment Cost	Carrying Value	Investment Shares		Stock Option Net Value	Market Price	Accounting Handling Method	Most Recent Annual Return on Investment		Number of Company Shares Held
				Shares	Stock Option Percentage %				Investment Profit or Loss	Distribution Dividend	
Hong Kong Bull Will Holding CO LTD	General Investment Business	HKD 95,765 USD 355	2,181	11,619	100	2,181	—	Equity Method	23,071	—	—
Hong Kong Serial Investment CO LTD	General Investment Business	HKD 95,765 USD 355	2,180	11,619	100	2,180	—	Equity Method	23,072	—	—
BULL WILL Electronics Co., Ltd. (BVI)	General Investment Business	HKD 26,550	--	3	100	--	—	Equity Method	(113)	—	—
Huizhou Chunchao Electronics Corporation	Agent for the Company's Products and	HKD 13,000	(81,409)	--	100	(81,409)	—	Equity Method	28,601	—	—

Reinvested Businesses	Main Business	Investment Cost	Carrying Value	Investment Shares		Stock Option Net Value	Market Price	Accounting Handling Method	Most Recent Annual Return on Investment		Number of Company Shares Held
				Shares	Stock Option Percentage %				Investment Profit or Loss	Distribution Dividend	
	Manufacturing										
Huizhou Bullwill Electronic CO LTD	Agent for the Company's Products and Manufacturing	HKD 5,000	47,566	--	100	47,566	—	Equity Method	13,703	—	—
Dongguan Zhao Kang Electronic Co., Ltd.	Sales Agent for the Company's Products	HKD 9,000	35,868	--	100	35,868	—	Equity Method	(2,286)	—	—
BULL WILL TRADING(S) PTE LTD	Sand and Gravel Sales	--	--	--	--	--	—	--	(3,418)	—	—
Trustbond Technology Corp	Electronic Components Sales	NTD 43,682	65,041	1,605	80.24	65,041	—	Equity Method	10,549	—	—

Note: NTD, 1,000 shares where no other currency is specified.

- (2) Consolidated Financial Statement of Affiliated Enterprises: the Company that shall be included in the preparation of consolidated financial statements of affiliated enterprises shall be the same as the company that shall be included in the preparation of consolidated financial statements of parent and subsidiary companies in accordance with Financial Accounting Standards Bulletin No. 7, and the related information should be disclosed in the consolidated financial statements of affiliated enterprises. It has been disclosed in the consolidated financial statements of the parent and subsidiary companies, and the Company shall issue a statement and place it on the first page of the consolidated financial statements of the parent company, and shall not separately prepare the consolidated financial statements of the affiliated enterprises. Please refer to page 145 of this annual report for the declaration.

2. In the most recent year up until the publication date of the annual report, for any private offerings of securities, the date of approval by shareholders' meeting or Board of Directors, the amount, the reference and reasonableness of pricing, the choice of specific investors, and the necessity for the offering, should be disclosed:

Information of Private Offering of Marketable Securities

(1) 2022 Private Equity Capital Increase Issue of Common Shares

Items	2022 Private Equity Capital Increase Issue of Common Shares Issuing Date: Not Issued
Types of Private Offering of Marketable Securities	Common Share
The Date of Approval by the Board of Directors and the Date and Amount of Approval by the Shareholders' Meeting	Date of the Board Meeting: March 29, 2022; Shareholders' Meeting Date: June 24, 2022 Total Amount Not More Than 8,000,000 Shares
Basis and Reasonableness of Pricing	<p>The price of the private common stock is determined based on Financial Examination No. 0990046878, and the reference price of private common stock offering is calculated using either the arithmetic mean of normal closing price of one business day, three business days, or five business days before the pricing date less the ex-right and cash dividends of bonus shares plus the stock price after capital reduction and reverse ex-right or the arithmetic mean of the closing price of the common stock 30 business days before the pricing date less the ex-right and cash dividends of bonus shares plus the stock price after capital reduction and reverse ex-right, whichever is higher. The pricing of private offering shares should not be lower than 80% of the reference price, and the actual price shall be resolved at the shareholders' meeting so the Board of Directors can do pricing based on the price resolved at the shareholders' meeting.</p> <p>The above pricing method is in accordance with the laws and regulations of the competent authority and will be in line with the prevailing market conditions, and shall not be less than 80% of the reference price without affecting shareholders' equity. In addition, considering that the Securities and Exchange Act has a three-year restriction on the transfer of privately-placed securities, the comprehensive evaluation of the pricing method shall be reasonable.</p>
Specific Personnel Selection Method	<p>For the method of selection of specific personnel, the Board of Directors is authorized to select specific personnel based on the primary consideration of bringing direct or indirect benefit to the Company's future operations and meeting the regulations of the competent authority and the Article 43.6 of the Securities and Exchange Act. Meanwhile, it is necessary to satisfy the regulations of Directions for Public Companies Conducting Private Placements of Securities.</p> <p>The company negotiates the introduction of strategic investors, hoping to use his professional and experience, for the company's technology research and development, capacity expansion, brand channels, increase the marginal benefits of vertical or horizontal industrial integration, enhance the value of the company and profit purposes, after the company evaluation, to determine the necessity.</p> <p>The Company's handling the private offering and introduction of strategic investors will consider the principle of maintaining the current management control ownership structure, and the applicant will also negotiate with the company's business philosophy of the same people to participate, so there will be no major changes in management.</p>

Necessary Reasons for Private Equity Offering	<p>By measuring the current capital market situation and the timeliness of raising funds, the private placement method has the advantages of quick and easy financing timeliness and limited transfer, which can guarantee the long-term cooperative relationship of strategic alliance. However, if through the public issue of securities to raise funds, it may not be easy to obtain the necessary funds in a short period of time. In order to avoid affecting the normal operation of the company, it is proposed to issue new shares by private placement in accordance with Article 43-6 of the Securities and Exchange Act.</p> <p>By measuring the current capital market situation and the timeliness of raising funds, the private placement method has the advantages of quick and easy financing timeliness and limited transfer, which can guarantee the long-term cooperative relationship of strategic alliance. However, if through the public issue of securities to raise funds, it may not be easy to obtain the necessary funds in a short period of time. In order to avoid affecting the normal operation of the company, it is proposed to issue new shares by private placement in accordance with Article 43-6 of the Securities and Exchange Act.</p>				
Payment Completion Date	Not Yet Issued				
Counterparty Information	Private Offering Object	Qualifications	Subscription Amount	Relationship with the Company	Involvement in the Company's Operation
	--	--	--	--	--
Actual Subscription (or Conversion) Price	Unissued				
Actual Subscription (or Conversion) Price & Reference Price Difference	--				
Effect of Private Offering on Shareholders' Equity (e.g., increase in accumulated losses)	--				
Private Equity Use and Plan Implementation Progress	--				
Visible Effects of the Private Offering	--				

(2) 2023 Private Equity Capital Increase Issue of Common Shares

Items	2023 Private Equity Capital Increase Issue of Common Shares Issuing Date: Not yet issued
Types of Private Offering of Marketable Securities	Common Share
The Date of Approval by the Board of Directors and the Date and Amount of Approval by the Shareholders' Meeting	Date of the Board Meeting: March 28, 2023; Date of Approval by the Shareholders' Meeting: Not Yet Approved by the Shareholders' Meeting Total Amount Not More Than 8,000,000 Shares
Basis and Reasonableness of Pricing	The price of the private common stock is determined based on Financial Examination No. 0990046878, and the reference price of private common stock

	<p>offering is calculated using either the arithmetic mean of normal closing price of one business day, three business days, or five business days before the pricing date less the ex-right and cash dividends of bonus shares plus the stock price after capital reduction and reverse ex-right or the arithmetic mean of the closing price of the common stock 30 business days before the pricing date less the ex-right and cash dividends of bonus shares plus the stock price after capital reduction and reverse ex-right, whichever is higher. The pricing of private offering shares should not be lower than 80% of the reference price, and the actual price shall be resolved at the shareholders' meeting so the Board of Directors can do pricing based on the price resolved at the shareholders' meeting.</p> <p>The above pricing method is in accordance with the laws and regulations of the competent authority and will be in line with the prevailing market conditions, and shall not be less than 80% of the reference price without affecting shareholders' equity. In addition, considering that the Securities and Exchange Act has a three-year restriction on the transfer of privately-placed securities, the comprehensive evaluation of the pricing method shall be reasonable.</p>				
Specific Personnel Selection Method	<p>For the method of selection of specific personnel, the Board of Directors is authorized to select specific personnel based on the primary consideration of bringing direct or indirect benefit to the Company's future operations and meeting the regulations of the competent authority and the Article 43.6 of the Securities and Exchange Act. Meanwhile, it is necessary to satisfy the regulations of Directions for Public Companies Conducting Private Placements of Securities.</p> <p>The company negotiates the introduction of strategic investors, hoping to use his professional and experience, for the company's technology research and development, capacity expansion, brand channels, increase the marginal benefits of vertical or horizontal industrial integration, enhance the value of the company and profit purposes, after the company evaluation, to determine the necessity.</p> <p>The Company's handling the private offering and introduction of strategic investors will consider the principle of maintaining the current management control ownership structure, and the applicant will also negotiate with the company's business philosophy of the same people to participate, so there will be no major changes in management.</p>				
Necessary Reasons for Private Equity Offering	<p>By measuring the current capital market situation and the timeliness of raising funds, the private placement method has the advantages of quick and easy financing timeliness and limited transfer, which can guarantee the long-term cooperative relationship of strategic alliance. However, if through the public issue of securities to raise funds, it may not be easy to obtain the necessary funds in a short period of time. In order to avoid affecting the normal operation of the company, it is proposed to issue new shares by private placement in accordance with Article 43-6 of the Securities and Exchange Act.</p> <p>By measuring the current capital market situation and the timeliness of raising funds, the private placement method has the advantages of quick and easy financing timeliness and limited transfer, which can guarantee the long-term cooperative relationship of strategic alliance. However, if through the public issue of securities to raise funds, it may not be easy to obtain the necessary funds in a short period of time. In order to avoid affecting the normal operation of the company, it is proposed to issue new shares by private placement in accordance with Article 43-6 of the Securities and Exchange Act.</p>				
Payment Completion Date	Not Yet Issued				
Counterparty Information	Private Offering Object	Qualifications	Subscription Amount	Relationship with the Company	Involvement in the Company's Operation
	--	--	--	--	--
Actual Subscription (or	Not Yet Issued				

Conversion) Price	
The difference between the actual subscription (transfer) price and the reference price	--
Effect of Private Offering on Shareholders' Equity (e.g., increase in accumulated losses)	--
Private Equity Use and Plan Implementation Progress	--
Visible Effects of the Private Offering	--

3. For the most recent year and up to the date of publication of the annual report, the status of holding or disposing of the Company's shares by a subsidiary: None.
4. Other necessary supplementary notes: None.

9. For the most recent year and up to the date of publication of the annual report, in the event of any matter that has a material impact on shareholders' equity or on securities prices as provided for in Subparagraph 2, Paragraph 3, Article 36 of the act: None.

Appendix 1

2022 Consolidated Financial Report

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
Tel : (02) 87927788

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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 reasonably 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

		111.12.31		110.12.31				111.12.31		110.12.31	
		Amount	%	Amount	%			Amount	%	Amount	%
Assets						Liability and Equity					
Current Asset:						Current Liability:					
1100	Cash and Cash Equivalents (Note 6 (1))	\$ 174,559	37	94,039	21	2100	Short-Term Loans (Note 6 (12) and 8)	\$ 23,000	5	8,000	2
1110	Financial Assets at Fair Value Through Profit or Loss -Current (Note 6 (2))	5,919	1	6,478	2	2130	Contractual Liabilities - Current (Note 6 (21))	574	-	1,440	-
1150	Net Bills Receivable (Note 6 (3))	1,262	-	5,845	1	2170	Accounts Payable	47,994	11	65,490	16
1170	Net Accounts Receivable (Note 6 (3))	143,849	31	153,963	36	2180	Accounts Payable - Related Party (Note 7)	2	-	-	-
1180	Accounts Receivable - Net Value of Related Parties (Note 6 (3) & 7)	-	-	8,444	2	2200	Other Payables	22,750	5	16,838	4
1200	Other Accounts Receivable (Note 6 (2) & (4))	2,612	1	2,005	1	2230	Current Income Tax Liabilities (Note 6(17))	4,318	1	1,916	1
1210	Other Accounts Receivable - Related Parties (Note 6 (4) & 7)	41,927	9	37,779	9	2250	Liability Reserve - Current (Note 6 (13))	1,974	-	1,751	-
1310	Inventories (Note 6 (5))	32,724	7	52,031	12	2280	Lease Liability - Current (Note 6 (14))	1,761	-	1,246	-
1410	Advance Payments	1,547	-	2,818	1	2320	Long-Term Liabilities Due Within One Year (Note 6 (15))	8,658	2	7,899	2
1476	Other Financial Assets - Current (Note 8)	150	-	150	-	2300	Other Current Liabilities	8,961	2	5,495	1
1470	Other Current Assets	140	-	123	-			119,992	26	110,075	26
		404,689	86	363,675	85						
Non-Current Asset:						Non-Current Liabilities:					
1550	Investments Using Equity Method (Note 6 (7))	-	-	5,068	1	2540	Long-Term Loans (Note 6 (15))	20,439	4	29,040	7
1600	Real Estate, Plant, and Equipment (Note 6 (8))	6,345	1	3,563	1	2570	Deferred Income Tax Liabilities (Note 6 (17))	343	-	1,900	-
1755	Right-of-Use Assets (Note 6 (9))	7,492	2	1,209	-	2580	Lease Liability - Non-Current (Note 6 (14))	5,758	1	-	-
1760	Investment Real Estate (Note 6 (10))	20,605	4	20,743	5	2645	Refundable Deposits (Note 7)	184	-	100	-
1780	Intangible Assets	29,435	7	31,487	8			26,724	5	31,040	7
1920	Refundable Deposits (Note 7)	649	-	631	-			146,716	31	141,115	33
		64,526	14	62,701	15	Total Liabilities					
						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 Asset						Total Liabilities and Equities					
		\$ 469,215	100	426,376	100			\$ 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 Income	-	-	422	-
	Unrealized Valuation of Profit or Loss				
	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 Reclassifi	1,557	-	-	-
	Total Items That May Be Subsequently Reclassifi	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										
	Share Capital	Advance Share Capital	Capital Surplus	Retained Earnings		Difference of Conversion of Financial Statements of Foreign Operating Institutions	Other Equity Items		Total Owner's Equity Attributable Total Equity	Non-Controlling Equity	Total Equity
				Legal Surplus Reserve	Undistributed Earnings		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			
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

	2022	Unit: NT\$ 1,000 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 Parties)	(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 Activities	(10,350)	18,196
And Total Net Changes in Assets and Liabilities Related to Operating Activities	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 Profit and Loss	-	50,189
Obtain the Value of Financial Assets Measured at Fair Value Through Profit and Loss	(98,876)	(22,016)
Dispose of the Value of Financial Assets Measured at Fair Value Through Profit and Loss	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 2018-2020 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 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 loses 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		Business Transaction	Percentage of Equity		
Name	Subsidiary Name	Amount	Held		Expla
		Nature	December 31, 2022	December 31, 2021	
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 losses. 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-recognition 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	<u>\$ 174,559</u>	<u>94,039</u>

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	<u>\$ 5,919</u>	<u>6,478</u>

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	<u><u>\$ 436</u></u>	<u><u>436</u></u>

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
	<u><u>\$ 44,539</u></u>	<u><u>39,784</u></u>

(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	<u><u>\$ 32,724</u></u>	<u><u>52,031</u></u>

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		Percentage of Equity Held	
			December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
BULL WILL	Sand and	Singapore	\$ -	5,068	-%	30.00%
TRADING(S) PTE LTD.	Gravel Sales					

(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
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	<u>\$ 8,115</u>	<u>8,115</u>
Balance as of January 1, 2021	\$ 5,210	5,210
Impact of Exchange Rate Changes	(36)	(36)
Balance as of December 31, 2021	<u>\$ 5,174</u>	<u>5,174</u>
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	<u>\$ 623</u>	<u>623</u>
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	<u>\$ 3,965</u>	<u>3,965</u>
Accounting Value:		
December 31, 2022	<u>\$ 7,492</u>	<u>7,492</u>
December 31, 2021	<u>\$ 1,209</u>	<u>1,209</u>

(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:

21		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	<u>\$ (1,900)</u>			<u>(343)</u>
The information expressed in the balance sheet is as follows:				
Deferred Income Tax Liabilities	<u>\$ (1,900)</u>			<u>(343)</u>

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	<u>\$ (1,900)</u>			<u>(1,900)</u>
The information expressed in the balance sheet is as follows:				
Deferred Income Tax Liabilities	<u>\$ (1,900)</u>			<u>(1,900)</u>

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 Board 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	Weighted	Outstanding	Weighted
	Quantity	Average	Quantity	Average
	(Unit)	Exercise Price	(Unit)	Exercise
		(NT\$)		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	<u>3,945</u>	15.10	<u>6,396</u>	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		
Weighted average remaining term to maturity (years) of outstanding employee stock options:		
Issuing Date	Exercise Price	
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 \$	70	164
Payment Transactions		
(All of them are based on share-based payment of equity settlement)		

(20) Earnings Per Share

	<u>Year 2022</u>	<u>Year 2021</u>
Basic Earnings Per Share		
Net Profit Attributable to the Company's Common Shareholders	<u>\$ 21,013</u>	<u>532</u>
Weighted Average Number of Common Shares Outstanding (Basic)(1,000 shares)	<u>18,390</u>	<u>15,590</u>
Basic earnings per share (NTD)	<u>\$ 1.14</u>	<u>0.03</u>
Diluted Earnings Per Share		
Net Profit Attributable to the Company's Common Shareholders	<u>\$ 21,013</u>	<u>532</u>
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)	<u>19,820</u>	<u>19,081</u>
Diluted Earnings Per Share (NT\$)	<u>\$ 1.06</u>	<u>0.03</u>

(21) Customer Contractual Revenue

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

	<u>Year 2022</u>	<u>Year 2021</u>
Electronic Component Revenue	<u>\$ 604,527</u>	<u>370,900</u>
Other Revenue	<u>-</u>	<u>282</u>
	<u>604,527</u>	<u>371,182</u>

2. Details of Customer Contract Revenue:

	<u>Year 2022</u>	<u>Year 2021</u>
Revenue Recognition Time Point		
Commodities That Are Transferred at a Certain Time Point	<u>\$ 604,527</u>	<u>371,182</u>

3. Contractual Liabilities:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Commodity Sales	<u>\$ 574</u>	<u>1,440</u>

(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 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 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 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 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\$
<u>Financial Assets</u>						
<u>Monetary Items</u>						
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
<u>Financial Liabilities</u>						
<u>Monetary Items</u>						
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. valued 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					
	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
(2) Financial Assets at Fair Value Through Profit or Loss					
Domestic & Foreign	\$ 5,919	5,919	-	-	5,919
TWSE-Listed (OTC-Listed) Stocks					
December 31, 2021					
	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
(1) Financial Assets at Fair Value Through Profit or Loss					
Domestic & Foreign	\$ 6,478	6,478	-	-	6,478
TWSE-Listed (OTC-Listed) Stocks					

valuation 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	<u><u>\$ -</u></u>

(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
	<u>43,840</u>
Liabilities	
Contractual Liabilities	1,585
Accounts Payable	13,436
Other Payables	4,223
Current Income Tax Liabilities	901
Other Current Liabilities	13
	<u>20,158</u>
Net Identifiable Assets	<u>\$ 23,682</u>

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

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

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	\$ 2,258	2,258
	Investment		
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	\$ 358	358
	Investment		
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	Year 2022			Year 2021		
	Under Operating Cost	Under Operating Expenses	Total	Under Operating Cost	Under Operating Expenses	Total
Property						
Employee Benefits Expenses						
Salary Expenses	20,415	45,986	66,401	22,866	33,582	56,44
Labor and Health Insurance Expenses	1,782	3,901	5,683	1,615	3,434	5,04
Pension Expenses	-	1,302	1,302	-	1,043	1,04
Directors' Remuneration	-	2,034	2,034	-	596	59
Other Employee Benefits Expenses	18	1,410	1,428	70	1,063	1,13
Depreciation Expense	1,239	1,770	3,009	1,245	2,146	3,39
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	-	-	-	-	-	2,419	-	2,419
Disposed 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.

<u>Regions</u>	<u>Year 2022</u>	<u>Year 2021</u>
Net revenue from external customers:		
Taiwan	\$ 355,030	156,878
Asia	238,105	189,546
Europe	4,486	24,033
USA	6,906	725
	<u>\$ 604,527</u>	<u>371,182</u>
	<u>Year 2022</u>	<u>Year 2021</u>
Non-Current Asset:		
Taiwan	\$ 24,911	23,005
Asia	38,966	33,997
	<u>\$ 63,877</u>	<u>57,002</u>

(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:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
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	Relationship with the Issuer of			Ending				Note
	Type and Name of Marketable Securities	Marketable Securities	Accounting Subjects	Shares (1,000 shares)	Carrying Amount	Shareholding Ratio %	Fair Value	
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.

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	Relation ship	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 Bulwill Electronic CO LTD	1	Operating Income	190	Trading Conditions Are the Same as General Trading	0.03 %
0	BULL WILL CO LTD	Huizhou Bulwill Electronic CO LTD	1	Sales Return	0	Trading Conditions Are the Same as General Trading	-
0	BULL WILL CO LTD	Huizhou Bulwill Electronic CO LTD	1	Accounts Receivable	320	—	0.07 %
0	BULL WILL CO LTD	Huizhou Bulwill 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 Bulwill 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 Bulwill 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 Bulwill Electronic CO LTD	Dongguan Zhao Kang Electronic CO LTD	3	Accounts Receivable	4,330	—	0.92 %
2	Huizhou Bulwill 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 Bulwill 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 Bulwill 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 Bulwill 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 Bulwill Electronic CO LTD	Dongguan Zhao Kang Electronic CO LTD	3	Sales Return	0	Trading Conditions Are the Same as General Trading	-
2	Huizhou Bulwill Electronic CO LTD	BULL WILL Electronics CO LTD	3	Other Revenue	919	—	0.15 %
2	Huizhou Bulwill 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 Bulwill 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 Bulwill Electronic CO LTD	3	Sales Return	0	Trading Conditions Are the Same as General Trading	-
3	Huizhou Jun Chao Electronic CO LTD	Huizhou Bulwill 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 Bulwill Electronic CO LTD	3	Accounts Receivable	75	—	0.02 %
3	Huizhou Jun Chao Electronic CO LTD	Huizhou Bulwill 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 Bulwill 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 Bulwill 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.

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 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

Name of Substantial Shareholders	Shares	Number of Shares	Shareholding Ratio
Shun-Fa Cho		3,788,481	19.17%
Mega International Commercial Bank With the Custody of		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.

Appendix 2

2022 Independent Financial Report

BULL WILL CO LTD

**Parent Company Only Financial Report and Independent
Accountant's Report**

2022 and 2021

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

Tel : (02) 87927788

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Independent Accountant's Audit Report

TO: BULL WILL CO LTD

Audit Opinion

The Consolidated Balance Statement of BULL WILL CO LTD on December 31, 2022 and 2021, and the Composite Income Statement, Statement of Changes in Equity, Statement of Cash Flow, and Notes to Individual Financial Report (including summary of major accounting policies) on January 1 to December 31, 2022 and 2021, has been audited and concluded by our CPA.

In the opinion of the CPA, and on the basis of the audit report of the CPA, the above individual financial statements have been prepared in all material respects in accordance with the criteria for the preparation of financial statements of securities issuers and are sufficient to give the financial position of the Company as of 31 December 2022 and 2021, as well as the financial performance and cash flow for 2022 and 2021 from 1 January to 31 December.

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. The accountant's responsibility under these standards will be further explained in the paragraph of responsibility of the accountant for examining the individual financial report. 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 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 and 2021 financial statements of Bull Will CO LTD. Such items have been taken into consideration in the process of auditing the overall financial reports and forming audit opinions. The accountant does not express opinions on such items separately. Our CPA 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 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 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.

Responsibilities of Management and Those Charged With Governance for the Parent Company Only Financial Report

The responsibility of the BULL WILL CO LTD management is to prepare individual financial reports in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and to maintain necessary internal controls related to the preparation of individual financial reports, so as to ensure that there is no material misrepresentation of individual financial reports due to fraud or error.

Management when preparing parent company only financial reports is also responsible for evaluating BULL WILL's ability to continue as a going concern, disclosing relevant matters, and using the going concern basis of accounting unless management intends to liquidate BULL WILL CO LTD to cease the operations, or to liquidate or to have no feasible alternatives but to do so.

Those charged with governance of BULL WILL CO LTD are responsible for supervising BULL WILL CO LTD's financial reporting procedure.

Account's Responsibilities for the Audit of Parent Company Only Financial Report

The purpose of the accountant's audit of the individual financial reports is to obtain reasonable assurance of whether the individual financial reports as a whole are substantially misrepresented due to fraud or error, and to issue an audit report.

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 parent company only financial reports. Misrepresentation may be due to fraud or error. A misrepresentation of an individual amount or sum of transfers is considered significant if it is reasonably expected to affect the economic decisions made by individual users of financial reports.

In accordance with the generally accepted auditing standards, our CPA 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 individual 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. The risk of not detecting a material misstatement resulting from fraud is higher than for the one resulting from error because fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
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 BULL WILL CO LTD's internal control.
3. Assess the appropriateness of accounting policies adopted by management and the reasonableness of accounting estimates and related disclosures.
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's 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 individual financial reports to the disclosure of the individual 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, to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the individual financial reports (including relevant notes), and whether the individual 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 parent company only 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 individual financial reports.

Matters communicated between the accountant and the governing body, including the limits and time of the planned audit, and major audit findings (including significant deficiencies in internal control identified in the audit process).

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 financial reports of 2021 of BULL WILL CO LTD 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

Guo Siqu

CPA:

Yang Chifen

Securities Authority

Approval certification document: Jin-Guan-Zheng-Shen-Zi-1040019693

28 March 2023

BULL WILL CO LTD
Balance Sheet
December 31, 2022 and 2021

Unit: NTD 1,000

		December 31, 2022		December 31, 2021				December 31, 2022		December 31, 2021	
		Amount	%	Amount	%			Amount	%	Amount	%
Assets						Liability and Equity					
Current Asset:						Current Liability:					
1100	Cash and Cash Equivalents (Note 6 (1))	\$ 80,696	21	65,529	19	2100	Short-Term Loans (Note 6 (10))	\$ 23,000	6	8,000	2
1110	Financial Assets at Fair Value Through Profit or Loss - Current (Note 6 (2))	5,919	1	6,478	2	2130	Contractual Liabilities - Current (Note 6 (19))	8	-	-	-
1150	Net Bills Receivable (Note 6 (3))	328	-	809	-	2170	Accounts Payable	24,102	6	33,552	10
1170	Net Accounts Receivable (Note 6 (3))	92,165	24	85,123	25	2180	Accounts Payable - Related Party (Note 7)	2	-	-	-
1180	Accounts Receivable - Net Value of Related Parties (Note 6 (3) & 7)	32,174	8	47,771	14	2200	Other Payables	10,734	4	7,576	2
1200	Other Accounts Receivable (Note 6 (4))	2,609	1	1,673	-	2230	Current Income Tax Liabilities (Note 6 (15))	632	-	370	-
1210	Other Accounts Receivable - Related Parties (Note 6 (4) & 7)	42,391	11	39,312	12	2250	Liability Reserve - Current (Note 6 (11))	1,512	-	1,491	-
1310	Inventories (Note 6 (5))	6,497	2	4,088	1	2280	Lease Liability - Current (Note 6 (12))	337	-	86	-
1410	Advance Payments (Note 7)	33,352	9	44,545	13	2320	Long-Term Liabilities Due Within One Year (Note 6 (13))	4,805	1	4,042	1
1476	Other Financial Assets - Current (Note 8)	150	-	150	-	2300	Other Current Liabilities	7,716	2	5,457	2
		<u>296,281</u>	<u>77</u>	<u>295,478</u>	<u>86</u>			<u>72,848</u>	<u>19</u>	<u>60,574</u>	<u>17</u>
Non-Current Asset:						Non-Current Liabilities:					
1550	Investments Using Equity Method (Note 6 (6))	67,222	17	22,440	7	2540	Long-Term Loans(Note 6 (13))	8,672	2	13,235	4
1600	Real Estate, Plant, and Equipment (Note 6 (7))	3,666	1	2,092	1	2570	Deferred Income Tax Liabilities(Note 6 (15))	343	-	1,900	1
1755	Right-of-Use Assets (Note 6 (8))	418	-	84	-	2580	Lease Liability - Non-Current (Note 6 (12))	86	-	-	-
1760	Investment Real Estate - Net Amount (Note 6 (9))	20,605	5	20,743	6	2645	Refundable Deposits (Note 7)	100	-	100	-
1920	Refundable Deposits (Note 7)	410	-	411	-	2650	Credit Balance of Investments Using Equity Method (Note 6 (6))	67	-	20,715	6
		<u>92,321</u>	<u>23</u>	<u>45,770</u>	<u>14</u>			<u>9,268</u>	<u>2</u>	<u>35,950</u>	<u>11</u>
							Total Liabilities	<u>82,116</u>	<u>21</u>	<u>96,524</u>	<u>28</u>
						Equity (Note 6 (16)):					
						3100	Share Capital	195,342	50	161,112	47
						3140	Advance Share Capital	3,443	1	22,650	7
						3200	Capital Surplus	74,967	19	47,298	14
						3300	Retained Earnings:				
						3310	Legal Surplus Reserve	875	-	822	-
						3350	Retained Earnings	25,291	7	7,931	3
								<u>26,166</u>	<u>7</u>	<u>8,753</u>	<u>3</u>
						3400	Other Equities	6,568	2	4,911	1
							Total Equity	<u>306,486</u>	<u>79</u>	<u>244,724</u>	<u>72</u>
Total Asset		<u>\$ 388,602</u>	<u>100</u>	<u>341,248</u>	<u>100</u>	Total Liabilities and Equities		<u>\$ 388,602</u>	<u>100</u>	<u>341,248</u>	<u>100</u>

(Please read the notes of the individual financial report in the end)

Chairman of the Board:

Manager:

Accounting Supervisor:

BULL WILL CO LTD
Composite Income Statement
January 1 to December 31, 2022 and 2021

Unit: NTD 1,000

	2022		2021	
	Amount	%	Amount	%
4000 Operating Income (Note 6 (19) & 7)	\$ 195,986	100	185,778	100
5000 Operating Cost (Note 6 (5) & 7)	(181,811)	(93)	(164,244)	(88)
5900 Operating Gross Profit	14,175	7	21,534	12
5910 Unrealized Loss From Sale	(852)	-	(867)	-
5920 Realized Profit From Sale	867	-	849	-
Operating Gross Profit	14,190	7	21,516	12
6000 Operating Expenses (Note 6 (3), (14), (17) & 7)				
6100 Selling Expenses	(11,546)	(6)	(10,563)	(6)
6200 Administration Expenses	(33,818)	(17)	(31,292)	(17)
6300 Research and Development Expenses	(2,400)	(1)	(2,300)	(1)
6450 Expected Credit Impairment Reversal Profits	-	-	1,785	1
Total Operating Expenses	(47,764)	(24)	(42,370)	(23)
6900 Net Operating Loss	(33,574)	(17)	(20,854)	(11)
Non-Operating Income and Expenditures (Note 6 (21) & 7):				
7100 Interest Revenue	2,327	1	2,307	1
7010 Other Revenue	6,512	3	2,789	1
7020 Other Profits and Losses	16,826	9	(9,205)	(5)
7050 Financial Cost	(651)	-	(491)	-
7060 Share of Profits and Losses of Subsidiaries and Affiliated Enterprises Recognized by the Equity Method (Note 6 (6))	30,202	15	26,354	14
Total Non-Operating Income and Expenditure	55,216	28	21,754	11
Net Profit Before Tax on Continuing Operations	21,642	11	900	-
7950 Minus: Income Tax Expenses (Interest) (Note 6 (15))	629	-	368	-
8000 Current Net Profit	21,013	11	532	-
Other Consolidated Profit or Loss (Note 6 (6) & (15)):				
8310 Items Not to Be Reclassified Into Profit or Loss				
8316 Measured at Fair Value Through Other Comprehensive Income for Unrealized Valuation of Profit or Loss	-	-	422	-
Total Items Not to Be Reclassified Into Profit or Loss	-	-	422	-
8360 Items That May Be Subsequently Reclassified as Profit or Loss				
8361 Exchange Differences on Conversion of the Financial Statements c	100	-	(2,265)	(1)
8399 And Income Tax Relating to Items Which May Be Reclassified as	1,557	1	-	-
Total Items That May Be Subsequently Reclassified as I	1,657	1	(2,265)	(1)
8300 Current Other Consolidated Profit or Loss (Net Amount After Ta	1,657	1	(1,843)	(1)
Current Total Comprehensive Profit and Loss	<u>\$ 22,670</u>	<u>12</u>	<u>(1,311)</u>	<u>(1)</u>
Earnings Per Share (Unit: NT\$ 1,000) (Note 6 (18))				
9750 Basic Earnings Per Share	<u>\$ 1.14</u>		<u>0.03</u>	
9850 Diluted Earnings Per Share	<u>\$ 1.06</u>		<u>0.03</u>	

(Please read the notes of the individual financial report in the end)

Chairman of the Board:

Manager:

Accounting Supervisor:

BULL WILL CO LTD
Statement of Changes in Equity
January 1 to December 31, 2022 and 2021

Unit: NTD 1,000

	Retained Earnings					Other Equity Items		
	Share Capital	Advance Share Capital	Capital Surplus	Legal Surplus Reserve	Undistributed Surplus Earnings (Or Accumulated Deficits to Be Covered)	Difference of Conversion of Financial Statements of Foreign Operating Institutions	Unrealized Profits (Losses) on Financial Assets Measured at Fair Value Through Other Consolidated Profit or Loss	Total Equity
Balance as of January 1, 2021	\$ 155,072	-	44,054	-	8,221	7,482	(728)	214,101
Distribution by Resolution of the Shareholders' Meeting								
Legal Surplus Reserve	-	-	-	822	(822)	-	-	-
Current Net Profit	-	-	-	-	532	-	-	532
Current Other Comprehensive Profit/Loss	-	-	-	-	-	(2,265)	422	(1,843)
Current Total Comprehensive Profit/Loss	-	-	-	-	532	(2,265)	422	(1,311)
Capital Reduction to Cover Losses								
Other Changes in Equity:								
Share-Based Payment	6,040	22,650	3,244	-	-	-	-	31,934
Balance as of December 31, 2021	\$ 161,112	22,650	47,298	822	7,931	5,217	(306)	244,724
Balance as of January 1, 2022	\$ 161,112	22,650	47,298	822	7,931	5,217	(306)	244,724
Distribution by Resolution of the Shareholders' Meeting								
Legal Surplus Reserve	-	-	-	53	(53)	-	-	-
Cash Dividends	-	-	-	-	(3,600)	-	-	(3,600)
Current Net Profit	-	-	-	-	21,013	-	-	21,013
Current Other Comprehensive Profit/Loss	-	-	-	-	-	1,657	-	1,657
Current Total Comprehensive Profit/Loss	-	-	-	-	21,013	1,657	-	22,670
Other Changes in Equity:								
Share-Based Payment	34,230	(19,207)	17,527	-	-	-	-	32,550
The Difference Between the Equity Price and Book Value of the Subsidiary Actually Acquired or Disposed of	-	-	10,142	-	-	-	-	10,142
Balance as of December 31, 2022	\$ 195,342	3,443	74,967	875	25,291	6,874	(306)	306,486

(Please read the notes of the individual financial report in the end)

Chairman of the Board:

Manager:

Accounting Supervisor:

BULL WILL CO LTD
Statements of Cash Flows
January 1 to December 31, 2022 and 2021

Unit: NTD 1,000

	2022	2021
Cash Flow from Operating Activities:		
Net Profit Before Tax	\$ 21,642	900
Profit/Loss Not Affecting Cash Flows		
Depreciation Expenses	1,178	1,533
Expected Credit Impairment Reversal Profits	-	(1,785)
Financial Asset Loss Measured at Fair Value Through Profit and Loss	1,496	372
Interest Expense	651	491
Interest Revenue	(2,327)	(2,307)
Dividend Revenue	(267)	(179)
Share-based remuneration cost	70	164
Share of interests of Subsidiaries and Affiliated Enterprises Recognized by	(30,202)	(26,354)
Disposal of Investment Interests Under the Equity Method	(253)	-
Unrealized Profit From Sale	852	867
Realized Profit From Sale	(867)	(849)
Total Earning Expense Items	(29,669)	(28,047)
Net Changes in Operating Assets and Liabilities		
And Net Changes in Assets Related to Operating Activities		
Decrease (Increase) in Notes Receivable	481	(554)
Decrease (Increase) in Accounts Receivable (Including Related Parties)	8,555	318
Decrease (Increase) in Accounts Receivable (Including Related Parties)	(3,963)	42,634
Decrease (Increase) in Inventories	(2,409)	318
Decrease (Increase) in Advance Payments	11,203	(44,439)
And Total Net Changes in Assets Related to Operating Activities	13,867	(1,723)
And Net Changes in Liabilities Related to Operating Activities		
Increase (Decrease) in Contractual Liabilities	8	(705)
Increase (Decrease) in Accounts Payable (Including Related Parties)	(9,448)	11,686
Increase in Other Payables (Including Affiliates)	3,151	356
Liability Reserve - Current Increased	21	290
Increase in Other Current Liabilities	2,259	2,546
And Total Net Changes in Liabilities Related to Operating Activities	(4,009)	14,173
And Total Net Changes in Assets and Liabilities Related to Operating Acti	9,858	12,450
Total Adjusted Items	(19,811)	(15,597)
Cash Generated From Operations	1,831	(14,697)
Interest Received	2,275	2,564
Refund (Payment of) Income Tax	(377)	7
Net Cash Inflows (Outflows) From Operating Activities	3,729	(12,126)
Cash Flow from Investment Activities:		
Dispose of the Value of Financial Assets Measured at Fair Value Through Other	-	50,189
Obtain the Value of Financial Assets Measured at Fair Value Through Profit or	(98,876)	(22,016)
Dispose of the Value of Financial Assets Measured at Fair Value Through Profit	97,939	17,511
Investments Accounted for Using Equity Method Acquired	(26,978)	(16,704)
Dispose of Investments Using Equity Method	2,260	-
Purchase of Real Estate, Plant, and Equipment	(2,280)	(886)
Refundable Deposits Decreased (Increase)	1	(2)
Collect Other Dividends	267	179
Net Cash Inflows (Outflows) From Investment Activities	(27,667)	28,271
Cash Flow from Financing Activities:		
Short-Term Loan Increased	15,000	8,000
Short-Term Loan Decreased	-	(8,000)
Long-Term Loan Borrowed	-	12,000
Long-Term Loan Repaid	(3,800)	(3,334)
Lease Principal Repaid	(331)	(339)
Employee Stock Option	32,480	31,770
Interest Paid	(644)	(482)
Guarantee Deposits Received Increased	-	100
Distribution of Cash Dividend	(3,600)	-
Net Cash Inflow from Financing Activities	39,105	39,715
Current Cash and Cash Equivalents Increments (Reductions)	15,167	55,860
Beginning Cash and Cash Equivalents Balance	65,529	9,669
Ending Cash and Cash Equivalents Balance	\$ 80,696	65,529

(Please read the notes of the individual financial report in the end)

Chairman of the Board:

Manager:

Accounting Supervisor:

BULL WILL Co., Ltd.
Parent Company Only 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 primary business items are the 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 individual 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 Company as of January 1, 2022 and will not have a material impact on individual 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 2018-2020 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 Company evaluates that the following revised IFRS, effective from 1 January 2023, will not cause a material change to the individual 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	Effective date announced by the Board
Revision of IAS 1 "Classification of Liabilities as Current or Non-current".	<p>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).</p> <p>The revision also clarifies the classification of obligations which may be discharged by conversion into equity.</p>	January 1, 2023

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 Company expects that the following new and revised standards, which have not yet been approved, will not have a material impact on the individual 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 parent company financial statements are described below.

(1) Compliance with the Declaration

This parent company only financial statement is prepared in accordance with Regulations Governing Preparation of Financial Reports by Securities Issuers.

(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, this parent company only financial statement is prepared based on the historical cost.
2. The following critical accounting policies are consistently applicable to the entire period that this parent company only financial statement covers.
3. Some material accounting estimation 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 parent company only financial statements. Please refer to Note 5 attached.

(3) Foreign currency translation

The Company⁷ uses the money (i.e., functional currency) of the primary economic environment of its operation for the measurement. This parent company only financial report is presented in New Taiwanese Dollars (NT\$), which is the Company's functional and presentation currency.

1. Foreign currency transaction and balance

- (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 losses. 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.

2. Translation of foreign operating organizations

- (1) All the company's entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - A. The assets and liabilities presented in each balance sheet are exchanged using the spot rate of exchange of the balance sheet.
 - B. The income and expense losses expressed in each consolidated income statement are converted at the current average exchange rate; and
 - C. All conversion differences resulting from conversion are recognized as other consolidated profits and losses.
- (2) Exchange differences of loans of the net investment and long-term investment of foreign operations or other currency instruments designated to be the hedgers of an investment are recognized in other comprehensive income.
- (3) When a foreign operation is partially disposed of or sold, exchange difference under other comprehensive income will be proportionally reclassified in profit and loss to be part of the income or loss from sales.
- (4) Goodwill produced from acquiring foreign entities and the fair value adjustment are valued as the assets and liabilities of said foreign entities and the exchange is done using the period-end exchange rate.

(4) 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 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 Company classifies all liabilities that do not meet the above criteria as non-current.

(5) Cash and Cash Equivalents

1. Cash and cash equivalents include cash on hand, cash in bank, and other short-term, highly liquid investments that are due in three months starting from the acquisition date.
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.

(6) Financial assets measured at fair value through other comprehensive 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 Company adopts settlement date accounting for financial assets that are measured at fair value through other comprehensive income and satisfying the transaction convention.
3. The Company 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 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.

(7) Financial Asset Interests Measured 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. In order to eliminate or materially reduce improper accounting matching at the time of original recognition, the Company may irrevocably designate financial assets that meet the requirements of measuring at fair value through after-amortized cost or other consolidated profit or loss as financial assets measured at fair value through profit or loss at the time of original recognition.

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.

(8) Accounts and notes receivable

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. Refers to short term accounts receivable and bills without interest payment, the Company will only use the original invoice amount as the measurement because the discount has little effect.

(9) Financial asset impairments

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 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.

(10) De-recognition of financial assets

If the Company meets any of the following conditions, will derecognise the financial assets:

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.

(11) Inventories

The 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.

(12) Investments accounted for using the equity method

When preparing for parent only financial statements, the Company adopts the equity method rating for its controlled investment. 4. In accordance with the equity method, the profit or loss and other comprehensive income of the parent company only financial report should be the same as the share of the profit or loss and other comprehensive income belonging to the owner of the parent company in the consolidated financial report. The owner's equity in the parent company only financial report should be the same as the equity belonging to the owner of the parent company in the financial report prepared based on this foundation. The Company's changes in the ownership and equity of the subsidiaries that do not lead to the loss control are treated as equity transaction among the owners.

(13) Lease

4. Determination of leases

The 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 Company will assess the following items:

- (4) 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.
- (5) the right to almost all economic efficiency from the use of a recognized asset has been acquired for the entire term of use; and
- (6) 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 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 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.

5. Lessee

The 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 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 Company's incremental borrowing rate is used. In general, the 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 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 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.

6. Lessor

The 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 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 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

Company shall recognize the lease payments received as rental income during the lease term on a straight line basis.

(14) 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 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 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:

Machines and equipment	Three to five years
Transportation equipment	Five years
Office equipment	Three to ten years
Leasehold improvements	Five years
Other facilities	Two to six years

(15) Real Estate Investment

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.

(16) None-Financial Asset Impairment

On the balance sheet date, the 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.

(17) 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.

(18) 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.

(19) 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.

(20) 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 time 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 Company recognizes the expenses when the offer of resignation pay becomes irrevocable or when recognizing related restructuring cost, whichever happens first. Benefits not expected to be fully settled twelve months after the balance sheet date shall be discounted.

4. Remunerations of Employees, Directors, and Supervisors

Remunerations of employees, 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.

(21) 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.

(22) 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 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 Company has taken its impact into account in the current income tax.

(23) Customer Contractual Revenue

Income is measured at the consideration of expected ownership from transfer of goods, and the Company recognizes it in income when the control of goods is transferred to customers and performance obligation is satisfied.

1. Sales of Commodities

The Company recognizes income when the control of goods is transferred to customers and performance obligation is satisfied. 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. Delivery refers to customers accepting products according to the transaction conditions and obsolescence and risk of loss have been transferred to the customer. Moreover, the Company has objective evidence to consider that the time point of all inspection conditions have been satisfied.

The Company recognizes the accounts receivable when delivering the products because the Company at the time point has the right to the consideration.

2. Financial Components

The Company's expected time point for transferring products to customers is not separated from the customer's time point of payment for products for more than one year. Therefore, the Company does not adjust the time value of money of the transaction price.

3. Customer Contracts Obtaining Cost

The Company's incremental cost incurred from acquiring customer contracts is expected to be recoverable, but because the related contract period is shorter than one year, the cost is recognized as expenses when the cost incurs.

(24) Operating Departments

The Company has disclosed segment information in this financial statement, and therefore the parent-company-only financial statement will not disclose the segment

information.

(25) Earnings Per Share

The Company lists out the basic and the dilutive earnings per share (EPS) of the Company's common share equity holders. The Company's basic earning per shares are calculated by having the equity of the equity holders of the Company's common shares divided by the weighted average of the number of outstanding common shares. 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 Company's common shares and the weighted average number of outstanding common shares. The Company's potential dilutive common shares are stock option certificates granted to employees.

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

When preparing this parent company only financial statements, the Company's management has applied its judgment on determining the accounting policies used and made accounting estimates and assumptions based on reasonable expectation of future events according to the conditions at 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 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	\$ 59	55
Bank Deposit	80,637	65,474
Cash and Cash Equivalents	\$ 80,696	65,529

Disclosure of Interest Rate Risk and Sensitivity Analysis of the Financial Assets and Liabilities of the Company. Please refer to Note 6 (22) 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

5. Investments in equity instruments 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 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.
6. In view of the above investment, the 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 Company at the original offering price. On March 31, 2021, The 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.
7. 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 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.
8. Disclosure of Interest Rate Risk and Sensitivity Analysis of the Financial Assets and Liabilities of the Company. Please refer to Note 6 (22) for details.

(3) Accounts and notes receivable

	December 31, 2022	December 31, 2021
Bills Receivable	\$ 328	809
Accounts Receivable	92,601	85,559
Accounts receivable - related parties	32,174	47,771
Minus: Allowance for Bad Debts	(436)	(436)
	\$ 124,667	133,703

1. The 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 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	\$ 124,836	0.14%	169
Under 31 days	-	-	-
1 to 3 Months	267	100%	267
3 to 6 Months	-	-	-
Over 6 Months	-	-	-
	\$ 125,103		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	\$ 130,257	-%	-
Under 31 days	3,876	11%	430
1 to 3 Months	6	100%	6
3 to 6 Months	-	-%	-
Over 6 Months	-	-%	-
	<u>\$ 134,139</u>		<u>436</u>

2. The 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	<u>\$ 436</u>	<u>436</u>

3. Guarantee:

The 2022 and 2021, the 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	\$ 2,609	1,673
Other Accounts Receivable - Related Parties	42,391	39,312
	<u>\$ 45,000</u>	<u>40,985</u>

(5) Inventories

	December 31, 2022	December 31, 2021
Commodities	\$ 6,497	4,088

The amount of recognized decline loss from inventory recognition to net realized value in 2022 and 2021 is \$312 thousand and \$233 thousand respectively and has been reported as cost of goods sold.

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

(6) Acquisition of investments accounted for using the equity method

Investments (credit balance) of the Company accounted for using equity method on date of report:

	December 31, 2022	December 31, 2021
Subsidiary	\$ 67,155	(3,343)
Affiliated Enterprises	-	5,068
	\$ 67,155	1,725
Investments Using Equity Method	\$ 67,222	22,440
Investments accounted for using equity method	\$ (67)	(20,715)

1. Subsidiary

(1) For subsidiaries, please refer to 2022 Consolidated Financial Report.

(2) The Company's share of the profits or losses of the subsidiaries in 2022 and 2021 is summarized as follows:

	Year 2022	Year 2021
Shares Attributable to the Company		
Current Net Profit	\$ 33,620	24,940
Other Consolidated Profit or Loss	(257)	(2,028)
Total	\$ 33,363	22,912

2. Affiliated Enterprises

Name of investee	Primary Business	Establishment and Operating location	Carrying Amount		% shareholding	
			December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
BULL WILL	Sand and	Singapore	\$ -	5,068	-	30.00%
TRADING(S) PTE LTD.	Gravel Sales					

(3)The Company sold BULL WILL TRADING(S) PTE LTD in November 2022. 30% of the equity, the disposal price is SGD 100 thousand (NTD 2,260 thousand), resulting in a disposal of investment profit of HKD 253 thousand, which has been recognized under other interests and losses.

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

	Year 2022	Year 2021
Ending Summary Carrying Amount of the Interests of Individual Non-materially Affiliated Enterprises	\$ -	\$ 16,892
Shares Attributable to the 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 Company have been provided as pledge guarantees.

(7) Real Estate, Plant and Equipment

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

	Machinery Equipment	Transportation Equipment	Office Equipment	Other Equipment	Total
Cost or Identified Cost:					
Balance as of January 1, 2022	\$ 4,345	530	19,629	23,237	47,741
Current Addition	-	2,220	-	60	2,280
Current Disposal	-	(530)	-	-	(530)
Balance as of December 31, 2022	\$ 4,345	2,220	19,629	23,297	49,491
Balance as of January 1, 2021	\$ 4,345	530	18,743	23,237	46,855
Current Addition	-	-	886	-	886
Balance as of December 31, 2021	\$ 4,345	530	19,629	23,237	47,741
Depreciation and Impairment Losses					
Balance as of January 1, 2022	\$ 4,345	530	17,537	23,237	45,649
Current Depreciation	-	26	670	10	706
Current Disposal	-	(530)	-	-	(530)
Balance as of December 31, 2022	\$ 4,345	26	18,207	23,247	45,825
Balance as of January 1, 2021	\$ 4,345	530	16,479	23,237	44,591
Current Depreciation	-	-	1,058	-	1,058
Balance as of December 31, 2021	\$ 4,345	530	17,537	23,237	45,649
Carrying Amount Value:					
December 31, 2022	\$ -	2,194	1,422	50	3,666
December 31, 2021	\$ -	-	2,092	-	2,092

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

(8) Right-of-Use Assets

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

	Houses and Buildings	Total
Cost of Right-of-Use Assets:		
Balance as of January 1, 2022	\$ 674	674
Current Addition	668	668
End of Current Period	(674)	(674)
Balance as of December 31, 2022	\$ 668	668
Balance as of January 1, 2021	\$ 674	674
Balance as of December 31, 2021	\$ 674	674
Depreciation and Impairment Losses of Right-of-Use Assets:		
Balance as of January 1, 2022	\$ 590	590
Depreciation	334	334
End of Current Period	(674)	(674)
Balance as of December 31, 2022	\$ 250	250
Balance as of January 1, 2021	\$ 253	253
Depreciation	337	337
Balance as of December 31, 2021	\$ 590	590
Accounting Value:		
December 31, 2022	\$ 418	418
December 31, 2021	\$ 84	84

(9) Investment Real Estate

The details of the changes in the investment real estate of the 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
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 Company as at December 31, 2022 and 2021 are 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 Company's investment real estate has been provided with collateral. Please refer to Note 8.

(10) Short-Term Loan

	December 31, 2022	December 31, 2021
Guaranteed Bank Deposit	\$ 15,000	-
Unsecured Bank Loan	8,000	8,000
	\$ 23,000	8,000
Unused Credit	\$ 33,420	30,000
Range of Interest Rates	2.151~2.625%	1.00%~3.50%

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

(11) Liability Reserve

	Liability Reserve of Employee Benefits
Balance as of January 1, 2022	\$ 1,491
Current Added (Reversed) Liability Reserve	21
Balance as of December 31, 2022	\$ 1,512
Balance as of January 1, 2021	\$ 1,201
Current Added (Reversed) Liability Reserve	290
Balance as of December 31, 2021	\$ 1,491

(12) Lease Liabilities

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

	December 31, 2022	December 31, 2021
Current	\$ 337	86
Non-Current	86	-
	\$ 423	86

For maturity analysis, please refer to Note 6 (22) Financial Instruments.

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

	Year 2022	Year 2021
Interest Expense of Lease Liabilities	\$ 15	7
Expense of Short-Term Leases	\$ 2,151	2,151
Expense of Leasing an Asset of Low Value	\$ 76	63

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

	Year 2022	Year 2021
Total Cash Outflow From Leasing	\$ 331	339

(13) Long-Term Loan

	December 31, 2022	December 31, 2021
Unsecured Bank Loan	\$ 13,477	17,277
Minus: Part Due Within One Year	(4,805)	(4,042)
Total	\$ 8,672	13,235
Unused Credit	\$ -	-
Range of Interest Rates	2.346~3.07%	1.500%~1.845%

(14) Employee Benefits

Defined Contribution Plan

In accordance with the provisions of the Labor Pension Act, the definitional contribution plan of the 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 Company to pay any additional amount after a fixed contribution has been made to the Bureau of Labor Insurance. The Company's pension expense under the 2022 and 2021 definitional pension scheme are NT\$ 964 thousand and NT\$ 973 thousand respectively, which have been allocated to the Bureau of Labor Insurance.

(15) Income Tax

1. Income Tax Expense

The income tax expense (interest) of the Company in 2022 and 2021 is detailed as follows:

	Year 2022	Year 2021
Current Income Tax Expense (Interest)		
Current Occurrence	\$ 629	370
Occurrence of Previous Years	-	(2)
Deferred Income Tax Expense (Interest)		
Occurrence and Reversal of Temporary Differences	(4,654)	(13,555)
Original Occurrence and Reversal of Tax Losses	4,654	13,555
Income Tax Expense (Interest)	\$ 629	368

The details of income tax (expense) interests recognized under other consolidated profit or loss of the 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 Company in 2022 and 2021 is adjusted as follows:

	Year 2022	Year 2021
Net Profit Before Tax	\$ 21,642	900
Income Tax Calculated According to the Domestic Tax Rate at the Locality of the Company	\$ 4,328	180
Permanent Difference	(5,255)	(15,713)
Occurrence of Previous Years	-	(2)
Surtax on Undistributed Retained Earnings	629	-
Changes in Tax Losses on Deferred Tax Assets Not Recognized	4,654	13,555
Changes of Temporary Differences Not Recognized	(3,727)	2,348
	\$ 629	368

3. Deferred Income Tax Assets and Liabilities

Unrecognized Deferred Income Tax Assets

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

	December 31, 2022	December 31, 2021
Deductible Temporary Differences	\$ 102,708	106,255
Levy Loss	\$ 55,634	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	

Recognized Deferred Income Tax Assets (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	<u>\$ (1,900)</u>			<u>(343)</u>
The information expressed in the balance sheet is as follows:				
Deferred Income Tax Liabilities	<u>\$ (1,900)</u>			<u>(343)</u>

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	<u>\$ (1,900)</u>			<u>(1,900)</u>
The information expressed in the balance sheet is as follows:				
Deferred Income Tax Liabilities	<u>\$ (1,900)</u>			<u>(1,900)</u>

4. Income Tax Approval Status

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

(16) 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
Additional paid-in capital in excess of par common stock	\$ 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		
Book Value	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 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

(17) 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	<u>3,945</u>	15.10	<u>6,396</u>	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	70	164
(All of them are based on share-based payment of equity settlement)		

(18) Earnings Per Share

	<u>Year 2022</u>	<u>Year 2021</u>
Basic Earnings Per Share		
Net Profit Attributable to the Company's Common Shareholders	\$ <u>21,013</u>	<u>532</u>
Weighted Average Number of Common Shares Outstanding (Basic)(1,000 shares)	<u>18,390</u>	<u>15,590</u>
Basic earnings per share (NTD)	\$ <u>1.14</u>	<u>0.03</u>
Diluted Earnings Per Share		
Net Profit Attributable to the Company's Common Shareholders	\$ <u>21,013</u>	<u>532</u>
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	<u>87</u>	<u>-</u>
Weighted Average Number of Common Shares Outstanding (Basic)(1,000 shares)	<u>19,820</u>	<u>19,081</u>
Diluted Earnings Per Share (NT\$)	\$ <u>1.06</u>	<u>0.03</u>

(19) Customer Contractual Revenue

1. The details of the Company's customer contractual revenue for of years 2022 and 2021 are as follows:

	<u>Year 2022</u>	<u>Year 2021</u>
Electronic Component Revenue	\$ 195,986	185,499
Other Revenue	-	279
	<u>\$ 195,986</u>	<u>185,778</u>

2. Details of Customer Contract Revenue:

<u>Revenue Recognition Time Point</u>	<u>Year 2022</u>	<u>Year 2021</u>
Commodities That Are Transferred at a Certain Time Point	\$ <u>195,986</u>	<u>185,778</u>

3. Contractual Liabilities :

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Commodity Sales	\$ <u>8</u>	<u>-</u>

(20) 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\$ 494 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.

(21) Non-Operating Income and Expenses

1. Interest Revenue

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

	Year 2022	Year 2021
Bank Deposit Interest Revenue	\$ 193	57
Other Interest Revenues	2,134	2,250
	\$ 2,327	2,307

2. Other Revenue

The 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	4,902	1,259
	\$ 6,512	2,789

3. Other Profits and Losses

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

	Year 2022	Year 2021
Foreign Exchange Net Profit (Loss)	\$ 18,443	(8,448)
Real Estate, Plant and Machinery Equipment Disposed	5	-
Financial Asset Loss Measured at Fair Value Through Profit and Loss	(1,496)	(372)
Interests of Disposal of Investment	253	-
Other	(379)	(385)
	\$ 16,826	(9,205)

4. Financial Cost

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

	Year 2022	Year 2021
Interest Expense on Bank Loans	\$ 636	484
Interest Expense on Lease Liabilities	15	7
	\$ 651	491

(22) 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	\$ 36,477	37,447	28,472	3,087	5,888	-
Non-Interest-Bearing Liabilities	34,846	34,846	34,846	-	-	-
Lease Liabilities	423	433	347	86	-	-
	\$ 71,746	72,726	63,665	3,173	5,888	-
December 31, 2021						
Non-Derivative Financial Liabilities						
Floating Interest Rate Instrument	\$ 25,277	26,060	12,144	5,012	8,904	-
Non-Interest-Bearing Liabilities	41,128	41,128	41,128	-	-	-
Lease Liabilities	86	87	87	-	-	-
	\$ 66,491	67,275	53,359	5,012	8,904	-

The 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 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\$	
<u>Financial Assets</u>							
<u>Monetary Items</u>							
USD	\$	6,939	30.7	213,027	7,718	27.67	213,557
RMB		7	4.409	31	6	4.345	26
HKD		26	3.941	102	7	3.551	25
SGD		101	22.89	2,312	1	20.46	20
<u>Financial Liabilities</u>							
<u>Monetary Items</u>							
USD		505	30.7	15,504	334	27.67	9,242
RMB		27	4.409	119	21	4.345	91
HKD		3	3.941	12	2	3.551	7

(2) Sensitivity Analysis

The exchange rate risk of the Company mainly derives from the foreign currency conversion profit or loss of cash and cash equivalents, accounts receivable, and accounts payable, etc. valued 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\$ 9,992 thousand and NT\$ 10,213 thousand respectively. The two analyses were based on the same basis.

Due to the variety of functional currencies of the 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\$ 18,443 thousand gain and NT\$ 8,448 thousand loss respectively.

4. Interest Rate Analysis

The interest rate exposure of the financial assets and financial liabilities of the 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 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 Company in 2022 and 2021 will be reduced or increased by NT\$ 365 and NT\$ 253 thousand, mainly due to variable interest rate borrowings of the Company.

5. Fair Value

(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 Company are listed as follows:

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

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

(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 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	\$ -
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.

(23) Financial Risk Management

1. Summary

The 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 Company and the Company's objectives, policies, and procedures for measuring and managing risks. For further quantitative disclosures, please refer to these notes in the individual financial statements.

2. Risk Management Framework

The Company's objective are to management operating activities related market risk, credit risk, and liquidity risk and to identify, measure, and manage above-mentioned risk according to policies and risk preferences. For the Company's financial risk management, the Company has referred to related regulations and specifications to establish appropriate policies, procedures, and internal control and important financial activities have to be reviewed by the Board of Directors according to related regulations and specifications as well as the internal control system.

During the financial management activity implementation period, the Company

should authentically follow the established financial risk management related regulations and rules.

To reduce and to manage related financial risks, the Company has worked on analyzing, identifying, evaluating adverse effects of financial risk related factors on the Company's finance and proposing related programs to avoid adverse factors generated from financial risks.

3. Market Risk

The Company's market risk refers to market price changes induced risk to the fair value or cash flow volatility. Market risk includes primarily exchange rate risk, interest rate risk, and other price risk.

In practice, it is rare to see changes in only one risk variable, and changes in risk variables are often associated. Nonetheless, for the following risk sensitivity analysis, interactions among related risk variables are not taken into consideration.

A. Currency Risk

The Company's foreign exchange rate risk is primarily associated with operating activities (when the currency of revenue or expenses is different from the Company's functional currency) and foreign operating entities' net investment.

The Company's foreign currency accounts receivable and payable are of the same currency. Natural risk avoidance effect is generated from similar positions, but these natural risk avoidance methods do not satisfy hedge accounting regulations. Therefore, hedge accounting was not adopted. In addition, foreign operating entities' net investment is strategic investment, and as a result, the Company did not manage the risk.

The Company's primary exchange rate risk comes from cash denominated in foreign currencies, accounts receivable, accounts receivable-net value of related parties, other accounts receivable, other accounts receivable - related parties, bank loans, accounts payable, and other accounts payable. They generate foreign currency exchange gain/loss at the exchange.

B. Interest Rate Risk

Interest rate risk refers to risk due to market interest rate changes induced volatility of fair value or future cash flow of financial instruments. The Company's interest rate risk is primarily linked to floating interest rate loans. The Company adopts consistent floating interest rate combination to manage interest rate risk. The Company routinely evaluates the risk management activity to make sure that they align with the interest rate viewpoints and the existing risk preferences to ensure that the adopted risk management strategy best satisfies with the cost benefit.

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 Company's credit

risk is mainly caused by operating activities (primarily from notes and accounts receivable) and financial activities (primarily from bank deposits and various financial instruments).

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.

The Company's accounts receivable is mainly from payments for goods from selling goods to customers, and according to the experience of collecting payments from customers, the Company management's evaluation showed no major credit risk.

The Company's finance department follows the Company's policy for managing credit risk of bank deposits, fixed rate bonds, and other financial instruments. Determined by the internal controlled procedure, the The Company's counterparties are banks with a good credit rating, financial institutions, companies, and government agencies of a investment grade, there is no significant credit risk.

5. Liquidity Risk

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

The Company uses management and maintaining sufficient cash and cash equivalents to support changes on the Company's operations and reduce cash flow volatility. The Company's management supervises the use condition of the bank financing amount and make sure that the terms and conditions of the loan contracts are observed.

Bank loans are an important source of liquidity of the Company. As of 2022 and December 31, 2001, the Company's undrawn bank facility was NT \$33,420 thousand (US \$600 thousand and NT \$15,000 thousand) and NT \$46,602 thousand (US \$600 thousand and NT \$30,000).

(24) 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 amount 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.

(25) Changes in Liabilities Arising from Financing Activities

The 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	86	(331)	668	423
Long-Term Loan	17,277	(3,800)	-	13,477
Liabilities Arising from Financing Activities	\$ 25,363	10,869	668	36,900

	January 1. 2021	Cash Flow	Non-Cash Flow	December 31, 2021
Short-Term Loan	\$ 8,000	-	-	8,000
Lease Liabilities	425	(339)	-	86
Long-Term Loan	8,611	8,666	-	17,277
Liabilities Arising from Financing Activities	\$ 17,036	8,327	-	25,363

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
Hsin Yeh Technology Corporation (Hsin Yeh Technology)	Entities evaluating the Company by the equity method
Huizhou BULL WILL Electronics Corporation (Huizhou BULL WILL)	Subsidiary
Huizhou Chunchao Electronics Corporation (Huizhou Chunchao)	Subsidiary
Dongguan Chaokang Electronics Corporation (Dongguan Chaokang)	Subsidiary
Trustbond Technology Corp (Trustbond Technology)	Subsidiary
BULL WILL TRADING PTE LTD (BWTS)	Affiliated Enterprises
Hsin Yeh Investment Limited (Hsin Yeh Investment)	Company Also Controlled by Serial System
Serial Microelectronics Information Limited (Serial Information)	Company Also Controlled by Serial System
Serial System Limited (Singapore) (SGX)	Company Also Controlled by Serial System
Serial System CO LTD (Serial System)	Company Also Controlled by Serial System

(3) Major Transactions with Affiliates

1. Operating Income

The amount of the Company's major sales revenue (refund) to its related parties is as follows:

Name of Related Parties	Year 2022	Year 2021
Subsidiary	\$ 3,368	1,166
Affiliated Enterprises	332	583
	\$ 3,700	1,749

The sales price and credit conditions of the related parties of the Company's merchandise sales are similar to general transactions.

In 2022 and 2021 the Company's unrealized profit from sales generated from merchandise sales to related parties were NT\$ 852,000 and NT\$ 867,000 respectively, while the realized gross profits were NT\$ 867,000 and NT\$ 849,000 respectively.

2. Purchase

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

Name of Related Parties	Year 2022	Year 2021
Subsidiary	\$ 27	357
Huizhou Chunchao	70,770	49,479
Affiliated Enterprises	2	15
	\$ 70,799	49,851

The payment conditions of the Company's purchasing from related parties are similar to general transactions.

3. Receivable From Related Parties

The details of accounts receivables by the 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	Huizhou Chunchao	31,283	38,066
Accounts Receivable	Subsidiary	891	1,261
Accounts Receivable	Serial Information	-	8,378
Other Accounts Receivable	Huizhou Bull Will	-	229
Other Accounts Receivable	Serial System	30,833	27,766
Other Accounts Receivable	Subsidiary	464	1,304
Other Accounts Receivable	BWTS	11,094	10,013
		\$ 74,565	87,083

4. Advance Payments

The details of accounts pre-paid by the Company's related parties are as follows:

Accounting Items	Name of Related Parties	December 31, 2022	December 31, 2021
Advance Payments	Dongguan Chaokang	\$ -	401
Advance Payments	Huizhou Chunchao	33,092	44,056
		\$ 33,092	44,457

5. Payables from Related Parties

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

Accounting Items	Name of Related Parties	December 31, 2022	December 31, 2021
Accounts Payable	Affiliated Enterprises	\$ 2	-

6. 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 - Others	Trustbond Technology Corp	4,800	1,200
Other Revenues - Interest Revenues	Affiliated 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

7. Property Transaction

The 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 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) Key Management Remuneration

Key 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 Asset

The book value of the assets pledged by the 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	Year 2022			Year 2021		
	Under Operating Cost	Under Operating Expenses	Total	Under Operating Cost	Under Operating Expenses	Total
Property						
Employee Benefits Expenses						
Salary Expenses	-	24,885	24,885	-	19,910	19,910
Labor and Health Insurance Expenses	-	1,753	1,753	-	1,740	1,740
Pension Expenses	-	964	964	-	973	973
Directors' Remuneration	-	2,034	2,034	-	596	596
Other Employee Benefits Expenses	-	936	936	-	890	890
Depreciation Expense	-	1,178	1,178	-	1,532	1,532
Amortization expenses	-	-	-	-	-	-

Additional information on the Company's 2022 and 2021 employee numbers and employee benefits expenses is as follows:

	Year 2022	Year 2021
Employee Number	29	28
Number of Directors Who Are Not Employees Concurrently	7	5
Average Employee Benefits Expense	\$ 1,297	1,022
Average Employee Salary Expense	\$ 1,131	866
Adjustment of Average Employee Salary Expense	30.60%	6.78%
Remuneration of Supervisor	\$ 233	220

The Company's remuneration policy (including directors, managers and employees) is as follows:

1. The remuneration of the directors and supervisors shall be in accordance with the provisions of the Articles of Association of the company, with reference to the usual level of payment of the same industry, and with due consideration of the relationship between the company's revenue, earnings per share, operating

performance and future risks.

2. The performance and remuneration of the manager shall be evaluated with reference to the usual levels of remuneration in the same industry, taking into account the individual's time commitment, responsibilities, achievement of personal goals, performance in other positions, and remuneration for those in the same position in recent years. The remuneration is based on the achievement of the company's short-term and long-term business objectives, the company's financial position, etc., and the reasonableness of the relationship between personal performance and the company's business performance and future risks.
3. The Company's employee salary structure is divided into two categories: regular pay and non-regular pay. Regular pay includes principal pay and meal allowance, etc., while non-regular pay includes regular full-time bonus, overtime pay, performance bonus and year-end bonus, etc. The salary shall be determined according to the salary market situation, the company's operating conditions and organizational structure. And shall be adjusted according to the market salary dynamics, the overall economic and industrial business changes, and the necessary regulations of government decrees. Salary and remuneration of employees are based on their academic experience, professional knowledge and skills, years of professional experience, and personal performance, without any difference in age, sex, race, religion, political affiliation, marital status, or union membership. At the same time, incentives will be paid according to the company's operating performance and the employee's personal performance.

- (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 Company, and related people for violating the Securities and Exchange Act and requested for a compensation of NT\$ 113,710 thousand. The 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, 2022, the Shiling District Court rejected the claim of the Insurance Center. The Insurance Center has appealed the lawsuit to the Taiwan High Court.
- (4) 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 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. Engaging in derivatives trading: None.

(2) Information related to the reinvestment business:

In 2022, the reinvestment business information of the Company (excluding the invested companies in mainland China) : See Table 4 for details.

(3) Mainland China investment information: See Table 5 for details.

(4) Information of major shareholders: See Table 6 for details.

14. Department Information

Please refer to the 2022 consolidated financial report.

Notes to the Individual Financial Reports of BULL WILL CO LTD (continue)

(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.

Notes to the Individual Financial Reports of BULL WILL CO LTD (continue)

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

Table 2 Marketable Securities Held at the End of the Period

Unit: NT\$ 1,000

Holding Company	Type and Name of Marketable Securities	Relationship with the Issuer of Marketable Securities	Accounting Subjects	Ending				Note
				Shares (1,000 shares)	Carrying Amount	Shareholding Ratio %	Fair Value	
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	-	

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

Notes to the Individual Financial Reports of BULL WILL CO LTD (continue)

(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	Subsidiary	Purchase	70,770	38.93%	Normal	Normal	Normal	-	-%	

Notes to the Individual Financial Reports of BULL WILL CO LTD (continue)

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

Table 4: 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	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 Holding CO LTD	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 to the Individual Financial Reports of BULL WILL CO LTD (continue)

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

Table 5: 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	Paid-Up Capital	Investment	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 (Loss) Profit	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 Commission, MOEA	In accordance with Investment Commission, MOEA
Investment Amount in Mainland China	Approved Investment Amount	Investment Ceiling in Mainland China
308,828 (USD 700, HKD 72,910)	308,828 (USD 700, HKD 72,910)	183,892

Notes to the Individual Financial Reports of BULL WILL CO LTD (continue)
(all amounts are in NT\$ 1,000 unless otherwise indicated)

Table 6.: Information of Major Shareholders

Shares		
	Number of Shares	Shareholding Ratio
Name of Substantial Shareholders		
Shun-Fa Cho	3,788,481	19.17%
Mega International Commercial Bank With the Custody of Investment Account in Serial System LTD	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.

BULL WILL CO LTD
Statements of Cash and Cash Equivalents
December 31, 2022

Unit: NT\$ 1,000

Item	Summary	Amount	Note
<u>Cash in Treasury</u>			
	Petty Cash	\$59	
	Subtotal	59	
<u>Bank Deposit</u>			
Checking Deposit		7	
Demand Deposit		55,885	
Foreign Currency Demand Deposit	USD 802,000 / Exchange rate 30.70	24,620	
	HKD 26,000 / Exchange Rate 3.941	102	
	SGD 1,000 / Exchange Rate 22.89	23	
	Subtotal	80,637	
	Total	<u>\$80,696</u>	

BULL WILL CO LTD

Financial Assets Measured at Fair Value Through Profit or Loss - Current

December 31, 2022

Unit: NT\$ 1,000

Item	Units (1,000 Shares)	Acquisition Cost	Fair Value		Provide Collateral Or Pledged Status	Note
			Net Unit Value	Total Amount		
Stocks						
Yulon Finance Corporation	15	2,721	155.50	2,338	None	
Cathay PHLX Semiconductor Fund	30	900	22.65	679	"	
ShareHope Medicine CO LTD	5	176	33.80	169	"	
Evergreen International Storage & Transport CORP	22	725	27.80	612	"	
DingZing Advanced Materials INC	1	58	60.40	60	"	
JPP Holding CO LTD	3	207	67.50	203	"	
Yuanta U.S. 20+ Year BBB Corporate Bond ETF Fund	22	789	35.10	772	"	
Yao Sheng Electronic CO LTD	6	320	48.80	293	"	
KING CHOU MARINE TECHNOLOGY	8	320	38.50	308	"	
ICP DAS CO LTD	4	375	84.50	338	"	
Formosa Laboratories INC	2	146	73.50	147	"	
Minus: Valuation Adjustment		(818)				
Total		\$5,919		5,919		

BULL WILL CO LTD

Financial Assets Measured at Fair Value Through Other Consolidated Profit or Loss

December 31, 2022

Unit: NT\$ 1,000

Item	Units (1,000 Shares)	Acquisition Cost	Fair Value		Provide Collateral Or Pledged Status	Note
			Net Unit Value	Total Amount		
Non-Current Asset						
Stocks						
Japan Bull Will Group Incorporation	-	306	-	-	None	
Minus: Valuation Adjustment		(306)				
Subtotal		-				
Total		-				

BULL WILL CO LTD
Statement of Bill Receivable and Accounts Receivable
December 31, 2022

Unit: NT\$ 1,000

Item	Summary	Amount	Note
Bills Receivable			
Company A	Loans	\$27	
Company B	Loans	53	
Company C	Loans	248	
Subtotal		328	
Accounts Receivable			
Company E	Loans	29,098	
Company F	Loans	25,674	
Company G	Loans	7,502	
Company H	Loans	5,918	
Company I	Loans	4,977	
Company J	Loans	4,738	
Other	Loans	14,694	Amount Does Not Exceed 7% of the Balance of the Account
Subtotal		92,601	
Minus:		(436)	
Allowance for Bad Debts			
Net Amount		92,165	
Accounts Receivable - Related Parties			
Huizhou Jun Chao Electronic CO LTD	Loans	31,283	Amount Does Not Exceed 7% of the Balance of the Account
Other	Loans	891	
Subtotal		32,174	
Total		\$124,667	

BULL WILL CO LTD
Statement of other accounts receivable
December 31, 2022

Unit: NT\$ 1,000

Item	Summary	Amount	Note
Other Accounts Receivable			
Accounts Receivable for Stock Delivery		\$2,599	
Other		10	
Subtotal		2,609	
Other Accounts Receivable - Related Parties			
Serial System	Capital Loan and Interest	30,833	
BWTS	Capital Loan and Interest	11,094	
Other	Payment on Behalf of Others	464	Amount Does Not Exceed 5% of the Balance of the Account
Subtotal		42,391	
Total		\$45,000	

BULL WILL CO LTD
List of inventories
December 31, 2022

Unit: NT\$ 1,000

Item	Summary	Amount		Note
		Cost	Market Price	
Commodities		\$84,386	\$6,497	Net realizable value
Minus: Allowance for Inventory Valuation and Obsolescence Losses		(77,889)		
		\$6,497	6,497	

BULL WILL CO LTD

Statement of Changes in Investment (Credits) Property Accounted for Using the Equity Method

January 1 to December 31, 2022

Unit: NT\$ 1,000 / 1,000 Shares

Item	Opening Balance		Current Increase		Current Decrease		Investment (Loss) Profit Recognized by the Equity Method	Capital Surplus	Accumulated Conversion Adjustments	Unrealized Sales Gross Margin	Ending Balance			Note
	Shares	Amount	Shares	Amount	Shares	Amount					Shares	Shareholding Ratio %	Amount	
BULL WILL TRADING(S) PTE LTD	43	5,068	-	-	(43)	(2,016)	(3,418)	-	366	-	-	-	-	
		5,068		-		(2,016)	(3,418)	-	366	-			-	
Hong Kong Bull Will Holding CO LTD	11,619	(20,715)	-	-	-	-	23,071	-	(257)	15	11,619	100	2,114	
		(20,715)		-		-	23,071	-	(257)	15			2,114	
Trustbond Technology Corp	300	17,372	1,305	26,978	-	-	10,549	10,142	-	-	1,605	80.24	65,041	
		17,372		26,978		-	10,549	10,142	-	-			65,041	

BULL WILL CO LTD

Statement of Short-Term Loan

December 31, 2022

Unit: NT\$ 1,000

[illegible]

December 31, 2022

Supplier Name	Summary	Amount	Note
Accounts Payable			
Company A		\$7,744	
Company B		6,929	
Company C		2,552	
Other		6,877	Amount Does Not Exceed 7% of the Balance of the Account
Total		<u>\$24,102</u>	

BULL WILL CO LTD
Statement of other accounts payable
December 31, 2022

Unit: NT\$ 1,000

Item	Summary	Amount	Note
Other Payables			
Payable Salary and Board and Supervisor Remuneration		\$7,478	
Payable Expense		<u>3,256</u>	
Total		<u><u>\$10,734</u></u>	

Statement of other current liabilities
December 31, 2022

Unit: NT\$ 1,000

Item	Summary	Amount	Note
Temporary Receipts		\$7,466	
Receipts Under Custody		<u>250</u>	
		<u><u>\$7,716</u></u>	

BULL WILL CO LTD

Statement of Long-Term Loan

December 31, 2022

Unit: NT\$ 1,000

Creditor	Summary	Ending Balance	Ending Interest	Financing Credit	Mortgage or Collateral	Note
Xinyi Branch of Bank of Panhsin	Credit Loan	\$1,944	3.070%	1,944	None	
Taiwan Cooperative Bank - East Taipei Branch	Credit Loan	11,533	2.346%	11,533	None	
Minus: Long-Term Loan Due Within One Year		(4,805)				
Net Amount		<u>\$8,672</u>				

BULL WILL CO LTD
Statement of Operating Cost
January 1 to December 31, 2022

Unit: NT\$ 1,000

Item	Amount		Note
	Subtotal	Total	
Plus: Beginning Commodities	\$81,665		
Plus: Current Commodity Purchase	184,220		
Minus: Ending Commodities	<u>(84,386)</u>		
Sales Cost		\$181,499	
Other impairments		<u>312</u>	
Total		<u>\$181,811</u>	

BULL WILL CO LTD
Statement of Sales Expenses
January 1 to December 31, 2022

Unit: NT\$ 1,000

Item	Amount	Note
Salary Expenditure	\$5,748	Account Balance Did Not Exceed 5%
Rental Expenditure	645	
Freight	940	
Other Expenses - Exporting	1,738	
Other Expenses - Others	2,475	
	<u>\$11,546</u>	

Statement of Administration Expenses
January 1 to December 31, 2022

Unit: NT\$ 1,000

Item	Amount	Note
Salary Expenditure	\$20,035	Account Balance Did Not Exceed 5%
Other Expenses - Labor	5,514	
Other Expenses - Others	8,269	
	<u>\$33,818</u>	

BULL WILL CO LTD
Statement of Research Expenses
January 1 to December 31, 2022

Unit: NT\$ 1,000

Item	Amount	Note
Salaries	\$1,669	Account Balance Did Not Exceed 5%
Rental Expenditure	215	
Insurance	167	
Depreciation & Depletion	142	
Other Expenses - Others	207	
	<u>\$2,400</u>	

Real Estate, Plant, and Equipment	Please refer to Note 6 (7) to the individual financial report.
Right-of-Use Assets	Please refer to Note 6 (8) to the individual financial report.
Investment Real Estate	Please refer to Note 6 (9) to the individual financial report.
Lease Liability	Please refer to Note 6 (12) to the individual financial report.
Operating Income	Please refer to Note 6 (19) to the individual financial report.
Non-Operating Income and Expenses	Please refer to Note 6 (21) to the individual financial report.