

Stock Code: 3593

LOGAH TECHNOLOGY CORPORATION

2022 ANNUAL REPORT

Published on May 31, 2023

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

Company Website: <http://www.logah.com>

- I. Names, Titles and Contact Information of the Company's Spokesperson
Name: Liang, Xin-Jin
Title: Accounting and Administration Department Assistant Vice President
Tel: (07)343-3776
Email: jiin.liang@logah.com
- II. Names, Titles and Contact Information of the Company's Deputy Spokesperson
Name: None
Title: None
Tel: None
Email: None
- III. Address, Phone Number of the Head Office, Subsidiaries, and Factories
Name: Logah Technology Corporation
Address: No. 15, Lane 62, Caigong 1st Road, Zuoying District, Kaohsiung City
Tel: (07)343-3776
- IV. Name, Address, Website and Phone Number of Stock Transfer Agency
Name: Stock Agency Department of CTBC Bank
Address: 3F., No. 83, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City
Website: <https://www.ctcbank.com>
Tel: (02)2311-1838
- V. Names, Accounting Firm, Address, Website and Telephone Number of the Certified Public Accountants for the Latest Financial Report
Name: Jiang, Jia-Ling and Wu, Chiu-Yen CPA
CPA Firm: Deloitte Taiwan
Address: 3F., No. 88, Chenggong 2nd Rd., Qianzhen Dist., Kaohsiung City
Website: www.deloitte.com.tw
Tel: (07)530-1888
- VI. Name of any overseas securities trading agency and method for inquiring information of such overseas securities: None
- VII. Company Website: <http://www.logah.com>

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One. Message to Shareholders

Logah Technology Corporation 2022 Business Report

I. Business performance for 2022

(I) Implementation and outcome of 2022 business plans

Unit: NTD thousands; %

Item	2022	2021	Amount increase (decrease)	Percentage % increase (decrease)
Operating revenues	923,895	1,211,862	(287,967)	(23.76)
Gross profit	44,943	101,910	(56,967)	(55.90)
Net loss	(92,703)	(39,240)	(53,463)	(136.25)
Net income (loss) attributed to the owners of the Company	(92,703)	1,522	(94,225)	(6,190.87)

(II) Budget execution

The Company did not publish financial forecast, hence not applicable.

(III) Revenues, expenses, and profitability analysis

1. Profit and loss:

In 2022, cash outflow from operating activities was NT\$119,865 thousand; cash outflow from investing activities was NT\$72,918 thousand; cash inflow from financing activities was NT\$241,396 thousand; the effect of exchange rate changes on cash was NT\$1,372 thousand. Net cash inflow amounted to NT\$49,985 thousand.

2. Profitability analysis:

Item	2022	2021	
Financial structure (%)	Debt to assets ratio (%)	62.31	57.99
	Long-term capital to property, plant and equipment ratio (%)	145.55	170.97
Solvency (%)	Current ratio (%)	70.09	80.97
	Quick ratio (%)	55.73	63.97
Profitability (%)	Return on assets (%)	(5.09)	(1.47)
	Return on equity (%)	(16.13)	(5.67)
	Net profit margin (%)	(10.03)	(3.24)

(IV) Research and development

1. In terms of products, the Company continues to invest in R&D projects in response to customers' innovation of product appearance, the need for new technologies and new production processes, and the increase in production labor costs in the China region. The plans are as follows:
 - (1) Technological enhancement of gas assisted injection molding.
 - (2) Technological enhancement of waterborne coating.
 - (3) Technological enhancement of IMD/in-mold labeling.
 - (4) Technological enhancement of inner mold de-gating system.
 - (5) Technological enhancement of IMF film insert molding.
 - (6) Technological enhancement of micro-foam injection molding.
 - (7) Automated production technology.
 - (8) Technological enhancement of rapid heat cycle molding (RHCM) with dual mold temperature controller energy efficiency.
 - (9) Technological enhancement of time series controllers for hydraulic hot-runner molds.
 - (10) Technological enhancement of time series controllers for pneumatic hot-runner molds.
 - (11) Technological enhancement of the double shot injection molding.
 - (12) Technological enhancement of high-gloss (#14,000) specular surface products.
 - (13) Technological enhancement of high-speed thin-wall injection molding.
 - (14) Technological enhancement of automatic cleaning for rubber frames.
 - (15) Technological enhancement of PCR materials injection molding.
 - (16) Technological enhancement of new energy auto parts and interior parts molding and painting.
2. The Company's technology focuses on mold design and development and gas assistance, heat dissipation and high functionality, high-gloss mirror surface, automated production, and molding development of environmental-friendly plastic parts and such, and with the automated assembly and secondary processing technology, the Company provides customers with a complete product supply service while improving its service quality and ensuring its competitiveness.

II. Summary of current year's business plan

(I) Business policy

1. Consolidate and expand the niche market and internationalization.
2. With professional precision mold design, development, manufacturing professional factory positioning, to provide one-stop service.
3. Specializing in precision plastic part molding, spraying, printing, and assembly.

(II) Estimated sales volume and basis

The Company sets annual business targets based on its business performance over the years, the current status of the Company, and the development trend of market demand. However, the Company did not disclose the financial forecast for 2023, and therefore does not intend to disclose the expected sales volume.

(III) Production and sale policies

1. 5G network communication products, smart home appliances, outdoor power tools, aquatic smart sports equipment, E-books, and ESL electronic labels are the growth trends of the consumer market in the future.
2. Expand customer base for 3C and AIO (all-in-one).
3. Develop markets for mobile intelligence, medical nursing, and the stay-at-home economy.
4. The customer base for new energy auto parts, interior parts, central control instrument panels, and battery packs continues to grow and develop.

III. Future development strategies of the Company

(I) Short-term operational and business development plans

1. Continue to develop new customers and provide the best service quality.
2. Enhance product quality and service.

(II) Mid-term and long-term operation and business development plans

1. Strengthen the connection and distribution of information with Taiwan's system manufacturers and brand manufacturers, and strive to become the long-term choice of customers.
2. Integrate various supply chain resources to establish a common resource platform, and collaborate with other suppliers for mutual benefit to reduce resource consumption, increase customer dependence and enhance quality.
3. Export market development, continue to develop the EMS foundry model (Electronics Manufacturing Service: provide electronic professional foundry manufacturing services with economic scale and around the world), some of the orders are received in Taiwan, but produced and delivered in the mainland/Vietnam. The primary goal is to increase product gross profit.

IV. Impact of the external competition, legal, and overall business environments

In the face of rapid changes in the global economy, the Company will continue to strengthen the integration of internal and external resources, and actively learn about customers, meet their needs, pay attention to external competitive environment dynamics to respond to changes in the market environment, fully grasp relevant regulatory changes, continue to improve and maintain the social responsibilities of being a green enterprise who takes care of its employees, and in doing so reduce future industry risks as well as risks of changes in the environment.

Chairman: Yu, Hui-Fa,

Manager: Yu, Hui-Fa,

Accounting Officer: Liang, Xin-Jin

Two. Company Profile

I. Date of incorporation: December 22, 2003

II. Company history:

- December 2003 Logah Technology Co., Ltd. was founded with authorized capital of NT\$400 million; of which NT\$100 million were paid up.
- April 2004 Obtained ISO 9001 certification for quality system.
- April 2004 Introduced ERP system.
- July 2004 Commenced production of lead-free LCD TV Inverter.
- July 2004 Made cash issue of NT\$100 million, increasing paid-in capital to NT\$200 million.
- August 2004 Founded subsidiary - Logah Brunei.
- December 2004 Received approval from Investment Commission, Ministry of Economic Affairs, to invest into Suzhou Plant in the Mainland.
- January 2005 LCD TV Inverter was certified by Panel supplier.
- August 2005 Made cash issue of NT\$180 million, increasing paid-in capital to NT\$380 million.
- October 2005 Suzhou Plant commenced production.
- May 2006 Obtained certification for ISO 14000 - Environmental Management System.
- July 2006 Changed authorized capital to NT\$1 billion and made a cash issue of NT\$420 million, increasing paid-in capital to NT\$800 million.
- September 2006 Introduced strategic partner - LITE-ON Technology Corporation that also took part in the board's decision-making.
- July 2007 Ranked first in the 2004-2006 Technology Fast 50 Taiwan.
- August 2007 Capitalized NT\$91,800,000 of earnings, increasing paid-in capital to NT\$891,800,000.
- October 2007 Shares were listed for trading on the Emerging Stock Market.
- November 2007 Founded subsidiary - Logah Hong Kong.
- November 2007 Received approval from the Investment Commission, Ministry of Economic Affairs, to invest into Suzhou Libao Electronics Co., Ltd.
- December 2007 Ranked second in the 2004-2006 Technology Fast 50 Asia Pacific.
- January 2008 Founded 2nd-tier subsidiary - Suzhou Libao.
- June 2008 Changed authorized capital to NT\$2 billion.
- August 2008 Capitalized earnings and paid employee profit sharing in shares for a total of NT\$104,550,000.
- August 2008 Received approval from Securities and Futures Bureau to list on TWSE.
- March 2009 Made cash issue of NT\$132 million, increasing paid-in capital to NT\$1,106,350,000.
- March 2009 Shares were officially listed on TWSE.
- September 2009 Made cash issue of NT\$21,080,580, increasing paid-in capital to NT\$1,127,430,580.
- October 2010 The board of directors passed the decision to acquire new office premise for the Zhubei Headquarter.
- March 2011 Relocated Zhubei Headquarter to the new office located at: 5F-3, No. 36, Taiyuan Street, Zhubei City.
- February 2012 PV Inverter passed certifications for VDE-AR-N 4105 (the latest standard by VDE, Germany) and IEC 62109-1-2.
- March 2012 PV Inverter passed certification for ROHS.
- May 2014 Created the Brand Development Department.
- August 2014 Suzhou Longdeng Plant received certification for TS16949 - Automotive Quality Management System.
- September 2014 Founded subsidiary - Le Yang.
- October 2014 Founded 2nd-tier subsidiary - Legend Investment (Samoa).
- December 2014 2nd-tier subsidiary - Legend Investment (Samoa) acquired 100% equity interest in Suzhou Longdeng.
- January 2015 Launched tablet PC product - Grace10.
- January 2015 Launched powerbank product - PP70 / PS46.
- July 2015 Launched tablet PC product - Grace10Light.
- July 2015 Obtained image license from Sanrio.
- July 2015 Relocated headquarter to new office premise at: No. 15, Lane 62, Caigong 1st Road, Zuoying District, Kaohsiung City.
- October 2015 Obtained image license from Disney.
- October 2015 Launched mini earphones with Marvel and Gudetama themes.
- January 2016 Launched tablet PC product - GD11/Grace11.
- February 2016 Launched triangular speaker (BS-30A) and premium headphone (HS001) featuring Marvel theme.
- May 2016 Launched speaker (BS-36A) featuring Gudetama theme.
- May 2016 Relocated Suzhou Longdeng Plant to the 105-mu new premise at: No. 888, Youming Road, Wujiang, Suzhou.

June 2016 Launched powerbank product - PS120.

July 2016 The headquarter changed its industry classification from "Optoelectronics" to "Electronic component assembly."

October 2016 Launched tablet PC product - GD10.

October 2016 Subsidiary - Suzhou Logah merged subsidiary - Suzhou Libao.

July 2017 Suzhou Longdeng Plant received certification for VZQC2 UL parts traceability.

August 2017 Relocated subsidiary - Logah Brunei to Seychelles.

September 2017 Donated to National Sun Yat-sen University for the establishment of Logah Xiziwan Dream Scholarship.

February 2018 Suzhou Longdeng Plant was certified as Tier-3 enterprise in the safe production standardization program.

March 2018 Suzhou Longdeng Plant completed the upgrade of spray coating workshop.

March 2018 Suzhou Longdeng Plant completed certification for the transition of 16949 standards from TS16949 to IATF16949.

September 2018 Reduced share capital by NT\$497,006,420 (or 44.08310621%, in 49,700,642 shares) to offset cumulative losses. Share capital after change of company registration amounted to NT\$630,424,160.

January 2019 Suzhou Longdeng Plant earned the title of Suzhou Safe Enterprise.

March 2019 Subsidiary - Logah Seychelles Co., Ltd. reduced share capital by US\$1,180,000 (or 12.967033%). Share capital after change of company registration amounted to US\$7,920,000.

April 2019 Suzhou Longdeng Plant acquired blow molding machines and adopted the blow molding technology.

May 2019 Suzhou Longdeng Plant acquired 4 dual injection molding machines.

June 2019 Suzhou Longdeng Plant commenced mass production of plastic casing for powered surfboards, an outdoor water sports equipment.

July 2019 Made private cash issue of NT\$100 million. Paid-in capital after change of company registration amounted to NT\$730,424,160.

August 2019 Suzhou Longdeng Plant commenced mass production of hoverboards.

September 2019 Suzhou Longdeng Plant adopted multi-color printing technology.

October 2019 Suzhou Longdeng Plant completed the introduction and implementation of VOCs exhaust collection system for injection molding machines.

November 2019 Suzhou Longdeng Plant earned the title of Wujiang Worker-friendly Enterprise.

November 2019 Made private cash issue of NT\$100 million. Paid-in capital after change of company registration amounted to NT\$830,424,160.

December 2019 Suzhou Longdeng Plant passed grade 2 safe production standardization in Jiangsu Province.

January 2020 Suzhou Longdeng Plant was named Engineering Role Model by Wujiang Safe Production Committee.

January 2020 Suzhou Longdeng Plant was awarded the status of Tier-2 enterprise by Jiangsu Safe Production Association.

March 2020 Suzhou Longdeng Plant upgraded its workshop to include a segmented cleanroom.

April 2020 Suzhou Longdeng Plant commenced mass production of automatic soap dispenser/automatic sanitizer dispenser products.

May 2020 Suzhou Longdeng Plant made optimizations to its injection molding workshop, and adopted separated man-machine operations.

June 2020 Suzhou Longdeng Plant earned the title of Technology R&D Center for External Casing of High Stability Precision Display.

August 2020 Suzhou Longdeng earned the status of high-tech enterprise candidate.

September 2020 The Company acquired 100% equity ownership in Link Bright Technology Limited.

October 2020 Suzhou Longdeng Plant cooperated with Xiaowei Biotechnology Co., Ltd. to bring Weizhi Technology Co., Ltd. into Suzhou Longdeng Industry Park.

December 2020 Made private cash issue of NT\$100 million. Paid-in capital after change of company registration amounted to NT\$930,424,160.

December 2020 Suzhou Longdeng Plant was named Leased Factory Role Model by Wujiang Emergency Management Department.

February 2021 Suzhou Longdeng Plant was recognized for Amazon's factory cybersecurity management system.

March 2021 Suzhou Longdeng Plant upgraded its spray coating workshop to introduce water-based UV production procedures.

April 2021 The Changan spray coating plant underwent upgrades (for the ability to spray low VOC oil-based paint as well as water-based UV paint) to meet the Chinese government's new VOC regulations.

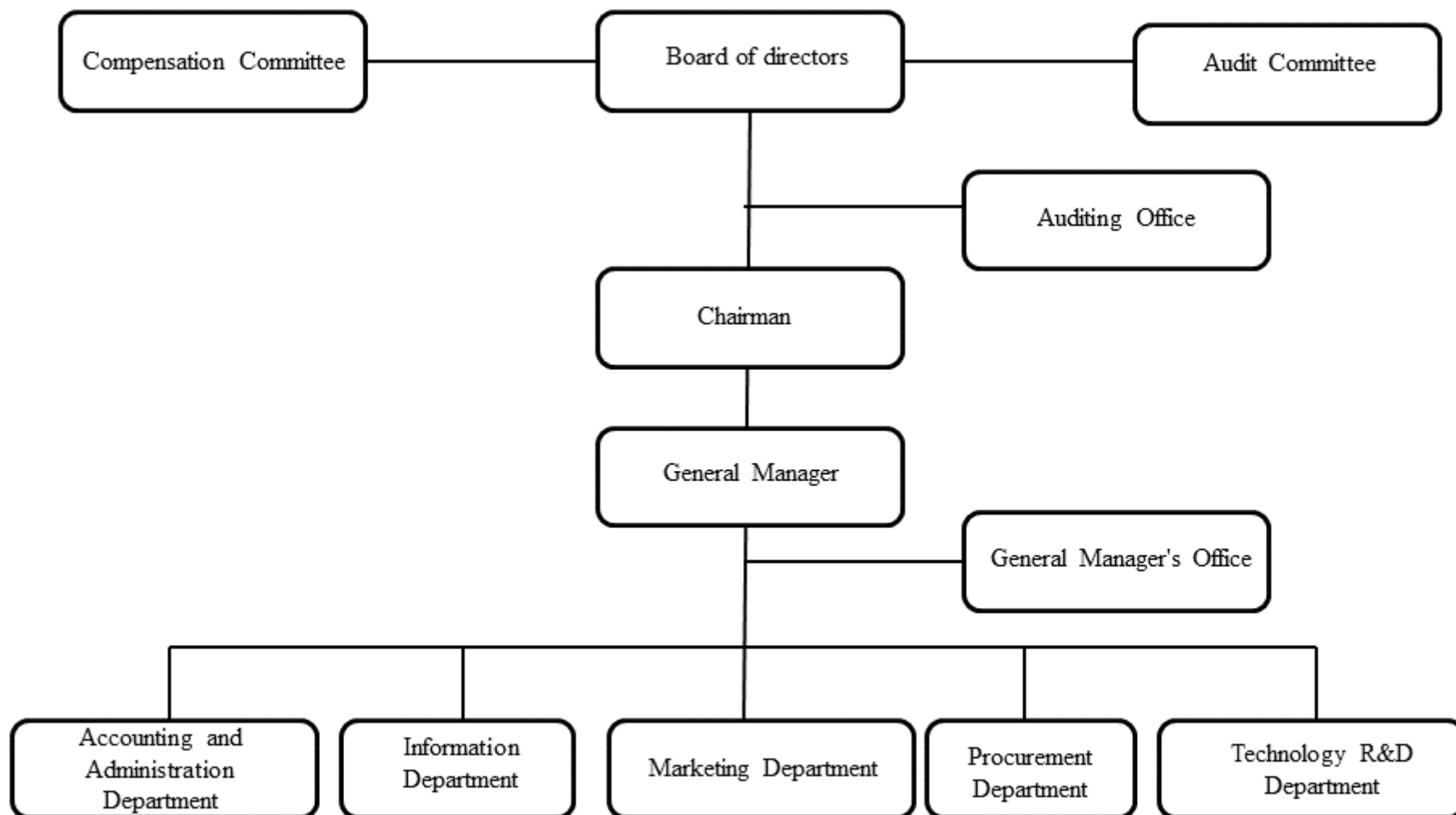
September 2021 Integrated group resources and acquired Suzhou Ruideng Technologies Limited.

December 2021 Established business relationship with Volt, a new-energy vehicle manufacturer, and commenced shipment of battery products.

- August 2022 Purchased the MG-MC dry ice cleaner to quickly perform damage-free cleaning of molds and improve work efficiency.
- September 2022 Established business relationship with Shanghai YanLei Automotive Component Co., Ltd and commenced production of the Omega Cadillac CT5/CT6 project.
- October 2022 Introduced new products and commenced production of the HA1 Baidu new energy automotive component project.
- December 2022 Commenced production of the BYD automotive components project.
- February 2023 Established business relationship with Konka, a new customer in the supply chain of Xiaomi models.
- May 2023 Established the subsidiary, Logah Technology (Vietnam) Co., Ltd.

Three. Corporate Governance Report

- I. Organizational structure
- (1) Organizational structure



(II) Responsibilities of main departments

Department	Department responsibilities
Chairman General Manager	<ol style="list-style-type: none">1. Arrangement of board meetings, minutes taking, and decision tracking.2. Matters relating to shareholder service.3. Planning of corporate operating strategies.4. Enforcement of operational improvement projects; evaluation and enhancement of work process efficiency.5. Operational management for overseas branches.
Auditing Office	<ol style="list-style-type: none">1. Establishment, implementation, and tracking of annual audit plan for the Company and subsidiaries using a risk-based approach.2. Auditing and evaluation of internal control systems, self-inspection practices, policies, budgets, and policy execution within the Company and subsidiaries.3. Investigates and evaluates the robustness, rationality, effectiveness, and execution of internal control system, and offers improvement suggestions.4. Presents regular reports on the execution of audit tasks to the Audit Committee and during board of directors meetings.
Accounting and Administration Department	<ol style="list-style-type: none">1. Establishment, implementation, and maintenance of capital management practices within the Company.2. Handles accounting, finance, and tax-related matters.3. Human resources planning and execution.4. Planning and enforcement of the general affair, environmental, safety, and health system.5. Assists the Company with legal affairs and matters concerning intellectual property rights.
Information Department	<ol style="list-style-type: none">1. IT planning and implementation; maintenance of computer software, hardware, and the network system.2. Adoption and maintenance of the ERP system, and management of ERP information.
Marketing Department	<ol style="list-style-type: none">1. Planning and execution of corporate operating strategies:<ol style="list-style-type: none">(1) Participates in the planning of medium-term and long-term operating strategies and resource deployment.(2) Enforcement and execution of annual operating strategies.2. Product planning, development, and management.3. Product marketing and market development.4. Attainment of revenue/profit margin targets:<ol style="list-style-type: none">(1) Examination of product pricing strategies and costs.(2) Attainment of revenue/profit margin targets.
Procurement Department	<ol style="list-style-type: none">1. General procurement; reviews outsourcing of raw material purchase and major capital expenditures such as machinery.2. Product margin planning and review, analysis, and estimation of development cost.
Technology R&D Department	<ol style="list-style-type: none">1. Planning, analysis, and evaluation of new product development and old product replacement projects.2. Product margin planning and review, analysis, and estimation of development cost.3. Gathering, consolidation, and analysis of intelligence relating to product demand, market activities, and competing products.4. Establishment, implementation, review, and amendment of design/technology standards.5. Assists in the resolution of technical, quality, and cost-related issues from production to sales service.6. Customer complaint handling and technical service.

II. Background information of directors, supervisors, the President, vice presidents, assistant vice presidents, and heads of various departments and branches

(I) Directors

Book closure date: May 1, 2023

Title	Nationality or place of registration	Name	Gender/age	Date elected/onboard	Term of service	Date first elected	Shareholding when elected		Current shareholding		Shareholding of spouse and underage children		Shares held by proxy		Main career (academic) backgrounds	Concurrent duties in the Company and in other companies	Spouse or relatives of second degree or closer acting as manager, director, or supervisor			Remarks
							Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Title	Name	Relationship	
Chairman	The Republic of China	Guangxin Co., Ltd. Representative: Yu, Hui-Fa	Male Age 51-60	2020.6.15	3 years	2014.3.28 2014.3.28	2,981,488 0	3.59% 0%	2,981,488 5,665,934	3.20% 6.09%	0 0	0% 0%	0 0	0% 0%	Executive Master of Business Administration (EMBA), National Sun Yat-Sen University Director and President of Liyu Technology Co., Ltd.	Chairman of Suzhou Longdeng Electronic Technologies Limited Chairman of Suzhou Ruideng Technologies Limited Chairman & President of Liyu Technology Co., Ltd. Chairman of Longdeng Electronics Technology (Shenzhen) Co., Ltd. Chairman of Shisong Investment Co., Ltd. Director of Shisong Investment (Samoa) Limited Director of Hwadeng Investments (BVI) Limited Chairman of Guangxin Co., Ltd.	Director	Lin, Shu-Fen	2nd-degree	Note 1
Director	The Republic of China	Guangxin Co., Ltd. Representative: Lin, Shu-Fen	Female Age 61-70	2020.6.15	3 years	2014.3.28 2014.3.28	2,981,488 0	3.59% 0%	2,981,488 0	3.20% 0%	0 0	0% 0%	0 0	0% 0%	Master of Business Administration, Baker University Director of Liyu Technology Co., Ltd. Director of Shisong Investment Limited	Representative of Three Woods Technologies Corp. Supervisor of Jinyuan Investment Co., Ltd. Director of Quanwei Investment Limited	Director	Yu, Hui-Fa	2nd-degree	
Director	The Republic of China	Jinyuan Investment Co., Ltd. Representative: Hu, Po-Jen	Male Age 61-70	2020.6.15	3 years	2017.6.28 2017.6.28	468,024 0	0.56% 0%	468,024 0	0.50% 0%	0 0	0% 0%	0 0	0% 0%	MBA, National Cheng Kung University Executive Master of Business Administration (EMBA), National Sun Yat-Sen University Audit Manager of KPMG Taiwan Lecturer, Department of International Trade, China University of Technology Adjunct Lecturer, Department of Accounting, Chung Yuan Christian University Adjunct Lecturer, National Kaohsiung University of Science and Technology and National Pingtung University of Science and Technology	Certified Public Accountant of Hua Han Accounting Firm Director of Quan Mei Technology Co., Ltd. Director of Fluxtek International Corp. Supervisor of E-Rotek Water Systems Co., Ltd. Remuneration Committee Member of San Fang Chemical Industrial Co., Ltd. Supervisor of E-Rotek Water Systems Co., Ltd. Corporate Supervisor Representative of Liyu Technology Co., Ltd. Independent Director of DingZing Advanced Materials Inc.	None	None	None	
Director	The Republic of China	Liyu Technology Co., Ltd. Representative: Chang, Chin-Cheng	Male Age 51-60	2020.6.15	3 years	2018.06.29 2018.06.29	21,028,492 0	25.32% 0%	31,580,492 0	33.94% 0%	0 0	0% 0%	0 0	0% 0%	Department of Accounting, Chung Yuan Christian University Assistant Vice President of Deloitte Taiwan Director of Liyu Technology Co., Ltd.	Lead Accountant of Zhong Jia Joint Accounting Firm Chairman of Force-MOS Technology Co.,Ltd Director of Yung Chi Paint & Varnish Mfg. Co., Ltd. Director of Top Spread Investment Limited Director of Gold Fond Investment Limited Director of Jing Yun Development Limited Director of Hong Qing Development Limited	None	None	None	
Director	The Republic of China	Liyu Technology Co., Ltd. Representative: Chiu, Chi-Chun	Male Age 51-60	2020.6.15	3 years	2018.06.29 2018.06.29	21,028,492 0	25.32% 0%	31,580,492 0	33.94% 0%	0 0	0% 0%	0 0	0% 0%	Ph. D. in Law, University of Tubingen, Germany Judge, Kaohsiung District Court Adjunct Assistant Professor, National University of Kaohsiung College of Law Director of Liyu Technology Co., Ltd.	Attorney-in-Chief, Classic and Superior Attorneys At Law	None	None	None	

Title	Nationality or place of registration	Name	Gender/age	Date elected/onboard	Term of service	Date first elected	Shareholding when elected		Current shareholding		Shareholding of spouse and underage children		Shares held by proxy		Main career (academic) backgrounds	Concurrent duties in the Company and in other companies	Spouse or relatives of second degree or closer acting as manager, director, or supervisor			Remarks
							Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Title	Name	Relationship	
Director	The Republic of China	Yong Xing Investment Limited Representative: Li, Hsiung-Ching	Male Age 61-70	2020.6.15	3 years	2018.06.29 2018.06.29	61,508 0	0.07% 0%	61,508 0	0.07% 0%	0 0	0% 0%	0 0	0% 0%	Executive Master of Business Administration (EMBA), National Sun Yat-Sen University Director of Liyu Technology Co., Ltd. Supervisor of The Barking Dog Games Co., Ltd.	Chairman of Jiu Zhen Nan Foods Co., Ltd. Representative of Yong Xing Investment Limited Independent director of Wellell Inc.	None	None	None	
Independent Director	The Republic of China	Chen, Liang-Tsung	Male Age 51-60	2020.6.15	3 years	2014.3.28	0	0%	0	0%	0	0%	0	0%	Department of Accounting, College of Management, National Taiwan University Certified Public Accountant of Chen, Liang-Tsung Accounting Firm	Certified Public Accountant of Hua Han Accounting Firm Independent Director, Audit and Remuneration Committee Member of Hye Technology Co.,Ltd.	None	None	None	
Independent Director	The Republic of China	Tsai, Hsien-Tang	Male Age 61-70	2020.6.15	3 years	2014.3.28	0	0%	0	0%	0	0%	0	0%	Ph.D., School of Management, Purdue University Professor, Corporate Management, National Sun Yat-sen University	Independent Director, Audit and Remuneration Committee Member of Chung Hung Steel Corp. Independent Director, Audit Committee and Remuneration Committee member, Fulin Plastic Industry (Cayman) Holding Co., Ltd. Independent director of Vietnam Fulin Plastic Industry Co., Ltd., a subsidiary of Fulin Plastic Industry Co., Ltd., (a subsidiary held 100% by Fulin-KY) Independent Director, Audit and Remuneration Committee Member of Revivegen Environmental Technology Co. Ltd.	None	None	None	
Independent Director	The Republic of China	Fu, Yu-Hsuan	Male Age 71-80	2020.6.15	3 years	2011.6.28	0	0%	0	0%	0	0%	0	0%	Bachelor of Mechanical Engineering, Chung Yuan Christian University MBA, West Coast University President of WK Technology Fund President of Wyse Technology Taiwan Ltd. President of E Ink Holdings Incorporated Independent Director of PenPower Technology Limited Independent Director of Chicony Power Technology Co., Ltd. Director of Lite-On Semiconductor Corporation Independent Director of Test Research Inc.	Independent Director, Audit and Remuneration Committee Member of PenPower Technology Limited Independent Director, Audit and Remuneration Committee Member of Test Research Inc.	None	None	None	

Note 1: In situations where the company's President or manager of the highest equivalent grade is the same person as or a spouse or first-degree relative of the Chairman, please explain the reasons, rationality and necessity of such an arrangement and any response measures taken:

- (1) Reasons, rationality, and necessity: Former General Manager Lu, Hung-Tung departed from duty on August 31, 2019 and the Chairman has since assumed duty as acting General Manager. No professional manager of adequate capacity has been recruited due to talent shortage.
- (2) Response measures: The Company enforces corporate governance strictly in compliance with the Securities and Exchange Act, Regulations Governing Procedure for Board of Directors Meetings of Public Companies, and Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies. It has an Audit Committee in place to support the board of directors in supervisory duties, and more than half of board members do not hold concurrent position as employees or managers. The Company is actively searching for suitable talents to assume the General Manager role; if no suitable candidate can be found, the Company will observe "Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers" by adding one independent director seat (to a total of four).

1. Major shareholders of corporate shareholders:

Book closure date: May 1, 2023

Name of corporate shareholder	Major shareholders of corporate shareholders		
Guangxin Co., Ltd.	Yu, Hui-Fa	Shareholding	34.17%
	Yu, Liang-Hsuan	Shareholding	7.09%
	Yu, Liang-En	Shareholding	7.09%
	Lin, Shu-Chen	Shareholding	51.65%
Jinyuan Investment Co., Ltd.	Lin, Shu-Chen	Shareholding	53.02%
	Yu, Hui-Fa	Shareholding	44.39%
	Lin, Shu-Chen	Shareholding	0.02%
	Lin, Shu-Fen	Shareholding	0.05%
	Guangxin Co., Ltd.	Shareholding	2.52%
Liyu Technology Co., Ltd.	Guangxin Co., Ltd.	Shareholding	19.02%
	Jinyuan Investment Co., Ltd.	Shareholding	16.36%
	Hua Eng Wire & Cable Co., Ltd.	Shareholding	7.73%
	Yu, Hui-Fa	Shareholding	5.64%
	Lin, Shu-Chen	Shareholding	3.45%
	Yu, Liang-Hsuan	Shareholding	3.44%
	Yu, Liang-En	Shareholding	3.42%
	Zoe's Fountain Biotech Co., Ltd.	Shareholding	3.20%
	Lin, Ta-Chin	Shareholding	3.15%
Chuan Wei Investment Co., Ltd.	Shareholding	2.52%	

2. Key shareholders of major corporate shareholders:

Name of corporate entity	Major shareholders of corporate entity		
Hua Eng Wire & Cable Co., Ltd.	First Copper Technology Co., Ltd.	Shareholding	32.96%
	Hua Hong Investment Co., Ltd.	Shareholding	6.84%
	Wang Yang, Pi-E	Shareholding	3.49%
	Wang, Feng-Shu	Shareholding	2.55%
	Wang, Wen-Ling	Shareholding	2.20%
	Wang, Hung-Ren	Shareholding	2.12%
	Wang, Yu-Fa	Shareholding	1.75%
	Wang, Hung-Ming	Shareholding	1.46%
	Chen, Kun-Jung	Shareholding	0.80%
	Mei Da Woods Industry Co., Ltd.	Shareholding	0.62%
	Zoe's Fountain Biotech Co., Ltd.	Lin, Shu-Fen	Shareholding
Lin, Shu-Chen		Shareholding	20.00%
Lin, Shu-Chen		Shareholding	60.00%
Chuan Wei Investment Co., Ltd.	Lin, Shu-Chen	Shareholding	33.34%
	Hsu, Pei-Ya	Shareholding	33.33%
	Hsu, Kuang-Chi	Shareholding	33.33%

3. Directors' expertise and independent directors' independence:

Book closure date: May 1, 2023

Criteria Name	Professional qualification and experience
Chairman Guangxin Co., Ltd. Representative: Yu, Hui-Fa	<p>1. Graduated from National Sun Yat-Sen University College of Management with an EMBA degree. Currently serves as Chairman and acting General Manager of the Company and representatives for several companies including Liyu Technology Co., Ltd. Possesses at least 5 years of work experience in commerce, finance, and fields of expertise that are necessary for company operations. Has more than 25 years of experience in the plastic injection molding industry as well as leadership, operational management, and strategic planning skills that help secure market leadership and business continuity for the Company.</p> <p>2. Does not meet any of the conditions stated in Article 30 of The Company Act.</p>
Director Guangxin Co., Ltd. Representative: Lin, Shu-Fen	<p>1. Graduated from Baker University with a Master's degree in Business Administration. Currently serves as representative of Three Woods Technologies Corp., supervisor of Jinyuan Investment Co., Ltd., and director of several companies. Formerly served as director of Liyu Technology Co., Ltd. Possesses at least 5 years of work experience in commerce, finance, and fields of expertise that are necessary for company operations. Specializes in market strategies and has extensive experience in sales promotion.</p> <p>2. Does not meet any of the conditions stated in Article 30 of The Company Act.</p>
Director Jinyuan Investment Co., Ltd. Representative: Hu, Po-Jen	<p>1. Graduated from National Sun Yat-Sen University College of Management with an EMBA degree, passed senior exam for certified public accountant of the Republic of China, and holds valid license for certified public accountant. Currently a licensed accountant, and formerly served as director of Quan Mei Technology and Fluxtek International and remuneration committee member of San Fang Chemical Industry Co., Ltd. Specializes in corporate finance, banking, and accounting affairs.</p> <p>2. Does not meet any of the conditions stated in Article 30 of The Company Act.</p>
Director Liyu Technology Co., Ltd. Representative: Chang, Chin-Cheng	<p>1. Graduated from Chung Yuan Christian University Department of Accounting, passed senior exam for certified public accountant of the Republic of China, and holds valid license for certified public accountant. Currently a licensed accountant, and formerly served as representative of Force-MOS Technology Co., Ltd. and director of multiple companies including Yung Chi Paint & Varnish Mfg. Co., Ltd. Possesses at least 5 years of work experience in commerce, finance, and fields of expertise that are necessary for company operations. Specializes in business administration, financial planning, and accounting affairs.</p> <p>2. Does not meet any of the conditions stated in Article 30 of The Company Act.</p>
Director Liyu Technology Co., Ltd. Representative: Chiu, Chi-Chun	<p>1. Graduated from University of Tübingen, Germany, with a Ph.D. in Law. A certified lawyer and is currently a law practitioner. Formerly served as Judge at Kaohsiung District Court, director of Liyu Technology Co., Ltd., and Adjunct Assistant Professor at National University of Kaohsiung College of Law. Specializes in law and assists the Company with legal consultation.</p> <p>2. Does not meet any of the conditions stated in Article 30 of The Company Act.</p>
Director Yong Xing Investment Limited Representative: Li, Hsiung-Ching	<p>1. Graduated from National Sun Yat-Sen University College of Management with an EMBA degree. Currently serves as representative of Jiu Zhen Nan Foods Co., Ltd. and Yong Xing Investment Limited and independent director of Wellell Inc. Possesses at least 5 years of work experience in commerce, finance, and fields of expertise that are necessary for company operations. Specializes in corporate administration and market strategies and has extensive experience in sales promotion.</p> <p>2. Does not meet any of the conditions stated in Article 30 of The Company Act.</p>

Name	Criteria	Professional qualification and experience	Compliance of independence	Number of concurrent positions as independent director in other public companies
Independent Director Tsai, Hsien-Tang	Graduated from Purdue University School of Management with a Ph.D. Currently serves as the Company's Compensation Committee convener and Audit Committee member, independent director of Chung Hung Steel Corp. and Fulin Plastic Industry (Cayman) Holding Co., Ltd., and remuneration committee member of Revivegen Environmental Technology Co. Ltd. Formerly served as professor at National Sun Yat-Sen University College of Management. Possesses at least 5 years of work experience in commerce and is qualified to lecture in public as well as private tertiary institutions on subjects that are relevant to company operations. Able to provide professional suggestions to the management and does not meet any of the conditions stated in Article 30 of The Company Act.	1. None of the individual, spouse, and 2nd-degree relatives or closer serve as director, supervisor, or employee in the Company or any of its related enterprises. 2. Does not hold shares of the Company whether using the name of self, spouse, or 2nd-degree relatives or closer (or proxies). 3. Does not serve as director, supervisor, or employee of the Company or any company it has special relationship with (see Subparagraphs 5-8, Paragraph 1, Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies).	2	
Independent Director Chen, Liang-Tsung	Graduated from the Department of Accounting, College of Management, National Taiwan University; passed senior exam for certified public accountant of the Republic of China and holds valid license for certified public accountant. Currently a licensed accountant; serves as Audit Committee convener and Compensation Committee member of the Company and independent director of Hye Technology Co., Ltd. Possesses at least 5 years of work experience in commerce, finance, and accounting and is professionally qualified to perform tasks that are relevant to company operations. Specializes in accounting affairs and does not meet any of the conditions stated in Article 30 of The Company Act.	4. Did not receive compensation from the Company or its affiliated enterprises for commercial, legal, financial, or accounting services in the last two years.	1	
Independent Director Fu, Yu-Hsuan	Graduated from West Coast University with a MBA. A member of the Company's Compensation Committee and Audit Committee. Currently serves as independent director, audit committee member, and remuneration committee member of PenPower Technology Limited and Test Research Inc. Formerly served as independent director of Chicony Power Technology Co., Ltd., director of Lite-On Semiconductor Corporation, and president of Wyse Technology Taiwan Ltd. and E Ink Holdings Incorporated. Possesses at least 5 years of work experience in commerce, finance, accounting, and fields of expertise that are necessary for company operations as well as global perspectives. Specializes in business administration and is able to lead and make decisions in response to market competition. Does not meet any of the conditions stated in Article 30 of The Company Act.		2	

4. Diversity and independence of the board of directors:

(1) Board diversity policy, goals, and implementation:

According to Article 20 of the Company's "Corporate Governance Code of Conduct," board members should be diversified with no more than one-third of the board holding concurrent managerial positions. Board members should also possess the knowledge, skills, and characters needed to perform their duties. For ideal corporate governance, the board of directors as a whole shall possess the following capacities:

- I. The ability to make judgments about operations.
- II. Accounting and financial analysis ability.
- III. Business management ability.
- IV. Crisis management ability.
- V. Knowledge of the industry.
- VI. An international market perspective.
- VII. Leadership ability.
- VIII. Decision-making ability.

Implementation of board diversity policy for the current board:

Name	Title	Gender	Nationality	Concurrent employment at the Company	Age			Terms and years as independent director			Board diversity background and core skills							
					51 to 60	61 to 70	71 to 80	Less than 3 years	3 to 9 years	More than 9 years	Operational judgment	Finance and accounting	Operational management	Crisis management	Industry experience	International markets	Leadership & decision-making	
Yu, Hui-Fa	Chairman	Male	The Republic of China	✓	✓							✓	✓	✓	✓	✓	✓	✓
Lin, Shu-Fen	Director	Female	The Republic of China			✓						✓	✓	✓		✓	✓	✓
Hu, Po-Jen	Director	Male	The Republic of China			✓						✓	✓				✓	✓
Chang, Chin-Cheng	Director	Male	The Republic of China		✓							✓	✓	✓	✓	✓	✓	✓
Chiu, Chi-Chun	Director	Male	The Republic of China		✓							✓					✓	✓
Li, Hsiung-Ching	Director	Male	The Republic of China			✓						✓	✓	✓	✓	✓	✓	✓
Chen, Liang-Tsung	Independent Director	Male	The Republic of China		✓				✓			✓	✓				✓	✓
Tsai, Hsien-Tang	Independent Director	Male	The Republic of China			✓			✓			✓	✓				✓	✓
Fu, Yu-Hsuan	Independent Director	Male	The Republic of China				✓			✓		✓	✓	✓	✓	✓	✓	✓

The current board comprises 9 directors from various fields of expertise including commerce, manufacturing, technology, law, finance, accounting, and business administration. Board members are between 51 and 80 years of age, and there is one female on the board. The Company continues to diversify board composition in terms of gender and culture. Board members offer exposure to a variety of expertise and are able to contribute valuable opinions and experiences to assist in the Company's growth.

(2) Board independence

The Company currently has 9 members on the board, including 6 non-independent directors and 3 independent directors that make up 33.33% of the board. Female directors account for 11.11% of total director seats, and 11.11% of directors hold concurrent employment position.

The Company has two directors who are 2nd-degree relatives or closer to each other, which does not exceed 50% of total director seats as stipulated in Paragraph 3, Article 26-3 of the Securities and Exchange Act.

The Company observed Paragraph 4, Article 26-3 of the Securities and Exchange Act and abolished its supervisor system during the 2011 annual general meeting. Independent directors were elected instead to form an Audit Committee that performs duties in an independent manner. For this reason, the regulation does not apply.

(II) Background information of the President, vice presidents, assistant vice presidents, and heads of departments and branch offices

Book closure date: May 1, 2023

Title	Nationality	Name	Gender	Date onboard	Shareholding		Shares held by spouse and underage children		Shares held by proxy		Main career (academic) backgrounds	Concurrent duties in other companies	Spouse or relatives of second degree or closer serving as managers			Remarks
					Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Title	Name	Relationship	
Chairman General Manager	The Republic of China	Yu, Hui-Fa	Male	2014.03.28	5,665,934	6.09%	0	0%	0	0%	Master's Degree, College of Management, National Sun Yat-Sen University Director and President of Liyu Technology Co., Ltd.	Chairman & President of Liyu Technology Co., Ltd. Chairman of Longdeng Electronics Technology (Shenzhen) Co., Ltd. Chairman of Shisong Investment Co., Ltd. Director of Shisong Investment (Samoa) Limited Director of Hwadeng Investments (BVI) Limited Chairman of Guangxin Co., Ltd.	President of overseas subsidiary	Yu, Hui-Ling	2nd-degree	Note 1
Accounting and Administration Department Assistant Vice President	The Republic of China	Liang, Xin-Jin	Female	2020.07.01	0	0%	0	0%	0	0%	Department of Business Management, National Kaohsiung Normal University Team Leader of Auditing Department, PwC Taiwan	None	None	None	None	
President of overseas subsidiaries - Suzhou Longdeng and Ruideng	The Republic of China	Yu, Hui-Ling	Male	2020.01.01	0	0%	0	0%	0	0%	Department of Electrical Engineering, National Tainan Industrial High School President of Suzhou Longdeng Electronic Technologies Limited	None	Chairman General Manager	Yu, Hui-Fa	2nd-degree	

Note 1: Chairman Yu, Hui-Fa has been serving as acting General Manager since September 1, 2019; Lu, Hung-Tung departed from duty on August 31, 2019.

In situations where the company's President or manager of the highest equivalent grade is the same person as or a spouse or first-degree relative of the Chairman, please explain the reasons, rationality and necessity of such an arrangement and any response measures taken:

- (1) Reasons, rationality, and necessity: Former General Manager Lu, Hung-Tung departed from duty on August 31, 2019 and the Chairman has since assumed duty as acting General Manager. No professional manager of adequate capacity has been recruited due to talent shortage.
- (2) Response measures: The Company enforces corporate governance strictly in compliance with the Securities and Exchange Act, Regulations Governing Procedure for Board of Directors Meetings of Public Companies, and Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies. It has an Audit Committee in place to support the board of directors in supervisory duties, and more than half of board members do not hold concurrent position as employees or managers. The Company is actively searching for suitable talents to assume the General Manager role; if no suitable candidate can be found, the Company will observe "Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers" by adding one independent director seat (to a total of four).

III. Compensation paid to directors, supervisors, the President, and vice presidents in the last year

(I) Compensation to directors in 2022

Compensation to directors (including independent directors) (individual disclosure by name and amount)

Unit: NTD thousands; %

Title	Name	Remuneration of Directors								Sum of A, B, C and D as a percentage of net loss (Note 10)		Compensation received as employee								Sum of A, B, C, D, E, F, and G and relative percentage to net loss (Note 10)		Compensation from business investments other than subsidiaries or Parent Company (Note 11)
		Benefits (A) (Note 2)		Severance pay and pension (B)		Director remuneration (C) (Note 3)		Fees for services rendered (D) (Note 4)				Salaries, bonuses, special allowances etc. (E) (Note 5)		Severance pay and pension (F)		Employee remuneration (G)(Note 6)						
		Parent Company	All companies included in the financial statements (Note 7)	Parent Company	All companies included in the financial statements (Note 7)	Parent Company	All companies included in the financial statements (Note 7)	Parent Company	All companies included in the financial statements (Note 7)	Parent Company	All companies included in the financial statements (Note 7)	Parent Company	All companies included in the financial statements (Note 7)	Parent Company	All companies included in the financial statements (Note 7)	Parent Company	All companies included in the financial statements (Note 7)	Parent Company	All companies included in the financial statements			
Chairman	Guangxin Co., Ltd. Representative: Yu, Hui-Fa	1,727	3,430	0	0	0	0	40	40	1,767 1.91%	3,470 3.74%	0	0	0	0	0	0	0	0	1,767 1.91%	3,470 3.74%	None
Director	Guangxin Co., Ltd. Representative: Lin, Shu-Fen	0	0	0	0	0	0	35	35	35 0.04%	35 0.04%	0	0	0	0	0	0	0	0	35 0.04%	35 0.04%	None
Director	Jinyuan Investment Co., Ltd. Representative: Hu, Po-Jen	0	0	0	0	0	0	30	30	30 0.03%	30 0.03%	0	0	0	0	0	0	0	0	30 0.03%	30 0.03%	None
Director	Liyu Technology Co., Ltd. Representative: Chiu, Chi-Chun	0	0	0	0	0	0	35	35	35 0.04%	35 0.04%	0	0	0	0	0	0	0	0	35 0.04%	35 0.04%	None
Director	Liyu Technology Co., Ltd. Representative: Chang, Chin-Cheng	0	0	0	0	0	0	35	35	35 0.04%	35 0.04%	0	0	0	0	0	0	0	0	35 0.04%	35 0.04%	None
Director	Yong Xing Investment Limited Representative: Li, Hsiung-Ching	0	0	0	0	0	0	25	25	25 0.03%	25 0.03%	0	0	0	0	0	0	0	0	25 0.03%	25 0.03%	None
Independent Director	Fu, Yu-Hsuan	252	252	0	0	0	0	75	75	327 0.35%	327 0.35%	0	0	0	0	0	0	0	0	327 0.35%	327 0.35%	None
Independent Director	Chen, Liang-Tsung	252	252	0	0	0	0	90	90	342 0.37%	342 0.37%	0	0	0	0	0	0	0	0	342 0.37%	342 0.37%	None
Independent Director	Tsai, Hsien-Tang	252	252	0	0	0	0	90	90	342 0.37%	342 0.37%	0	0	0	0	0	0	0	0	342 0.37%	342 0.37%	None

1. Please explain the policy, system, standards, and structure by which independent director compensation is paid, and association between the amount paid and independent directors' responsibilities, risks and time committed:

(1) The Company may compensate independent directors for the services rendered regardless of profitability. Compensation has been set at NTD\$21,000 per month, and independent directors are entitled to travel allowance of NTD\$5,000 per trip when attending board of directors meetings, functional committee meetings, and shareholder meetings. The board of directors is authorized to set compensation for each individual based on level of participation and contribution to the Company's operations.

(2) Independent directors are not entitled to director remuneration allocated from annual profit.

2. Compensation received by director for providing service (e.g. consultancy service without the title of an employee) to the parent company, any company included in the financial statements, or any business investment in the last year, except those disclosed in the above table: None.

Compensation brackets table

Range of compensation paid to the Company's directors	Name of director			
	Sum of first 4 compensations (A+B+C+D)		Sum of first 7 compensations (A+B+C+D+E+F+G)	
	The Company (Note 8)	All companies included in the financial statements (Note 9) H	The Company (Note 8)	All companies included in the financial statements (Note 9) I
Below NTD\$ 1,000,000	Guangxin Co., Ltd. - Representative: Lin, Shu-Fen Jinyuan Investment Co., Ltd. - Representative: Hu, Po-Jen Liyu Technology Co., Ltd. - Representative: Chiu, Chi-Chun; Chang, Chin-Cheng Yong Xing Investment Limited - Representative: Li, Hsiung-Ching Independent directors: Fu, Yu-Hsuan; Chien, Liang-Tsung; Tsai, Hsien-Tang	Guangxin Co., Ltd. - Representative: Lin, Shu-Fen Jinyuan Investment Co., Ltd. - Representative: Hu, Po-Jen Liyu Technology Co., Ltd. - Representative: Chiu, Chi-Chun; Chang, Chin-Cheng Yong Xing Investment Limited - Representative: Li, Hsiung-Ching Independent directors: Fu, Yu-Hsuan; Chien, Liang-Tsung; Tsai, Hsien-Tang	Guangxin Co., Ltd. - Representative: Lin, Shu-Fen Jinyuan Investment Co., Ltd. - Representative: Hu, Po-Jen Liyu Technology Co., Ltd. - Representative: Chiu, Chi-Chun; Chang, Chin-Cheng Yong Xing Investment Limited - Representative: Li, Hsiung-Ching Independent directors: Fu, Yu-Hsuan; Chien, Liang-Tsung; Tsai, Hsien-Tang	Guangxin Co., Ltd. - Representative: Lin, Shu-Fen Jinyuan Investment Co., Ltd. - Representative: Hu, Po-Jen Liyu Technology Co., Ltd. - Representative: Chiu, Chi-Chun; Chang, Chin-Cheng Yong Xing Investment Limited - Representative: Li, Hsiung-Ching Independent directors: Fu, Yu-Hsuan; Chien, Liang-Tsung; Tsai, Hsien-Tang
NTD\$1,000,000 (inclusive) - NTD\$2,000,000 (non-inclusive)	Guangxin Co., Ltd. Representative: Yu, Hui-Fa	None	Guangxin Co., Ltd. Representative: Yu, Hui-Fa	None
NTD\$2,000,000 (inclusive) - NTD\$3,500,000 (non-inclusive)	None	Guangxin Co., Ltd. Representative: Yu, Hui-Fa	None	Guangxin Co., Ltd. Representative: Yu, Hui-Fa
NTD\$3,500,000 (inclusive) - NTD\$5,000,000 (non-inclusive)	None	None	None	None
NTD\$5,000,000 (inclusive) - NTD\$10,000,000 (non-inclusive)	None	None	None	None
NTD\$10,000,000 (inclusive) - NTD\$15,000,000 (non-inclusive)	None	None	None	None
NTD\$15,000,000 (inclusive) - NTD\$30,000,000 (non-inclusive)	None	None	None	None
NTD\$30,000,000 (inclusive) - NTD\$50,000,000 (non-inclusive)	None	None	None	None
NTD\$50,000,000 (inclusive) - NTD\$100,000,000 (non-inclusive)	None	None	None	None
NTD\$100,000,000 and above	None	None	None	None
Total	9 persons	9 persons	9 persons	9 persons

Note 1: Directors' names are presented separately (for corporate shareholders, the name of the corporate shareholder and its representative are presented separately) and distinguished between independent and non-independent directors, while the amounts are presented in aggregate sums. Any directors who co-headed the President or Vice President position are disclosed in this table and in the following table.

Note 2: Refers to director's compensation in 2022 (including salary, allowance, severance pay, various bonuses, incentives etc.).

Note 3: Represents the amount of director remuneration that the board has proposed as part of the 2022 earnings distribution.

Note 4: Refers to compensation paid for services rendered in 2022 (including travel, special allowances, subsidies, accommodation, corporate vehicle, and in-kind benefits). Where housing, cars, vehicles, or personal allowances were granted, the nature and cost of assets, the rental rates (calculated based on actual or fair value), cost of petrol, and other subsidies are also disclosed.

Where personal drivers were assigned, a footnote disclosure explaining the amount of compensations made to drivers is provided; these compensations do not count toward compensations of the above beneficiaries.

Note 5: Refers to any salaries, allowances, severance pay, bonuses, incentives, travel allowances, special allowances, subsidies, accommodation, vehicles, in-kind benefits etc. that the director received in 2022 for assuming the role of a company employee (such as President, vice president, manager, or other employee). Where housing, cars, vehicles, or personal allowances were granted, the nature and cost of assets, the rental rates (calculated based on actual or fair value), cost of petrol, and other subsidies are also disclosed. Where personal drivers were assigned, a footnote disclosure explaining the amount of compensations made to drivers is provided; these compensations do not count toward compensations of the above beneficiaries. Part of the salary expense was recognized according to IFRS2 - "Share-based Payment." Amounts including employee warrants, restricted employee shares, and subscription to cash issues are also treated as compensation.

Note 6: Refers to any compensation that the director received (in cash or in shares) in 2022 for assuming the role of an employee (such as President, vice president, manager, or other employees). The amount of employee remuneration proposed by the board of directors in the last year has been disclosed (where the amount could not be estimated, the percentage of amount paid in the last year was used to calculate pro-forma amount for the current year). Chart 1-3 has also been completed for reference.

Note 7: The disclosure includes all companies covered by the consolidated financial statements (including the Company), and represents total amount of compensation paid by all companies above to the Company's directors.

Note 8: The amount of compensation paid by the Company to each director has been disclosed in ranges.

Note 9: The details represent the range of compensation paid by the consolidated entity (including the Company) to each director.

Note 10: Net income refers to the amount shown in the standalone or separate financial statements in the most recent year.

Note 11: a. This field represents all forms of compensation that the director received from the Company's parent company or business investments other than subsidiaries (or "None" if absent).

b. For directors who received compensation from parent company or business investments other than subsidiaries, amounts received from these business investments or parent company have been added to column I of the compensation brackets table. In which case, column I will be renamed "...parent company and all business investments..."

c. Compensation refers to any benefit, remuneration (including remuneration received as an employee, director, and supervisor), and professional service fee that the Company's director received for serving as director, supervisor, or manager in the parent company or business investments other than subsidiaries.

* The basis of compensation disclosed above is different from the basis of the income tax law, hence the above table has been prepared solely for information disclosure, and not for tax purpose.

(II) Supervisors' compensation: None. The Company has assembled an Audit Committee comprising all three independent directors to replace supervisors.

(III) Compensation paid to the President and vice presidents in the last year

1. Compensation to the President and vice presidents (individual disclosure by name and amount)

Unit: NTD thousands; %

Title	Name	Salary (A)		Severance pay and pension (B)		Bonus and special allowances (C)		Employee remuneration (D)				Sum of A, B, C and D and relative percentage (%) to net loss		Compensation from business investments other than subsidiaries or Parent Company		
		Parent Company	All companies included in the financial statements	Parent Company	All companies included in the financial statements	Parent Company	All companies included in the financial statements	Parent Company		All companies included in the financial statements		Parent Company	All companies included in the financial statements			
								Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares					
General Manager	Yu, Hui-Fa	0	0	0	0	0	0	0	0	0	0	0	0.00%	0	0.00%	None
President of overseas subsidiaries - Suzhou Longdeng and Ruideng	Yu, Hui-Ling	1,749	3,115	99	99	221	221	0	0	0	0	2,069	2.23%	3,435	3.71%	None

* Disclosure is mandatory for persons who hold positions equivalent to a President or vice president (e.g. group president, CEO, general manager etc.).

Compensation brackets table

Range of compensations paid to the Company's General Manager and vice presidents	Name of General Manager and vice presidents	
	The Company	All companies included in the financial statements
Below NT\$ 1,000,000	Yu, Hui-Fa	Yu, Hui-Fa
NT\$1,000,000 (inclusive) - NT\$2,000,000 (non-inclusive)		
NT\$2,000,000 (inclusive) - NT\$3,500,000 (non-inclusive)	Yu, Hui-Ling	Yu, Hui-Ling
NT\$3,500,000 (inclusive) - NT\$5,000,000 (non-inclusive)		
NT\$5,000,000 (inclusive) - NT\$10,000,000 (non-inclusive)		
NT\$10,000,000 (inclusive) - NT\$15,000,000 (non-inclusive)		
NT\$15,000,000 (inclusive) - NT\$30,000,000 (non-inclusive)		
NT\$30,000,000 (inclusive) - NT\$50,000,000 (non-inclusive)		
NT\$50,000,000 (inclusive) - NT\$100,000,000 (non-inclusive)		
NT\$100,000,000 and above		
Total	2 persons	2 persons

2. Managers entitled to employee profit-sharing and details of payment received

	Title	Name	Amount paid in shares	Amount paid in cash	Total	Total and as a percentage of net loss (%)
Managers	General Manager	Yu, Hui-Fa	0	0	0	0 0%
	Assistant Vice President of Accounting	Liang, Xin-Jin				
	President of overseas subsidiaries - Suzhou Longdeng and Ruideng	Yu, Hui-Ling				

Note: Refers to the amount of employee remuneration allocated to managers (in cash or in shares), which the board of directors has proposed as part of the 2022 earnings distribution (where the amount could not be estimated, the percentage of amount paid in the last year was used to calculate pro-forma amount for the current year). Net loss after tax refers to the net loss after tax of the most recent year. If IFRSs have been adopted, net loss shall refer to the amount shown in the latest standalone or separate financial statements.

(IV) Compensation for top-5 paid managers (individual disclosure by name and amount)

Unit: NTD thousands; %

Title	Name	Salary (A) (Note 2)		Severance pay and pension (B)		Bonuses and allowances (C) (Note 3)		Employee remuneration (D) (Note 4)				Sum of A, B, C and D and relative percentage (%) to net loss (Note 6)		Compensation from business investments other than subsidiaries or Parent Company (Note 7)
		Parent Company	All companies included in the financial statements (Note 5)	Parent Company	All companies included in the financial statements (Note 5)	Parent Company	All companies included in the financial statements (Note 5)	Parent Company		All companies included in the financial statements (Note 5)		Parent Company	All companies included in the financial statements	
								Amount paid in cash	Amount paid in shares	Amount paid in cash	Amount paid in shares			
General Manager	Yu, Hui-Fa	0	0	0	0	0	0	0	0	0	0	0.00%	0.00%	None
President of overseas subsidiaries - Suzhou Longdeng and Ruideng	Yu, Hui-Ling	1,749	3,115	99	99	221	221	0	0	0	0	2,069 2.23%	3,435 3.71%	None
Assistant Vice President of Accounting	Liang, Xin-Jin	1,424	1,424	87	87	205	205	0	0	0	0	1,716 1.85%	1,716 1.85%	None

Note 1: The term "top-5 paid managers" refers to "managers" that meet the definitions specified in Letter No. Tai-Cai-Zheng-(III)-0920001301 issued by (former) Securities and Exchange Commission, Ministry of Finance, on March 27, 2003. The notion of "top-5 paid" is ranked and determined based on the sum of salary, severance pay, pension, bonus, special allowance, and employee remuneration received by managers from all companies included in the consolidated financial statements (i.e. sum of A+B+C+D). Any directors who concurrently served as abovementioned managers are disclosed in this chart and in the above chart (1-1).

Note 2: Refers to salaries, allowances, and severance pay made to top-5 paid managers in 2022.

Note 3: Refers to other compensations such as bonus, incentive, travel allowance, special allowance, subsidy, accommodation, corporate vehicle or other in-kind benefits made to top-5 paid managers in 2022. Where housing, cars, vehicles, or personal allowances were granted, the nature and cost of assets, the rental rates (calculated based on actual or fair value), cost of petrol, and other subsidies are also disclosed. Where personal drivers were assigned, a footnote disclosure explaining the amount of compensations made to drivers is provided; these compensations do not count toward compensations of the above beneficiaries. Part of the salary expense was recognized according to IFRS2 - "Share-based Payment." Amounts including employee warrants, restricted employee shares, and subscription to cash issues are also treated as compensation.

Note 4: Represents the amount of employee remuneration allocated to top-5 paid managers (in cash or in shares), which the board of directors has proposed as part of 2022 earnings distribution (where the amount could not be estimated, a calculation was made based on last year's payout ratio). Chart 1-3 has been prepared in addition to the above details.

Note 5: The disclosure includes all companies covered by the consolidated financial statements (including the Company), and represents total amount of compensation paid by all companies above to top-5 paid managers.

Note 6: Net income refers to the amount shown in the standalone or separate financial statements in the most recent year.

Note 7: a. This field represents all forms of compensation that the top-5 paid managers received from the Company's parent company or business investments other than subsidiaries (or "None" if absent).

b. Compensation refers to any benefit, remuneration (including remuneration received as an employee, director and supervisor) and professional service fee that the top-5 paid managers received for serving as director, supervisor or manager in the parent company or business investments other than subsidiaries.

*The basis of compensation disclosed above is different from the basis of the income tax law, hence the above table has been prepared solely for information disclosure, and not for tax purpose.

- (V) Amount of compensation paid in the last 2 years by the Company and all companies included in the consolidated financial statements to the Company's directors, President, and vice presidents, and their respective proportions to separate net income, as well as the policies, standards, and packages by which they were paid, the procedures through which compensations were determined, and their association with business performance and future risks:

1. Directors', President's, and vice presidents' compensations paid in the last two years and as a percentage to net loss shown in the Parent Company Only Financial Statements:

Unit: NTD thousands; %

Title	2022				2021			
	Total compensation		As a percentage of net loss		Total compensation		As a percentage of net income	
	Parent Company	All companies included in the consolidated statements	Parent Company	All companies included in the consolidated statements	Parent Company	All companies included in the consolidated statements	Parent Company	All companies included in the consolidated statements
Director	2,938	4,641	3.17%	5.01%	2,963	4,630	194.68%	304.20%
General Manager and vice presidents	2,069	3,435	2.23%	3.71%	2,094	3,675	137.58%	241.46%

2. Compensation policies, standards, packages and procedures, and association with future risks and business performance:

- (1) The key points, as mentioned in Articles 28, 31, and 33 of the Articles of Incorporation, are as follow:

Article 28: The Board of Directors is authorized to decide the rates of remuneration to all directors, based on the extent of their participation in and value of the contribution to the Company's operations and concerning industry standards. If there is profit in the Company's annual account closure, the remuneration shall be distributed in accordance with Article 33 of the Articles of Incorporation. Regardless of whether the Company is operating at a profit or loss, each independent director of the Company may be paid a fixed remuneration on a monthly basis not exceeding NT\$30,000.

Article 31: The Company may have several managers in place. Their appointment, dismissal, and remuneration shall be handled in accordance with Article 29 of the Company Act.

Article 33: If the Company has a profit after the annual accounts, it shall first set aside 1% to 3% as employee remuneration and shall be distributed in shares or cash according to the resolution of the board of directors. The board of directors may resolve to appropriate remuneration to directors and supervisors not exceeding 1.5% of the Company's profit mentioned above. Employees' and directors' remuneration distribution proposals shall be submitted to the shareholders' meeting for reporting. If, however, the Company has accumulated losses, profit shall first be used to offset accumulated losses and then to set aside employees' and directors' remuneration according to the aforementioned percentages.

- (2) Compensation standards and packages for directors, the General Manager, and vice presidents: Compensation is differentiated based on academic and career background and level of participation and contribution to the Company's operations.
- (3) Procedures for determining compensation for directors, the General Manager, and vice presidents: The Compensation Committee devises compensation policy and system for directors, the General Manager, and vice presidents, and presents the proposal for resolution and execution by the board of directors.
- (4) Association of the compensations paid to directors, the General Manager, and vice presidents with business performance and future risks:

Compensation for directors, the General Manager, and vice presidents is determined based on their individual participation and contribution to the Company's operations and is differentiated among these individuals. Compensation is directly associated with business performance and adjusted according to future risk factors. It does not serve as incentive for directors, the General Manager, or vice presidents to act outside the Company's risk tolerance, and has been designed to prevent situations where the Company suffers losses after paying compensation to those who caused them.

IV. Corporate governance

(I) Functionality of board of directors

A total of 7 meetings (A) were held in the last year (2022); below are the attendance records:

Title	Name	No. of attendance in person B	No. of proxy attendance	In-person attendance rate (%) [B/A]	Remarks
Chairman	Guangxin Co., Ltd. Representative: Yu, Hui-Fa	7	0	100%	Re-elected 2020.06.15
Director	Guangxin Co., Ltd. Representative: Lin, Shu-Fen	7	0	100%	Re-elected 2020.06.15
Director	Jinyuan Investment Co., Ltd. Representative: Hu, Po-Jen	5	2	71.43%	Re-elected 2020.06.15
Director	Liyu Technology Co., Ltd. - Representative: Chang, Chin-Cheng	6	1	85.71%	Re-elected 2020.06.15
Director	Liyu Technology Co., Ltd. - Representative: Chang, Chin-Cheng	7	0	100%	Re-elected 2020.06.15
Director	Yong Xing Investment Limited Representative: Li, Hsiung-Ching	5	2	71.43%	Re-elected 2020.06.15
Independent Director	Tsai, Hsien-Tang	7	0	100%	Re-elected 2020.06.15
Independent Director	Chen, Liang-Tsung	7	0	100%	Re-elected 2020.06.15
Independent Director	Fu, Yu-Hsuan	6	1	85.71%	Re-elected 2020.06.15

Independent directors' attendance in 2022 board meetings:

Independent Director	The 7th board						
	13th meeting 2022.01.05	14th meeting 2022.03.18	15th meeting 2022.05.05	16th meeting 2022.06.24	17th meeting 2022.08.05	18th meeting 2022.11.09	19th meeting 2022.12.27
Tsai, Hsien-Tang	◎	◎	◎	◎	◎	◎	◎
Chen, Liang-Tsung	◎	◎	◎	◎	◎	◎	◎
Fu, Yu-Hsuan	◎	◎	◎	☆	◎	◎	◎

Note: ◎ in-person attendance ☆ proxy attendance

Other mandatory disclosures:

- I. Disclosures required by Article 14-3 of the Securities and Exchange Act and any documented opposition or reservations made by independent directors against board of directors' resolutions; state the date and details of the resolution, the meeting session, the independent directors' opinions and how the Company has responded:

Date	Motion details	Conditions described in Article 14-3 of the Securities and Exchange Act	Objections or reservations from independent directors	Company's response to independent directors' opinions
The 7th board 13th meeting 2022.01.05	Extension of endorsement/guarantee limit to subsidiary - Suzhou Longdeng Electronic Technologies Limited.	V	The motion was passed	None
	Change of lending arrangement with subsidiary - Suzhou Longdeng Electronic Technologies Limited.	V	The motion was passed	None
	Lending of capital by subsidiary - Suzhou Ruideng Technologies Limited to subsidiary - Suzhou Longdeng Electronic Technologies Limited.	V	The motion was passed	None
	Adjustment of organizational framework of the	V	The motion was	None

	Company.		passed	
	2022 disease control allowance for managers of subsidiaries.		The motion was passed	None
	2022 salary adjustment for managers of subsidiaries.		The motion was passed	None
	Managers' bonus.		The motion was passed	None
The 7th board 14th meeting 2022.03.18	The 2021 "Declaration of Internal Control System" and "Effectiveness Review of Internal Control System."	V	The motion was passed	None
	Independence and suitability assessment and appointment of the Company's financial statement auditors.	V	The motion was passed	None
	Amendments to the Company's "Asset Acquisition and Disposal Procedures."	V	The motion was passed	None
	Amendments to the Company's "Shareholders Conference Rules."	V	The motion was passed	None
	Appointment of directors for subsidiaries.	V	The motion was passed	None
	Extension of endorsement/guarantee limits to subsidiaries	V	The motion was passed	None
	Change of lending arrangement with subsidiary - Suzhou Longdeng Electronic Technologies Limited	V	The motion was passed	None
	Change of lending arrangement between subsidiary - Logah Auto Accessories (Suzhou) (the lender) and subsidiary - Suzhou Longdeng Electronic Technologies Limited (the borrower)	V	The motion was passed	None
The 7th board 15th meeting 2022.05.05	Private placement of common shares.	V	The motion was passed	None
The 7th board 16th meeting 2022.06.24	Extension of endorsement/guarantee limit by subsidiary - Suzhou Longdeng Electronic Technologies Limited to subsidiary - Suzhou Ruideng Technologies Limited.	V	The motion was passed	None
	Proposal by subsidiary - Suzhou Longdeng Electronic Technologies Limited to install rooftop solar power system.	V	The motion was passed	None
The 7th board 17th meeting 2022.08.05	Change of lending arrangement with subsidiary - Suzhou Longdeng Electronic Technologies Limited.	V	The motion was passed	None
	Lending of capital by subsidiary - Suzhou Ruideng Technologies Limited to subsidiary - Suzhou Longdeng Electronic Technologies Limited.	V	The motion was passed	None
The 7th board 18th meeting 2022.11.09	Change of lending arrangement with subsidiary - Suzhou Longdeng Electronic Technologies Limited.	V	The motion was passed	None
	Extension of endorsement/guarantee limits to	V	The motion was	None

	subsidiaries.		passed	
	Lending of capital by subsidiary - Suzhou Ruideng Technologies Limited to subsidiary - Suzhou Longdeng Electronic Technologies Limited.	V	The motion was passed	None
	Change of lending arrangement between subsidiary - Logah Auto Accessories (Suzhou) (the lender) and subsidiary - Suzhou Longdeng Electronic Technologies Limited (the borrower).	V	The motion was passed	None
	Amendments to the Company's "Material Insider Information Management and Insider Trading Prevention Procedures."	V	The motion was passed	None
	Amendments to the Company's "Board of Directors Conference Rules"	V	The motion was passed	None
	Proposal by subsidiary - Suzhou Longdeng Electronic Technologies Limited to diversify in business activities and investments.	V	The motion was passed	None
	Disposal of equipment by subsidiary - Suzhou Longdeng Electronic Technologies Limited and subsidiary - Suzhou Ruideng Technologies Limited.	V	The motion was passed	None
The 7th board 19th meeting 2022.12.27	Change of lending arrangement with subsidiary - Suzhou Longdeng Electronic Technologies Limited.	V	The motion was passed	None
	Extension of endorsement/guarantee limit to subsidiary - Suzhou Longdeng Electronic Technologies Limited.	V	The motion was passed	None
	Change of lending arrangement between subsidiary - Logah Auto Accessories (Suzhou) (the lender) and subsidiary - Suzhou Longdeng Electronic Technologies Limited (the borrower).	V	The motion was passed	None
	Withdrawal of proposal by subsidiary - Suzhou Longdeng Electronic Technologies Limited to diversify in business activities and investments.	V	The motion was passed	None
	Withdrawal of equipment disposal by subsidiary - Suzhou Longdeng Electronic Technologies Limited and subsidiary - Suzhou Ruideng Technologies Limited.	V	The motion was passed	None

II. Disclosure regarding avoidance of interest-conflicting motions, including the names of directors concerned, motion details, the nature of conflicting interests, and the voting process:

Time of board meeting	Motion details	Name of recused director	Reasons for recusal	Participation in the voting process
2022.01.05	2022 disease control allowance for managers of subsidiaries.	Chairman Yu, Hui-Fa; Director Lin, Shu-Fen	The parties in question held stake in the motion and had recused from discussion and voting.	The parties in question did not participate in the discussion or voting. The motion was passed unanimously by independent directors.
	2022 salary adjustment for managers of subsidiaries.	Chairman Yu, Hui-Fa; Director Lin, Shu-Fen	The parties in question held stake in the motion and had recused from discussion and voting.	The parties in question did not participate in the discussion or voting. The motion was passed unanimously by independent directors.
	Managers' bonus.	Chairman Yu, Hui-Fa;	The parties in question	The parties in question did not

		Director Lin, Shu-Fen	held stake in the motion and had recused from discussion and voting.	participate in the discussion or voting. The motion was passed unanimously by independent directors.
2022.03.18	Appointment of directors for subsidiaries.	Chairman Yu, Hui-Fa; Director Lin, Shu-Fen	The parties in question held stake in the motion and had recused from discussion and voting.	The parties in question did not participate in the discussion or voting. The motion was passed unanimously by independent directors.
2022.11.09	Review of 2021 compensation for directors (including independent directors), the General Manager, and vice presidents.	Chairman Yu, Hui-Fa; Director Lin, Shu-Fen; Independent Director Fu, Yu-Hsuan; Independent Director Chien, Liang-Tsung; Independent Director Tsai, Hsien-Tang	The parties in question held stake in the motion and had recused from discussion and voting.	The parties in question did not participate in the discussion or voting. The motion was passed unanimously by independent directors.
2022.12.27	Managers' bonus.	Chairman Yu, Hui-Fa	The parties in question held stake in the motion and had recused from discussion and voting.	The parties in question did not participate in the discussion or voting. The motion was passed unanimously by independent directors.

III. Cycle, duration, scope, method, and detail of board performance self (peer) evaluation:

Execution of board performance evaluation

Item	Explanation
Assessment cycle	Once a year
Assessment duration	January 1, 2022 to December 31, 2022
Scope of assessment	The entire board of directors, individual board members, Audit Committee, and Compensation Committee
Assessment method	Performance is evaluated by ways of board of directors self-assessment, director self-assessment, Audit Committee self-assessment, and Compensation Committee self-assessment
Assessment details	Performance assessment of the board of directors covers the five main aspects below: 1. participation in the Company's operations, 2. improvement to the quality of board decisions, 3. the board's composition, 4. election and ongoing education of board members, and 5. enforcement of internal control. Directors' individual performance assessment covers the following six main aspects: 1. director's awareness toward the Company's goals and missions, 2. awareness to duties, 3. level of participation in the Company's operations, 4. maintenance of internal relations and communication, 5. professionalism and ongoing education, and 6. enforcement of internal control. Assessment of Audit Committee and Compensation Committee covers the following five main aspects: 1. participation in the Company's operations, 2. awareness to duties, 3. improvement to the quality of committee's decisions, 4. composition and member selection, and 5. enforcement of internal control.
Assessment outcome	The performance of the board as a whole was rated "better than standard;" the performance of board members was rated "better than standard," and the Audit Committee's performance was rated "better than standard," and the Remuneration Committee's performance was rated "better than standard."

IV. Enhancements to the functionality of board of directors in the current and the most recent year (e.g. assembly of Audit Committee, improvement of information transparency etc.), and progress of such enhancements:

- (I) An Audit Committee comprising three directors that satisfy the independence criteria has been assembled under the board of directors. Its responsibilities are to help the board of directors ensure the completeness of financial statement disclosures and the robustness of internal audit practices. The committee would review financial statements and motions before they are presented in board meetings to facilitate meeting progression. The current Audit Committee held a total of 7 meetings in 2022 to review issues of concern.
- (II) A Compensation Committee comprising three directors that satisfy the independence criteria has been assembled under the board of directors. Its responsibilities are to evaluate compensation policy and system for directors and managers, and to offer suggestions that assist the board of directors in decision-making. The current Compensation Committee held a total of 3 meetings in 2022 to review issues of concern.
- (III) The Company has purchased "Liability Insurance for Directors, Supervisors, and Managers" to diversify directors' legal responsibilities and risks. Relevant reports were made during the 20th meeting of the 7th board of directors held on March 23, 2023.

(II) Functionality of the Audit Committee:

1. Functionality of the Audit Committee:

A total of 7 Audit Committee meetings (A) were held in the last year (2022); independent directors' attendance records are summarized below:

Title	Name	No. of in-person attendance (B)	No. of proxy attendance	Percentage of in-person attendance (%) (B/A)	Remarks
Independent Director	Chen, Liang-Tsung	7	0	100%	Re-elected 2020.06.15
Independent Director	Tsai, Hsien-Tang	7	0	100%	
Independent Director	Fu, Yu-Hsuan	6	1	85.71%	

Other mandatory disclosures:

I. Disclosures required by Article 14-5 of the Securities and Exchange Act, and any resolutions unapproved by the Audit Committee but passed by more than two-thirds of directors:

Audit Committee	Motion details	Conditions described in Article 14-5 of the Securities and Exchange Act	Resolutions unapproved by the Audit Committee but passed by more than two-thirds of directors
The 4th board 12th meeting 2022.01.05	Extension of endorsement/guarantee limit to subsidiary - Suzhou Longdeng Electronic Technologies Limited.	V	None
	Change of lending arrangement with subsidiary - Suzhou Longdeng Electronic Technologies Limited.	V	None
	Lending of capital by subsidiary - Suzhou Ruideng Technologies Limited to subsidiary - Suzhou Longdeng Electronic Technologies Limited.	V	None
	Adjustment of organizational framework of the Company.	V	None
The 4th board 13th meeting 2022.03.18	The Company's 2021 business report, parent company only financial statements, and consolidated financial statements.	V	None
	The 2021 "Declaration of Internal Control System" and "Effectiveness Review of Internal Control System."	V	None
	Independence and suitability assessment and appointment of the Company's financial statement auditors.	V	None
	Amendments to the Company's "Asset Acquisition and Disposal Procedures."	V	None
	Amendments to the Company's "Shareholders Conference Rules."	V	None
	Appointment of directors for subsidiaries.	V	None
	Extension of endorsement/guarantee limits to subsidiaries	V	None
	Change of lending arrangement with subsidiary - Suzhou Longdeng Electronic Technologies Limited	V	None
The 4th board 14th meeting 2022.05.05	Change of lending arrangement between subsidiary - Logah Auto Accessories (Suzhou) (the lender) and subsidiary - Suzhou Longdeng Electronic Technologies Limited (the borrower)	V	None
	Private placement of common shares.	V	None
The 4th board 15th meeting 2022.06.24	Extension of endorsement/guarantee limit by subsidiary - Suzhou Longdeng Electronic Technologies Limited to subsidiary - Suzhou Ruideng Technologies Limited.	V	None

	Proposal by subsidiary - Suzhou Longdeng Electronic Technologies Limited to install rooftop solar power system.	V	None
The 4th board 15th meeting 2022.08.05	Change of lending arrangement with subsidiary - Suzhou Longdeng Electronic Technologies Limited.	V	None
	Lending of capital by subsidiary - Suzhou Ruideng Technologies Limited to subsidiary - Suzhou Longdeng Electronic Technologies Limited.	V	None
The 4th board 17th meeting 2022.11.09	Change of lending arrangement with subsidiary - Suzhou Longdeng Electronic Technologies Limited.	V	None
	Extension of endorsement/guarantee limits to subsidiaries.	V	None
	Lending of capital by subsidiary - Suzhou Ruideng Technologies Limited to subsidiary - Suzhou Longdeng Electronic Technologies Limited.	V	None
	Change of lending arrangement between subsidiary - Logah Auto Accessories (Suzhou) (the lender) and subsidiary - Suzhou Longdeng Electronic Technologies Limited (the borrower).	V	None
	Amendments to the Company's "Material Insider Information Management and Insider Trading Prevention Procedures."	V	None
	Amendments to the Company's "Board of Directors Conference Rules"	V	None
	Proposal by subsidiary - Suzhou Longdeng Electronic Technologies Limited to diversify in business activities and investments.	V	None
	Disposal of equipment by subsidiary - Suzhou Longdeng Electronic Technologies Limited and subsidiary - Suzhou Ruideng Technologies Limited.	V	None
The 4th board 18th meeting 2022.12.27	Change of lending arrangement with subsidiary - Suzhou Longdeng Electronic Technologies Limited.	V	None
	Extension of endorsement/guarantee limit to subsidiary - Suzhou Longdeng Electronic Technologies Limited.	V	None
	Change of lending arrangement between subsidiary - Logah Auto Accessories (Suzhou) (the lender) and subsidiary - Suzhou Longdeng Electronic Technologies Limited (the borrower).	V	None
	Withdrawal of proposal by subsidiary - Suzhou Longdeng Electronic Technologies Limited to diversify in business activities and investments.	V	None
	Withdrawal of equipment disposal by subsidiary - Suzhou Longdeng Electronic Technologies Limited and subsidiary - Suzhou Ruideng Technologies Limited.	V	None

II. Avoidance of involvements in interest-conflicting motions by independent directors; state the names of independent directors, the motion, the nature of conflicting interests, and the voting process: None.

III. Communication between independent directors and internal/external auditors (e.g. discussions concerning the Company's financial and business affairs, the method of communication used, and the outcome):

(I) Communication between independent directors and the chief internal auditor:

The chief internal auditor regularly prepares internal audit reports along with relevant information for review by independent directors, and makes quarterly reports on audit progress during board meetings and Audit Committee meetings. The chief internal

auditor would also report to the Audit Committee immediately for any special occurrences. Independent directors of the Company have maintained good communication with the chief internal auditor.
Summary of communications made in 2022:

Date	Summary of communication	Execution progress
2022.03.18 Audit Committee	<ul style="list-style-type: none"> ●Progress update on mandatory audits and reports that are required by laws ●2021 Q4 audit and execution ●Audit focus for the first quarter of 2022 ●Discussion regarding the 2021 "Declaration of Internal Control System" and "Effectiveness Review of Internal Control System" 	Acknowledged. No contradicting opinion was raised.
2022.05.05 Audit Committee	<ul style="list-style-type: none"> ●Progress update on mandatory audits and reports that are required by laws ●2022 Q1 audit focus and execution ●Audit focus for the second quarter of 2022 	Acknowledged. No contradicting opinion was raised.
2022.08.05 Audit Committee	<ul style="list-style-type: none"> ●Progress update on mandatory audits and reports that are required by laws ●2022 Q2 audit focus and execution ●Audit focus for the third quarter of 2022 	Acknowledged. No contradicting opinion was raised.
2022.11.09 Audit Committee	<ul style="list-style-type: none"> ●Progress update on mandatory audits and reports that are required by laws ●2022 Q3 audit focus and execution ●Audit focus for the fourth quarter of 2022 ●2023 audit plan 	Acknowledged. No contradicting opinion was raised.

- (II) Communication between independent directors and external auditors:
The Company's financial statement auditors would communicate with independent directors, on an unscheduled basis, regarding financial statements of the Company and subsidiaries. Independent directors of the Company have maintained good communication with the financial statement auditors.
Summary of communications made in 2022:

Date	Summary of communication	Execution progress
2022.03.18	<ul style="list-style-type: none"> ●Responsibilities of the governance body ●Audit coverage and method for 2021 ●Major accounting policies, accounting estimates, events, and transactions for 2021 ●Significant risk ●Key Audit Matters ●Matters communicated ●CPA's independence 	No contradicting opinion was raised.
2022.12.27	<ul style="list-style-type: none"> ●Audit team ●Audit coverage and method ●Group audit ●Preliminary identification of significant risks and key audit matters for audit planning ●The authority's enhanced requirements on cybersecurity management ●FSC's AQI and transparency report ●Pre-approval of non-assurance services by the governance body ●CPA independence statement 	No contradicting opinion was raised.

(III) Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies

Assess criteria	Current practices			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
I. Has the Company established and disclosed its corporate governance principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"?	✓		The Company has established its own "Corporate Governance Code of Conduct" based on "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" to provide guidance on proper corporate governance practices and spirits. Details of which have been uploaded onto Market Observation Post System and the Company's website.	Conformed with Corporate Governance Best-Practice Principles.
II. Shareholding structure and shareholders' interests				
(I) Has the Company implemented a set of internal procedures to handle shareholders' suggestions, queries, disputes, and litigations?	✓		(I) The Company has established a set of "Material Insider Information Management and Insider Trading Prevention Procedures" and appointed spokesperson to handle related matters as well as shareholders' suggestions, queries, disputes, and litigations. Any legal issues are referred to legal consultants.	Conformed with Corporate Governance Best-Practice Principles.
(II) Is the Company constantly informed of the identities of its major shareholders and the ultimate controller?	✓		(II) The Company monitors monthly reports on insiders' shareholding position and keeps track of changes on a regular basis. Using the shareholders registry prepared by the Shareholder Service Office, the Company establishes the identities of its major shareholders and the ultimate controller, and makes monthly disclosures in compliance with laws.	
(III) Has the Company established and implemented risk management practices and firewalls for companies it is affiliated with?	✓		(III) The Company has established a set of "Procedures for Transaction with Specific Entities, Group Members, and Affiliated Enterprises" and "Subsidiary Management Policy" to enforce risk management between affiliated enterprises.	
(IV) Has the Company established internal policies that prevent insiders from trading securities against non-public information?	✓		(IV) The board of directors passed a set of "Business Integrity Procedures and Behavioral Guidelines" during the meeting held on November 10, 2015 that explicitly prohibits employees from exploiting non-public information for insider trading or disclosing non-public information to others.	
III. Composition and responsibilities of the board of directors				
(I) Does the board of directors have a diversity policy and management goals that are duly enforced?	✓		(I) The Company values the diversity of its board of directors. Board members in general possess the knowledge, skills and characters needed to perform their duties. Nomination and selection of board members are carried out according to the Articles of Incorporation, using the candidate nomination approach that takes into consideration the career and academic backgrounds of each candidate. This process observes the "Director and Supervisor Election Policy" and "Corporate Governance Code of Conduct" to ensure diversity and independence of board members. The current board comprises 9 directors. The board as a whole possesses extensive experience and professional capacity in fields such as finance, law, and administration. The Company also places emphasis on gender equality within the board. The board currently has 9 directors, including one female director that represents 11% of total board members. See page 12-14 for details.	Conformed with Corporate Governance Best-Practice Principles.
(II) Apart from the Remuneration Committee and Audit Committee, has the Company assembled other functional committees at its own discretion?	✓		(II) The Company has assembled a Compensation Committee and an Audit Committee in accordance with laws, and may assemble other functional committees if needed to support business activities.	
(III) Has the Company established a set of policies and assessment	✓		(III) The Company has implemented a set of "Board of Directors Performance	

Assess criteria	Current practices			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
tools for evaluating board performance, and conducted performance evaluation on a yearly basis? Are performance evaluation results reported to the board of directors and used as reference for compensation, remuneration, and nomination decisions? (IV) Are external auditors' independence assessed on a regular basis?	✓		Evaluation Policy" and carries out performance evaluation according to rules. The board of directors conducts internal self-assessments at the end of each year, and the outcomes of which are used as reference for compensation and nomination decisions in the future. Outcome of the most recent evaluation was reported to the board of directors during the meeting held on March 23, 2023. Performance of the board was considered to be above-standard, and individual directors' performance was deemed strong overall. (IV) The Company has established a set of CPA independence assessment policy, and adopted the practice to evaluate independence and suitability of its financial statement auditors. It is confirmed that the Company has no other financial interest or business dealing with the CPAs beside auditing and taxation service fees. Furthermore, CPAs' family members were found to have met the independence requirements. CPAs' independence assessment for the current year was passed by the board of directors during the meeting held on March 23, 2023; please refer to (Note 1) for details relating to the assessment procedures.	
IV. Has the TWSE/TPEX listed company allocated adequate number of competent corporate governance staff and appointed a corporate governance officer to oversee corporate governance affairs (including but not limited to providing directors/supervisors with the information needed to perform their duties, assisting directors/supervisors with compliance issues, convention of board meetings and shareholder meetings, and preparation of board/shareholder meeting minutes)?	✓		The Auditing Office, finance and accounting unit, and handlers of various motions are responsible for providing directors and the Audit Committee with the information needed to perform duties. The Chairman's Office collectively oversees board meeting and shareholder meeting affairs, including the preparation of board meeting and shareholder meeting minutes.	Conformed with Corporate Governance Best-Practice Principles.
V. Has the Company provided proper communication channels and created dedicated sections on its website to address corporate social responsibility issues that are of significant concern to stakeholders (including but not limited to shareholders, employees, customers and suppliers)?	✓		The Company has spokesperson in place to communicate with the outside world, and has created "CSR section and Investor Zone" on its website to provide stakeholders with relevant information. All issues raised are handled by dedicated personnel.	Conformed with Corporate Governance Best-Practice Principles.
VI. Does the Company engage a share transfer agency to handle shareholder meeting affairs?	✓		The Company has commissioned the Agency Department of CTBC Bank to handle share administration affairs. An "Internal Control System for Shareholder Service" has been implemented to serve as guidance.	Conformed with Corporate Governance Best-Practice Principles.
VII. Information disclosure (I) Has the Company established a website that discloses financial, business, and corporate governance-related information? (II) Has the Company adopted other means to disclose information (e.g. English website, assignment of dedicated personnel to collect and disclose corporate information, implementation of a spokesperson system, and broadcasting of investor conferences via the company website)? (III) Does the Company publish and make official filing of annual financial report within two months after the end of an accounting	✓ ✓		(I) The Company maintains an official portal (http://www.logah.com) and uses it to disclose financial, business, and corporate governance information both on a regular and unscheduled basis. (II) The Company has appointed dedicated personnel to gather and disclose information relating to the Company. The Company has also assigned a spokesperson to communicate with the outside world and delegated employees to disclose information over the Market Observation Post System. (III) The Company publishes and files annual report, Q1, Q2 and Q3 financial reports along with monthly business performance within the required	Conformed with Corporate Governance Best-Practice Principles. The Company publishes and files reports along with monthly

Assess criteria	Current practices			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
period, and publish/file Q1, Q2 and Q3 financial reports along with monthly business performance before the required due dates?			timeframe.	business performance within the required timeframe, not before the required due.
VIII. Does the Company have other information that enables a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders' interests, continuing education of directors/supervisors, implementation of risk management policies and risk measurements, implementation of customer policy, and liability insurance for directors and supervisors)?	✓		(I) The Company has a corporate governance task force that is headed by the General Manager and staffed with one representative from internal audit and one from the finance unit. Key responsibilities of the task force are as follows: 1. Establishment of a suitable corporate governance framework that promotes board independence, information transparency, compliance, and internal audit/control. 2. Plan and determine meeting proceedings prior to board meetings, issue meeting advice to all directors at least 7 days in advance, and provide them with adequate information about the motions being discussed. Where a motion concerns the personal interest of a particular director, the concerned party will be reminded to avoid involvement in advance. 3. Setting the date for annual shareholder meetings in accordance with law; preparing meeting advice, conference handbook, and minutes before the statutory due date; and making proper registrations after director election or after amendments are made to the Articles of Incorporation.	Conformed with Corporate Governance Best-Practice Principles.
	✓		(II) Employee rights and employee care: The Company has established an Employee Welfare Committee to oversee matters concerning employees' benefits, make contributions to the employee pension fund, and enforce policies relating to worker benefits, safety, and health for the protection of employees' rights.	
	✓		(III) Investor relations: The Company has a spokesperson that is responsible for communicating with the outside world. Information is being announced and filed publicly in accordance with rules.	
	✓		(IV) Supplier relations: By working closely with suppliers and building a strong partnership, the Company explores product innovation as well as ways to grow business in a sustainable manner.	
	✓		(V) Stakeholders' interests: The Company has created a stakeholders section on its website to serve as communication channel for stakeholders and to protect the rightful interests of both parties. Furthermore, the Company has implemented "Procedures for Transaction with Specific Entities, Group Members, and Affiliated Enterprises" to ensure that stakeholders do recuse from conflict of interest.	
	✓		(VI) Directors' and supervisors' ongoing education: All of the Company's directors possess relevant industry background and practical experience in business administration. Details on directors' education have been disclosed on the corporate governance section of Market Observation Post System (http://mops.twse.com.tw).	
	✓		(VII) Risk management policies, risk measurement standards, and execution: The Company manages and measures risks in accordance with laws and the internal control system.	

Assess criteria	Current practices			Deviation and causes of deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
	✓		(VIII) Execution of customer policy: The Company maintains open communication and productive relationship with all its customers for the sustainability of business growth.	
	✓		(IX) Purchase of liability insurance for directors and supervisors: The Company purchases and renews liability insurance for directors on a yearly basis.	
<p>IX. Please explain the improvements made, based on the latest Corporate Governance Evaluation results published by TWSE Corporate Governance Center, and propose enhancement measures for any issues that are yet to be rectified. (Not required if the Company is not one of the evaluated subjects.)</p> <p>The Company ranked in the 81%-100% tier of TWSE-listed companies during the 2022 (the 9th) Corporate Governance Evaluation.</p> <p>Corporate governance improvements made in 2022: The annual report is being uploaded 16 days before shareholder meeting.</p> <p>Corporate governance issues requiring improvement in 2022: Disclosed the annual work focus of the Audit Committee.</p>				

Note 1:

CPA Independence Assessment Sheet for Logah Technology Co., Ltd.

Assessor: board of directors

Year of assessment: 2023

Accounting firm: Deloitte Taiwan

Name of CPA: Jiang, Jia-Ling; Wu, Chiu-Yen

Assessments	Yes	No	Explanation
1. The Company and the CPAs it engages hold no material financial stake in each other.	V		
2. CPAs have no inappropriate relationship with the Company.	V		
3. CPAs have instructed their assistants to be honest, fair and independent.	V		
4. None of the CPAs serve as the Company's director, supervisor, manager, or any position that has material influence on audit activities, whether currently or at any time in the last two years. The Company is certain that they will not hold the abovementioned positions during future audits.	V		
5. The CPAs, their spouses, and dependents did not serve as the Company's director, supervisor, manager, or hold any position that had direct and material influence on audit activities during the audit period. If any of the CPAs' relatives of the 4th degree or closer serve as director, supervisor, or manager or undertake any position within the Company that has direct and significant effect on audit tasks during the audit period, actions must be taken to mitigate the violation of independence to an acceptable level.	V		
6. CPAs do not receive gifts of significant value (exceeding the customary standard) from the Company or its directors, supervisors, or managers.	V		
7. The CPAs do not lend license to others.	V		
8. The CPAs do not have any borrowing arrangement with the Company, except for ordinary dealings with a financial institution.	V		
9. The CPAs do not operate any other business that may compromise independence.	V		
10. The CPAs do not receive any business-related commission.	V		
11. The CPAs do not hold shares of the Company.	V		
12. The CPAs do not concurrently hold permanent position in the Company, for which they are compensated with regular salary.	V		
13. The CPAs are not involved in any joint investment or profit-sharing arrangement with the Company.	V		
14. The CPAs are not involved in management-related decision making within the Company.	V		

Assessment outcome: Compliant / Non-compliant with CPA independence

Declaration of CPA Independence

Recipient: Logah Technology Corporation

Subject: With regards to the auditing of your 2023 financial statements, we, the audit team, hereby declare having performed such service in compliance with the "Integrity, Fairness, Objectivity and Independence" principles of the Statement of CPA Professional Ethics No. 10. published by the CPA Associations R.O.C. (Taiwan) and abode by the following guidelines without violation against independence requirements.

Description:

- I. Members of the audit team and spouse and dependents thereof do not exhibit any of the following:
 - (I) Hold material direct or indirect financial interest in the Company.
 - (II) Engage the Company or its directors, supervisors, or managers in any commercial relationship that would compromise independence.
- II. None of the audit team members and spouse and dependents thereof assumed directorship, supervisorship, managerial position, or any duty within the Company that had direct and significant effect on the audit tasks performed throughout the duration of audit service.
- III. None of the audit team members had any relationship characterized as spouse, direct blood relative, direct relative by affinity, or collateral blood relative of second degree or closer with any of the Company's directors, supervisors, or managers.
- IV. None of the audit team members received any gifts of significant value (exceeding the customary standard) from the Company or its directors, supervisors, managers, or major shareholders.
- V. Members of the audit team have performed the necessary independence procedures and found no unresolved conflict of interest that would compromise their independence.

Deloitte Taiwan

CPA Chiang, Chia-Ling

CPA Wu, Chiu-Yen

(IV) Disclose the composition, responsibilities, and functionality of the remuneration committee, if available:

1. Information of Compensation Committee members

Name	Criteria	Professional qualification and experience	Compliance of independence	Number of concurrent positions as Compensation Committee member in other public companies
Independent Director Compensation Committee convener Tsai, Hsien-Tang	Graduated from Purdue University School of Management with a Ph.D. Currently serves as the Company's Compensation Committee convener and Audit Committee member, independent director of Chung Hung Steel Corp. and Fulin Plastic Industry (Cayman) Holding Co., Ltd., and remuneration committee member of Revivegen Environmental Technology Co. Ltd. Formerly served as professor at National Sun Yat-Sen University College of Management. Possesses at least 5 years of work experience in commerce and is qualified to lecture in public as well as private tertiary institutions on subjects that are relevant to company operations. Able to provide professional suggestions to the management.	1. None of the individual, spouse, and 2nd-degree relatives or closer serve as director, supervisor, or employee in the Company or any of its related enterprises. 2. Does not hold shares of the Company whether using the name of self, spouse, or 2nd-degree relatives or closer (or proxies). 3. Did not serve as director, supervisor, or employee in any entity that had certain relationship with the Company (as defined in Subparagraphs 5-8, Paragraph 1, Article 6 of Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter).	2	
Independent Director Chen, Liang-Tsung	Graduated from the Department of Accounting, College of Management, National Taiwan University; passed senior exam for certified public accountant of the Republic of China and holds valid license for certified public accountant. Currently a licensed accountant; serves as Audit Committee convener and Compensation Committee member of the Company and independent director of Hye Technology Co., Ltd. Possesses at least 5 years of work experience in commerce, finance, and accounting and is professionally qualified to perform tasks that are relevant to company operations. Specializes in accounting affairs.	4. Did not receive compensation from the Company or its affiliated enterprises for commercial, legal, financial, or accounting services in the last two years.	1	
Independent Director Fu, Yu-Hsuan	Graduated from West Coast University with a MBA. A member of the Company's Compensation Committee and Audit Committee. Currently serves as independent director, audit committee member, and remuneration committee member of PenPower Technology Limited and Test Research Inc. Formerly served as independent director of Chicony Power Technology Co., Ltd., director of Lite-On Semiconductor Corporation, and president of Wyse Technology Taiwan Ltd. and E Ink Holdings Incorporated. Possesses at least 5 years of work experience in commerce, finance, accounting, and fields of expertise that are necessary for company operations as well as global perspectives. Specializes in business administration and is able to lead and make decisions in response to market competition.		2	

2. Functionality of the Compensation Committee

(1) The Company's Compensation Committee comprises 3 members.

(2) Duration of service: from June 15, 2020 until June 14, 2023. The Compensation Committee held 3 meetings (A) in the last year (2022); details of members' attendance are as follows:

Title	Name	No. of in-person attendance (B)	No. of proxy attendance	In-person attendance rate (%) (B/A)	Remarks
Convener	Tsai, Hsien-Tang	3	0	100%	None
Committee member	Fu, Yu-Hsuan	3	0	100%	None
Committee member	Chen, Liang-Tsung	3	0	100%	None

Other mandatory disclosures:

- 一、 In the event where the Remuneration Committee's proposal is rejected or amended in a board of directors meeting, please describe the date and session of the meeting, details of the motion, the board's resolution, and how the Company had handled the Remuneration Committee's opinions:

Session	Motion details and subsequent actions	Resolution	Company's response to Compensation Committee's opinions
6th meeting of the 4th committee 2022.01.05	1. 2022 disease control allowance for managers of subsidiaries. 2. 2022 salary adjustment for managers of subsidiaries. 3. Managers' bonus.	Entirely passed as proposed without objection	Presented to the board of directors for resolution and passed
7th meeting of the 4th committee 2022.11.09	1. Review of 2021 compensation for directors (including independent directors), the General Manager, and vice presidents.	Entirely passed as proposed without objection	Presented to the board of directors for resolution and passed
8th meeting of the 4th committee 2022.12.27	1. Managers' bonus.	Entirely passed as proposed without objection	Presented to the board of directors for resolution and passed

- II. Should any committee member object or express reservations to the resolution made by the Remuneration Committee, whether on-record or in writing, please state the date and session of the meeting, details of the motion, the entire members' opinions, and how their opinions were addressed: None.

(V) Sustainable development practices; deviation and causes of deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

Projects	Execution progress		Summary description	Deviation and causes of deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No		
I. Has the Company implemented a governance framework that supports sustainable development, and designated a unit that specializes (or is involved) in the promotion of sustainable development? Is the unit empowered by the board of directors and run by senior management, and how does the board supervise progress? (TWSE/TPEX listed companies should describe the execution progress, any non-conformities, and provide explanations.)		✓	The Administrative Department has been appointed as the supervising unit for sustainability-related issues, and continues to bring sustainability into business growth. However, routine reporting to the board of directors is still being planned at the moment.	Relevant actions are currently being planned.
II. Has the Company conducted risk assessment on environmental, social, and corporate governance issues that are relevant to its operations, and implemented risk management policies or strategies based on principles of materiality? (TWSE/TPEX listed companies should describe the execution progress, any non-conformities, and provide explanations.)		✓	The board of directors established "Sustainable Development Code of Conduct" during the meeting held on March 28, 2017 as a way to support sustainable growth and promote balance between economic activities, social growth, and the environment. The Company pays great attention to workers' health and the work environment, and takes actions to protect workers' interests and maintain harmonic employment relationship. Significant emphasis is being directed to protect the environment, ensure compliance with environmental regulations, refrain use of substances that are harmful to the environment, and uphold product and service quality. Donations are made to charity organizations from time to time.	Relevant actions are currently being planned.
III. Environmental issues (I) Has the Company developed an appropriate environmental management system, given its distinctive characteristics? (II) Is the Company committed to making efficient use of energy, and using renewable materials that produce less impact on the environment? (III) Does the Company assess potential risks and opportunities associated with climate change, and undertake measures in response to climate issues?	✓ ✓ ✓		(I) With regards to environmental safety and health, the Company not only ensures compliance with domestic environmental safety and health regulations, but also strives to connect globally by attaining certifications for ISO 14001 - Environmental Management System and OHSAS 18001 - Occupational Health and Safety Management System, and maintaining operation of such systems. (II) The Company is dedicated to solving problems at the source. It has progressively improved resource efficiency, and by recycling and reusing scrap materials from production, the Company is able to reduce raw material input and waste output, which ultimately minimizes impact on the environment. (III) Climate change has become an issue of concern to investors and businesses today. Being well aware of how climate change may give rise to natural disasters that directly impact business operations and cause raw materials to rise in price or indirectly disrupt supply, the Company has been directing significant attention to reducing energy, carbon footprint, and greenhouse gas. In June 2010, the Company participated in customer's supplier carbon survey and validation project, during which it introduced its own greenhouse gas survey system. The Company managed to pass ISO14064-1 certification at the end of December that year, and later acquired ISO14064-1 certificate in January 2011. In addition to reviewing energy and carbon reduction measures on a regular basis, the Company also conducts internal validations and surveys in accordance with ISO 14064-1 standards to keep track of progress. The Company organizes routine training and awareness programs to promote environmental awareness, and takes actions to replace conventional fluorescent tubes with energy-saving alternatives, replace energy-intensive injection molding equipment with new energy-efficient models, replace photocatalyst air filters with activated carbon solutions, and enforce the waste recycling policy.	Consistent with Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

(V) Sustainable development practices; deviation and causes of deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

Projects	Execution progress		Summary description	Deviation and causes of deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No		
(IV) Does the Company maintain statistics on greenhouse gas emission, water usage, and total waste volume in the last two years, and implement policies aimed at reducing greenhouse gas, water, and waste?	✓		(IV) The Company complies with environmental protection laws and supports policies on waste recycling, waste sorting, energy reduction, and carbon reduction as ways to minimize burden to the environment. After obtaining ISO14064-1 certification in January 2011, the Company has been calculating energy/resource consumption and emission volume using the ISO14064-1 standard on a yearly basis.	
IV. Social issues				
(I) Has the Company developed its policies and procedures in accordance with laws and International Bill of Human Rights?	✓		(I) The Company complies with employment regulations, and has internal control systems in place to guide the appointment, dismissal, and compensation of relevant personnel for the protection of employees' rights.	Consistent with Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
(II) Has the Company developed and implemented reasonable employee welfare measures (including compensation, leave of absence, and other benefits), and appropriately reflected business performance or outcome in employees' compensations?	✓		(II) The Company has implemented policies to provide guidance on matters concerning recruitment, performance evaluation, leave of absence, benefits, reward, and discipline. An Employee Welfare Committee has been assembled to enforce welfare measures. Employees' compensations are being adjusted to properly reflect operational performance, individual capacity, and contribution. In doing so, the Company hopes to recruit and retain the right talents that would ensure continuity of business operations.	
(III) Does the Company provide employees with a safe and healthy work environment? Are employees trained regularly on safety and health issues?	✓		(III) The Company believes that only with the help of healthy employees may it deliver work performance at high efficiency and high quality, and therefore devotes significant attention to providing employees with a safe and healthy work environment. With regards to work safety, the Company helps employees develop emergency response capabilities and safety awareness through persistent training and awareness programs. This additional knowledge will prove useful in reducing accidents caused by unsafe conducts. The following protection measures have been implemented to improve workplace and personal safety: 1. Office premises are equipped with central air conditioning and adequate lighting, and have been designed for the best comfort. 2. All fire safety equipment is regularly tested and serviced; common equipment is properly maintained and smoking is prohibited anywhere within the office premise. 3. In addition to the presence of security guard, all personnel entering the premise are recorded on file for enhanced safety protection. 4. Workplace facilities are cleaned and sanitized on a regular basis to ensure health and comfort. 5. An "Accident Response Policy" has been implemented to minimize accidental damage and to ensure employees' safety and health. 6. All employees are covered by Labor and National Health Insurance.	
(IV) Has the Company implemented an effective training program that helps employees develop skills over their career?	✓		(IV) The Company has pre-job training and on-job training procedures in place. Each department is required to follow an annual training plan as well as an ad-hoc training plan that the Administrative Department has devised based on organizational needs, department needs, and needs of individual employees. Departments may also submit requests for external training as deemed necessary	

(V) Sustainable development practices; deviation and causes of deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

Projects	Execution progress			Deviation and causes of deviation from Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary description	
(V) Has the Company complied with laws and international standards with respect to customers' health, safety, and privacy, marketing and labeling in all products and services offered, and implemented consumer/customer protection policies and complaint procedures?	✓		(V) The Company observes regulations and international standards for all products, marketing activities, services, and labeling. For the promotion consumers' rights, safety, and experience, a dedicated unit has been created with contact information and e-mail duly disclosed over the corporate website to ensure that consumers' queries and complaints are resolved in a fair and timely manner.	
(VI) Has the Company implemented a supplier management policy that regulates suppliers' conducts with respect to environmental protection, occupational safety and health, or work rights/human rights issues, and tracked suppliers' performance on a regular basis?	✓		(VI) The Company has implemented supplier evaluation and rating guidelines for all products offered, and the evaluation covers environmental management issues. Any existing supplier that exhibits actual or potential negative impact on the environment, employment terms, human rights, or the society will be instructed to make immediate improvements or terminate contract.	
V. Does the Company prepare sustainability report or any report of non-financial information based on international reporting standards or guidelines? Are the abovementioned reports supported by assurance or opinion of a third-party certifier?		✓	The Company has not prepared sustainability report or any report of non-financial information based on international reporting standards or guidelines. Nevertheless, the Company will continue to adopt sustainable practices and establish policies as deemed necessary.	Actions are currently being planned
VI. If the Company has established sustainability policies in accordance with "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," please describe its current practices and any deviations from the Best Practice Principles: The board of directors passed the establishment of "Sustainable Development Code of Conduct" during the meeting held on March 28, 2017 to support the Company's social responsibilities.				
VII. Other information useful to the understanding of sustainable practice: A broad diversity of green plants are being introduced to transform employees' work environment and make the community more eco-friendly.				

(VI) Enforcement of business integrity, and deviation and causes of deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies

Assessment criteria	Current practices			Deviation and causes of deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Ye s	N o	Summary description	
I. Establishment of integrity policies and solutions				
(I) Has the Company established a set of board-approved business integrity policy, and stated in its Memorandum or external correspondence about the polices and practices it implements to maintain business integrity? Are the board of directors and the senior management committed to fulfilling this commitment?	✓		(I) The Company has established and implemented its own "Business Integrity Code of Conduct" and "Business Integrity Procedures and Behavioral Guidelines" with board of directors' approval. Details of which have been disclosed over the corporate website.	Consistent with Integrity Best-Practice Principles for TWSE/TPEX Listed Companies.
(II) Has the Company developed systematic practices for assessing integrity risks? Does the Company perform regular analyses and assessments on business activities that are prone to higher risk of dishonesty, and implement preventions against dishonest conducts that include at least the measures mentioned in Paragraph 2, Article 7 of "Ethical Corporate Management Best Practice Principles for	✓		(II) The Business Integrity Code of Conduct specifically lists out dishonest conducts and improper gains that employees should avoid while engaging in business activities. A set of "Business Integrity Procedures and Behavioral Guidelines" has also been established to regulate and prevent dishonest conducts. In addition to the presence of internal control and internal audit systems, the Company has an internal audit unit that carries out audit tasks. Any fraudulent or inappropriate	

Assessment criteria	Current practices		Deviation and causes of deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies	
	Yes	No		
<p>TWSE/TPEX Listed Companies"?</p> <p>(III) Has the Company defined and enforced operating procedures, behavioral guidelines, penalties, and grievance systems as part of its preventive measures against dishonest conducts? Are the above measures reviewed and revised on a regular basis?</p>	✓		<p>acts of high impact are dealt with immediately upon discovery according to internal policies.</p> <p>(III) The Company has outlined preventive measures in "Business Integrity Procedures and Behavioral Guidelines" that explicitly prohibit employees from accepting inappropriate gains whether directly or indirectly, and provide guidance on how these situations should be handled. The board of directors passed "Illegal, Unethical, and Dishonest Conducts Reporting Policy" during the meeting held on November 9, 2017. Employees are being encouraged to gather evidence and report to the spokesperson and the chief internal auditor any actual or suspected violation against laws or ethical behavior guidelines.</p>	
<p>II. Enforcement of business integrity</p> <p>(I) Does the Company evaluate the integrity of all counterparties it has business relationships with? Are there any integrity clauses in the agreements it signs with business partners?</p> <p>(II) Does the Company have a unit that enforces business integrity directly under the board of directors? Does this unit report its progress (regarding implementation of business integrity policy and prevention against dishonest conducts) to the board of directors on a regular basis (at least once a year)?</p> <p>(III) Does the Company have any policy that prevents conflict of interest, and channels that facilitate the report of conflicting interests?</p> <p>(IV) Has the Company implemented effective accounting policy and internal control system to maintain business integrity? Has an internal or external audit unit been assigned to devise audit plans based on the outcome of integrity risk assessment, and to audit employees' compliance with various preventions against dishonest conduct?</p> <p>(V) Does the Company organize internal or external training on a regular basis to maintain business integrity?</p>	<p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p> <p>✓</p>	<p></p> <p>✓</p> <p></p> <p></p> <p></p>	<p>(I) All commercial contracts signed by the Company contain an integrity clause that prohibits dishonest conducts.</p> <p>(II) The Company has an independent internal audit unit that promotes business integrity and enforces integrity values in various policies. Aside from the above, no dedicated unit has been created to enforce business integrity directly under the board of directors.</p> <p>(III) The Company has established its own "Business Integrity Procedures and Behavioral Guidelines" and "Illegal, Unethical, and Dishonest Conducts Reporting Policy" to outline the conflict of interest principles that employees must abide by and the communication channels they can use to state their cases.</p> <p>(IV) The Company has established an effective accounting system and internal control system. These systems are being reviewed from time to time to ensure that the design and execution continue to be effective. The Company's internal audit personnel and external CPAs regularly audit compliance with the above policies, and report findings to the board of directors.</p> <p>(V) Contents of the business integrity code of conduct are being conveyed to directors, managers, employees, and agents from time to time. The Company may consider hosting internal or external training on a regular basis on days when board of directors meetings are held if in need.</p>	<p>Actions are still being planned for item (II), but all other issues have conformed with Integrity Best-Practice Principles for TWSE/TPEX Listed Companies.</p>

Assessment criteria	Current practices		Deviation and causes of deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	
<p>III. Whistleblowing system</p> <p>(I) Does the Company provide incentives and means for employees to report misconducts? Does the Company assign dedicated personnel to investigate the reported misconducts?</p> <p>(II) Has the Company implemented any standard procedures for handling reported misconducts, and subsequent actions and confidentiality measures to be undertaken upon completion of an investigation?</p> <p>(III) Has the Company provided proper whistleblower protection?</p>	<p>✓</p> <p>✓</p> <p>✓</p>	<p>(I)</p> <p>(II)</p> <p>(III)</p>	<p>Consistent with Integrity Best-Practice Principles for TWSE/TPEX Listed Companies.</p>
<p>IV. Enhanced information disclosure</p> <p>Has the Company disclosed its integrity principles and progress onto its website and MOPS?</p>	<p>✓</p>	<p>The Company has established its own "Business Integrity Code of Conduct" and published contents onto the corporate website (http://www.logah.com) and Market Observation Post System for enhanced disclosure of operation-related information. The Company has assigned dedicated personnel to gather corporate information and publish it over the corporate website and Market Observation Post System where shareholders, stakeholders, and the authority may access at any time.</p>	<p>Consistent with Integrity Best-Practice Principles for TWSE/TPEX Listed Companies.</p>
<p>V. If the Company has established business integrity policies in accordance with "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies," please describe its current practices and any deviations from the Best Practice Principles: The Company has established its own "Business Integrity Code of Conduct" and carries out business activities accordingly. Due to the presence of three independent directors, one internal audit unit, and an Audit Committee, there has been no major violation of integrity principles to date.</p>			
<p>VI. Other information useful to the understanding of integrity in business dealings:</p> <p>(I) The "Board of Directors Conference Rules" specifically require directors to disassociate from discussion and voting of decisions that pose conflict between their own interests and interests of the Company. They are also prohibited from exercising voting interest on behalf of other directors on conflicting-interest decisions. All of the Company's directors are highly disciplined in their conducts, and have managed to disassociate themselves from motions that present conflicting interest.</p> <p>(II) The Company has established its own "Material Insider Information Management and Insider Trading Prevention Procedures," which state that directors, managers, and employees are bound by their duty of care and loyalty as prudent managers to carry out business activities in the utmost honesty and good faith, and must refrain from revealing material insider information to others.</p>			
<p>(VII) If the Company has established corporate governance principles or related guidelines, references to such principles must be disclosed: Please visit Investor Zone on the corporate website (http://www.logah.com) for principles relating to corporate governance.</p>			
<p>(VIII) Other information material to the understanding of corporate governance within the Company:</p> <ol style="list-style-type: none"> The Company has spokesperson in place to assist investors, suppliers, and other stakeholders with various inquiries concerning business operations. Furthermore, the Company announces material financial and business information over the "Market Observation Post System" regularly in a manner that complies with laws. The Company purchases and renews liability insurance for directors and managers on a yearly basis. This insurance coverage has been acquired in line with Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies for the protection of shareholders' interests, and is intended to protect directors, independent directors, and key staff against claims and losses from investors or external parties that arise as a result of negligence. 			

3. Directors' training - 2022:

Title	Name	Date onboard	Date of training	Organizer	Course name	Training hours
Director	Yu, Hui-Fa	2020/06/15	2022/07/27	Taiwan Stock Exchange Corporation	Seminar on Sustainability Roadmap for Industries	2
Director	Hu, Po-Jen	2020/06/15	2022/06/08	Taiwan Corporate Governance Association	Corporate Governance and Social Responsibility Trends and Best Practices	3
			2022/08/03	CPA Associations R.O.C. (Taiwan)	Establishing Acquisition Price of Intangible Assets	3
			2022/08/10	Taiwan Corporate Governance Association	Energy and Carbon Reduction for Improved Profits	3
			2022/08/15	CPA Associations R.O.C. (Taiwan)	Commercial Case Adjudication Act for Certified Public Accountants	3
			2022/09/07	Taiwan Corporate Governance Association	Industry 4.0 and Leading Transformation through Innovation	3
			2022/11/09		New ESG Opportunities and Strategies	3
Director	Chang, Chin-Cheng	2020/06/15	2022/08/05	Securities & Futures Institute	Digital Technology Innovations and Competitive Advantage	3
			2022/12/30		Open Information, Prevention of Insider Trading, and Integrity Best-Practice Principles	3
Director	Li, Hsiung-Ching	2020/06/15	2022/04/22	Taiwan Institute for Sustainable Energy	Transform to Net Zero 2030	3
			2022/05/12	Taiwan Stock Exchange Corporation, Alliance Advisors, Taiwan Corporate Governance Association	International Twin Summit	2
			2022/06/28	Taiwan Institute of Directors	2022 Annual Conference of Taiwan Institute of Directors - New Competitive Advantage in the Turbulent Times	3
			2022/08/24		New Competitive Advantage in the Turbulent Times	3
			2022/10/19	Securities & Futures Institute	2022 Compliance Seminar on Share Transfers by Insiders	3
Independent Director	Chen, Liang-Tsung	2020/06/15	2022/04/19	CPA Associations R.O.C. (Taiwan)	The CFC (Controlled Foreign Corporation) System	2
			2022/07/21		Enforcement of AML	3
			2022/08/17		Anti-money Laundering and Counter Terrorism Financing	3
			2022/10/14		CPA Discipline Forum	3
			2022/11/01		Personal Financial Planning for Returning Foreign Capital	3
Independent Director	Tsai, Hsien-Tang	2020/06/15	2022/06/10	Securities & Futures Institute	2022 Insider Trading Prevention Seminar	3
			2022/08/08	Taiwan Investor Relations Institute	Sustainability Risks and Opportunities for Businesses	3
Independent Director	Fu, Yu-Hsuan	2020/06/15	2022/09/07	Accounting Research and Development Foundation	Analyzing Critical Financial Information and Enhancing Crisis Alert Capacity for Businesses	3
					How Board of Directors and Senior Managers Should Interpret ESG Sustainability Reports	3

- (IX) Internal control
1. Declaration of Internal Control System.

Logah Technology Co., Ltd. Internal Control System Statement

Date: March 23, 2023

The Company states the following with regard to its internal control system during fiscal year 2022, based on the findings of a self-valuation:

- I. The Company is fully aware that establishing, operating, and maintaining an internal control system are the responsibility of its Board of Directors and management. Internal control system is designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance, and safeguarding of assets), reliability, timeliness, transparency and regulatory compliance of our reporting, and compliance with applicable rulings, laws and regulations.
- II. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing the three goals mentioned above. Furthermore, the effectiveness of an internal control system may change along with changes in environment or circumstances. The internal control system of the Company contains self-monitoring mechanisms, however, and the Company takes corrective actions as soon as a deficiency is identified.
- III. The Company judges the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (hereinbelow, the “Regulations”). The internal control system judgment criteria adopted by the Regulations divide internal control into five elements based on the process of management control: 1. control environment 2. risk assessment 3. control activities 4. information and communications 5. monitoring. Each element further contains several items. Please refer to the Regulations for details.
- IV. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria .
- V. Based on the findings of the evaluation mentioned in the preceding paragraph, the Company believes that as of December 31, 2022 its internal control system (including its supervision and management of subsidiaries), encompassing internal controls for understanding the degree of achievement of operational effectiveness and efficiency objectives, reliability of reporting, timeliness, transparency, and compliance with applicable laws and regulations, is effectively designed and operating, and reasonably assures the achievement of the above-stated objectives.
- VI. This Statement will become a major part of the content of the Company's Annual Report and Prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This Statement has been passed by the Board of Directors Meeting of the Company held on March 23, 2023, where none of the nine attending directors expressed dissenting opinions, and the remainder all affirmed the content of this Statement.

Logah Technology Co., Ltd

Chairman: Yu, Hui-Fa

President: Yu, Hui-Fa

2. If the internal control system was reviewed by an external CPA, the result of such review must be disclosed: None.

- (X) Penalties imposed against the Company for regulatory violation, or penalties against employees for violation of internal control system, in the most recent year up until the publication date of annual report that may significantly impact shareholders' interest or security price; describe details of the penalty, areas of weakness and any corrective actions taken: None.

(XI) Major resolutions passed in shareholder meetings and board of directors meetings held in the last year up until the publication date of annual report

1. Major shareholder meeting resolutions

Date of resolution	Summary	Resolution	Execution progress
2022.06.16 Annual general meeting	2021 business report and financial statements	Motion was passed as proposed by vote of ballot, in which the number of votes in favor had exceeded the legal requirements.	All relevant books and documents have been presented to the authority and announced to the public as required by laws.
	2021 compensation of losses proposal	Motion was passed as proposed by vote of ballot, in which the number of votes in favor had exceeded the legal requirements.	As per resolution, NT\$337,573 thousand of losses were to be compensated at period-end.
	Amendments to the Company's "Articles of Incorporation"	Motion was passed as proposed by vote of ballot, in which the number of votes in favor had exceeded the legal requirements.	The amendments shall take effect from the day of shareholder meeting resolution.
	Amendments to the Company's "Shareholders Conference Rules"	Motion was passed as proposed by vote of ballot, in which the number of votes in favor had exceeded the legal requirements.	The amendments shall take effect from the day of shareholder meeting resolution.
	Amendments to the Company's "Asset Acquisition and Disposal Procedures"	Motion was passed as proposed by vote of ballot, in which the number of votes in favor had exceeded the legal requirements.	The amendments shall take effect from the day of shareholder meeting resolution.
	Private placement of common shares	Motion was passed as proposed by vote of ballot, in which the number of votes in favor had exceeded the legal requirements.	To be effected from the day of shareholder meeting resolution and executed accordingly.

2. Major board meeting resolutions

Date of resolution	Summary	Resolution
The 7th board 13th meeting 2022.01.05	Extension of endorsement/guarantee limit to subsidiary - Suzhou Longdeng Electronic Technologies Limited.	The motion was passed as proposed without objection from attending directors (including three independent directors) when inquired by the chair.
	Change of lending arrangement with subsidiary - Suzhou Longdeng Electronic Technologies Limited.	The motion was passed as proposed without objection from attending directors (including three independent directors) when inquired by the chair.
	Lending of capital by subsidiary - Suzhou Ruideng Technologies Limited to subsidiary - Suzhou Longdeng Electronic Technologies Limited.	The motion was passed as proposed without objection from attending directors (including three independent directors) when inquired by the chair.
	Adjustment of organizational framework of the Company.	The motion was passed as proposed without objection from attending directors (including three independent directors) when inquired by the chair.
	2022 disease control allowance for managers of subsidiaries.	Except for Chairman Yu, Hui-Fa and Director Lin, Shu-Fen who held stake in the motion and had recused from discussion and voting, the motion was passed as proposed without objection from the rest of the attending directors (including three independent directors) when inquired by the acting chair.
	2022 salary adjustment for managers of subsidiaries.	Except for Chairman Yu, Hui-Fa and Director Lin, Shu-Fen who held stake in the motion and had recused from discussion and voting, the motion was passed as proposed without objection from the rest of the attending directors (including three independent directors) when inquired by the acting chair.
Managers' bonus.	Except for Chairman Yu, Hui-Fa and Director Lin, Shu-Fen who held stake in the motion and had recused from discussion and voting, the motion was passed as proposed without objection from the rest of the attending directors (including three independent directors) when inquired by the acting chair.	

Date of resolution	Summary	Resolution
The 7th board 14th meeting 2022.03.18	The Company's 2021 business report, parent company only financial statements, and consolidated financial statements.	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	2021 compensation of losses proposal.	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	The 2021 "Declaration of Internal Control System" and "Effectiveness Review of Internal Control System."	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	Independence and suitability assessment and appointment of the Company's financial statement auditors.	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	Amendments to the Company's "Asset Acquisition and Disposal Procedures."	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	Amendments to the Company's "Shareholders Conference Rules."	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	Amendments to the Company's "Articles of Incorporation."	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	Appointment of directors for subsidiaries.	Except for Chairman Yu, Hui-Fa and Director Lin, Shu-Fen who had recused from discussion and voting, the motion was passed as proposed by the rest of the attending directors (including three independent directors) when inquired by the acting chair.
	Proposal to apply for credit facilities with banks	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	Extension of endorsement/guarantee limits to subsidiaries	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	Proposal to have subsidiaries apply for credit facilities with banks	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	Change of lending arrangement with subsidiary - Suzhou Longdeng Electronic Technologies Limited	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	Change of lending arrangement between subsidiary - Logah Auto Accessories (Suzhou) (the lender) and subsidiary - Suzhou Longdeng Electronic Technologies Limited (the borrower)	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	Convention of 2022 Annual General Meeting	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
The 7th board 15th meeting 2022.05.05	2022 first-quarter consolidated financial statements of the Company.	The motion was passed as proposed without objection from attending directors (including three independent directors) when inquired by the chair.
	Proposal to apply for credit facilities with banks.	The motion was passed as proposed without objection from attending directors (including three independent directors) when inquired by the chair.
	Private placement of common shares.	The motion was passed as proposed without objection from attending directors (including three independent directors) when inquired by the chair.
	Amendments to the convention of 2022 Annual General Meeting	The motion was passed as proposed without objection from attending directors (including three independent directors) when inquired by the chair.
The 7th board 16th meeting 2022.06.24	Extension of endorsement/guarantee limit by subsidiary - Suzhou Longdeng Electronic Technologies Limited to subsidiary - Suzhou Ruideng Technologies Limited.	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	Proposal to have subsidiaries apply for credit facilities with banks.	The motion was passed by attending directors (including three independent directors) when inquired

Date of resolution	Summary	Resolution
		by the chair.
	Proposal by subsidiary - Suzhou Longdeng Electronic Technologies Limited to install rooftop solar power system.	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
The 7th board 17th meeting 2022.08.05	Change of lending arrangement with subsidiary - Suzhou Longdeng Electronic Technologies Limited.	The motion was passed as proposed without objection from attending directors (including three independent directors) when inquired by the chair.
	Lending of capital by subsidiary - Suzhou Ruideng Technologies Limited to subsidiary - Suzhou Longdeng Electronic Technologies Limited.	The motion was passed as proposed without objection from attending directors (including three independent directors) when inquired by the chair.
The 7th board 18th meeting 2022.11.09	2022 third-quarter consolidated financial statements of the Company.	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	The Company's 2023 operating plan.	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	The Company's 2023 audit plan.	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	Change of lending arrangement with subsidiary - Suzhou Longdeng Electronic Technologies Limited.	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	Extension of endorsement/guarantee limits to subsidiaries.	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	Lending of capital by subsidiary - Suzhou Ruideng Technologies Limited to subsidiary - Suzhou Longdeng Electronic Technologies Limited.	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	Change of lending arrangement between subsidiary - Logah Auto Accessories (Suzhou) (the lender) and subsidiary - Suzhou Longdeng Electronic Technologies Limited (the borrower).	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	Amendments to the Company's "Material Insider Information Management and Insider Trading Prevention Procedures."	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	Amendments to the Company's "Board of Directors Conference Rules"	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	Proposal by subsidiary - Suzhou Longdeng Electronic Technologies Limited to diversify in business activities and investments.	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	Disposal of equipment by subsidiary - Suzhou Longdeng Electronic Technologies Limited and subsidiary - Suzhou Ruideng Technologies Limited.	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	Review of 2021 compensation for directors (including independent directors), the General Manager, and vice presidents.	The motion involved a review of compensations for the Chairman and General Manager, and except for the Chairman and Lin, Shu-Fen who had recused from discussion and voting as required by laws, the motion was passed as proposed without objection from the rest of the attending directors (including three independent directors) when inquired by the acting chair. The motion involved a review of compensations to directors and vice presidents, and it was passed as proposed without objection from attending directors (including three independent directors) when inquired by the acting chair. The motion involved a review of compensations to independent directors, and except for Independent Directors Fu, Yu-Hsuan, Chien, Liang-Tsung, and Tsai, Hsien-Tang who had recused from discussion and voting as required by laws, the motion was passed as proposed without objection from attending directors when inquired by the chair.

Date of resolution	Summary	Resolution
The 7th board 19th meeting 2022.12.27	Amendments to the Company's "Articles of Incorporation."	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	Proposal to apply for credit facilities with banks.	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	Proposal to have subsidiaries apply for credit facilities with banks.	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	Change of lending arrangement with subsidiary - Suzhou Longdeng Electronic Technologies Limited.	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	Extension of endorsement/guarantee limit to subsidiary - Suzhou Longdeng Electronic Technologies Limited.	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	Change of lending arrangement between subsidiary - Logah Auto Accessories (Suzhou) (the lender) and subsidiary - Suzhou Longdeng Electronic Technologies Limited (the borrower).	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	Withdrawal of proposal by subsidiary - Suzhou Longdeng Electronic Technologies Limited to diversify in business activities and investments.	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	Withdrawal of equipment disposal by subsidiary - Suzhou Longdeng Electronic Technologies Limited and subsidiary - Suzhou Ruideng Technologies Limited.	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	Managers' bonus.	Except for Chairman Yu, Hui-Fa who held stake in the motion and had recused from discussion and voting, the motion was passed as proposed without objection from the rest of the attending directors (including three independent directors) when inquired by the acting chair.
The 7th board 20th meeting 2023.03.23	The Company's 2022 business report, parent company only financial statements, and consolidated financial statements.	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	2022 compensation of losses proposal.	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	The 2022 "Declaration of Internal Control System" and "Effectiveness Review of Internal Control System."	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	Independence and suitability assessment and appointment of the Company's financial statement auditors.	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	The motion to establish general principles for the pre-approval of non-assurance service policies by the Company's auditing accounting firm.	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	Change of seal custodian registered with the Ministry of Economic Affairs.	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	Amendments to the Company's "Articles of Incorporation."	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	Proposal to apply for credit facilities with financial institutions.	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	Proposal to have subsidiaries apply for credit facilities with financial institutions.	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	Change of lending arrangement with subsidiary - Suzhou Longdeng Electronic Technologies Limited.	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
Extension of endorsement/guarantee to subsidiaries.	The motion was passed by attending directors (including three independent directors) when inquired	

Date of resolution	Summary	Resolution
		by the chair.
	Change of lending arrangement between subsidiary - Logah Auto Accessories (Suzhou) (the lender) and subsidiary - Suzhou Longdeng Electronic Technologies Limited (the borrower).	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	Proposal to establish a subsidiary in Vietnam.	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	Discontinuation of the issuance of common shares by private placement approved in the 2022 shareholders' meeting.	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	Election of the 8th Board of Directors.	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	Nomination of candidates for the Company's 8th board of directors (including independent directors).	Directors (including independent directors) candidates recused themselves from the discussion and voting process. The motion was passed by the remaining directors (including independent directors) who were present at the meeting to be included in the "Director (including Independent Director Candidate List."
	Lifting the non-compete restrictions on newly elected directors and their representatives.	Chien, Liang-Tsung, Fu Yu-Hsuan, and Tsai, Hsien-Tang recused themselves from the discussion and voting of this case. The motion was approved unanimously by the remaining directors present at the meeting upon inquiry by the chair; Li, Hsiung-Ching was approved unanimously by the remaining directors present at the meeting upon inquiry by the chair; Yu, Hui-Fa, Chang, Chin-Cheng, Chiu, Chi-Chun, and Hu, Po-Jen recused themselves from the discussion and voting of this case and was approved unanimously by the remaining directors present at the meeting upon inquiry by the chair; Lin, Shu-Fen was approved unanimously by the remaining directors present at the meeting upon inquiry by the acting chair.
	Private placement of common shares.	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	Convention of 2023 Shareholders' Meeting	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
The 7th board 21th meeting 2023.05.12	2023 first-quarter consolidated financial statements of the Company.	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	Appointment of the Corporate Governance Officer.	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	Proposal to apply for credit facilities with financial institutions.	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	Proposal to have subsidiaries apply for credit facilities with financial institutions.	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	Change of lending arrangement with subsidiary - Suzhou Longdeng Electronic Technologies Limited.	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	Extension of endorsement/guarantee to subsidiaries.	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	Extension of endorsement/guarantee limit by subsidiary - Suzhou Longdeng Electronic Technologies Limited to subsidiary - Suzhou Ruideng Technologies Limited.	The motion was passed by attending directors (including three independent directors) when inquired by the chair.
	Amendments to the "Operating Rules for	The motion was passed by attending directors

Date of resolution	Summary	Resolution
	Endorsements and Guarantees" of subsidiaries.	(including three independent directors) when inquired by the chair.

- (XII) Documented opinions or declarations made by directors or supervisors against board resolutions in the most recent year, up until the publication date of annual report: None.
- (XIII) Resignation or dismissal of the Chairman, President, head of accounting, head of finance, chief internal auditor, corporate governance officer, or head of R&D in the most recent year up until the publication date of annual report: None.

V. Disclosure of CPA remuneration:

(I) CPA remuneration:

Unit: NTD thousand

Name of accounting firm	Name of CPA	Period of audit service	Audit fee	Non-audit fee	Total	Remarks
Deloitte Taiwan	Jiang, Jia-Ling	2022.01.01 - 2022.12.31	4,700	100	4,800	Non-audit service refers to tax certification
	Wu, Chiu-Yen					

(II) Any replacement of accounting firm and reduction in audit fees paid compared to the previous year: None.

(III) Any reduction in audit fee by more than 10% compared to the previous year: None.

VI. Change of CPA:

(I) Regarding the former CPAs

Date of Change	2021.01.26		
Reason for the change and description	Due to internal rotation within Deloitte Taiwan, starting from the first quarter of 2021, the auditors have been changed from CPA Chen, Chen-Li and CPA Wu, Chiu-Yen to CPA Chiang, Chia-Ling and CPA Wu, Chiu-Yen.		
Specify whether it was the appointing party that terminated the engagement or the CPA that declined the engagement	Party involved	CPA	Appointing party
	Situation	Not applicable	
	Terminated the engagement voluntarily		
Declined (further) engagement			
Opinion and reason if an audit report expressing other than an unqualified opinion was issued during the two most recent years	None		
Disagreement with the issuer	Yes		Accounting principles or practices
			Financial report disclosure
			Auditing scope or procedure
			Others
	None	✓	
	Description		
Other Disclosures (Disclosures specified in Article 10, Paragraph 6, Subparagraph 1-4 to 1-7 of the Regulations)	None		

(II) Regarding the successor CPAs:

Name of accounting firm	Deloitte Taiwan
Name of CPA	CPA Chiang, Chia-Ling and CPA Wu, Chiu-Yen

Date of Engagement	2021.01.26
Consultations and consultation results of the accounting treatment of, or application of accounting principles to a specified transaction, or the type of audit opinion that might be rendered on the Company's financial report	None
Written opinions from the successor CPA regarding the matters on which the successor CPA did not agree with the former CPA	None

(III) Content of the reply letter from the former CPA regarding the Company's pursuant to Article 10, Paragraph 6, Subparagraph 1 and Subparagraph 2-3 of the Regulations: Not applicable.

VII. Disclosure of any of the Company's Chairman, President, or managers responsible for financial or accounting affairs being employed by the CPA's firm or any of its affiliated company in the last year, including their names, job titles, and the periods during which they were employed by the CPA's firm or any of its affiliated company: None.

VIII. Details of shares transferred or pledged by directors, supervisors, managers, and shareholders with more than 10% ownership interest in the last year, up until the publication date of annual report:

(I) Change of shareholding of directors, supervisors, managers, and major shareholders

Title	Name	2022		2023 up until May 1	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Chairman/Acting General Manager	Guangxin Co., Ltd.	0	0	0	0
	Representative: Yu, Hui-Fa	0	0	0	0
Director	Guangxin Co., Ltd.	0	0	0	0
	Representative: Lin, Shu-Fen	0	0	0	0
Director	Jinyuan Investment Co., Ltd.	0	0	0	0
	Representative: Hu, Po-Jen	0	0	0	0
Director	Liyu Technology Co., Ltd.	427,000	0	0	0
	Representative: Chang, Chin-Cheng	0	0	0	0
Director	Liyu Technology Co., Ltd.	427,000	0	0	0
	Representative: Chiu, Chi-Chun	0	0	0	0
Director	Yong Xing Investment Limited	0	0	0	0
	Representative: Li, Hsiung-Ching	0	0	0	0
Independent Director	Chien, Liang-Tsung	0	0	0	0
Independent Director	Tsai, Hsien-Tang	0	0	0	0
Independent Director	Fu, Yu-Hsuan	0	0	0	0
Major shareholders with more than 10% ownership interest	Liyu Technology Co., Ltd.	427,000	0	0	0
		0	0	0	0
Accounting Officer	Liang, Hsin-Jin (inaugurated on July 01, 2020)	0	0	0	0

Note 1: Shareholders with more than 10% ownership interest are highlighted as major shareholders and listed separately.

Note 2: Refer to the following chart for shares that have been transferred or pledged with a related party.

- (II) Transfer of shares by directors, supervisors, managers, and major shareholders to related parties: None.
 (III) Pledge of shares by directors, supervisors, managers and major shareholders to related parties: None.

IX. Disclosure of relationships among the top ten shareholders including spouse and second degree relatives or closer

Book closure date: May 1, 2023

Name	Shares held in own name		Shares held by spouse and underage children		Shareholding in the name of a third party		Names and relationships of top-10 shareholders characterized as related-party, spouse or relative of second degree or closer		Re
	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Name	Relationship	
Liyu Technology Co., Ltd.	31,580,492	33.94%	0	0%	0	0%	None	None	-
Liyu Technology Co., Ltd.; Representative: Yu, Hui-Fa	5,665,934	6.09%	0	0%	0	0%	Guangxin Co., Ltd.	Representative	-
Lite-On Technology	7,578,200	8.14%	0	0%	0	0%	None	None	-
Lite-On Technology Representative: Sung, Ming-Feng	2,269,666	2.44%	0	0%	0	0%	Sung, Yan-Yi; Sung, Hui-Ling	Siblings	-
Yu, Hui-Fa	5,665,934	6.09%	0	0%	0	0%	Liyu Technology Co., Ltd.; Guangxin Co., Ltd.	Representative	-
Guangxin Co., Ltd.	2,981,488	3.20%	0	0%	0	0%	None	None	-
Guangxin Co., Ltd. Representative: Yu, Hui-Fa	5,665,934	6.09%	0	0%	0	0%	Liyu Technology Co., Ltd.	Representative	-
Sung, Ming-Feng	2,269,666	2.44%	0	0%	0	0%	Sung, Yan-Yi; Sung, Hui-Ling	Siblings	-
Yu Liu, Shu-Chin	1,536,425	1.65%	0	0%	0	0%	None	None	-
Chen, Li-Chin	1,453,632	1.56%	0	0%	0	0%	None	None	-
Sung, Yan-Yi	1,260,366	1.35%	0	0%	0	0%	Sung, Ming-Feng; Sung, Hui-Ling	Siblings, Sisters	-
Chen, Fu-Ming	1,225,842	1.32%	0	0%	0	0%	None	None	-
Sung, Hui-Ling	1,136,790	1.22%	0	0%	0	0%	Sung, Ming-Feng; Sung, Yan-Yi	Siblings, Sisters	-

X. Investments jointly held by the Company, the Company's directors, supervisors, managers, and enterprises directly or indirectly controlled by the Company, and shareholding in aggregate of the above parties

Aggregate shareholding percentage

Unit: thousand shares; %

Business investments (i.e. long-term investments that the Company accounts using the equity method)	Held by the Company		Held by directors, supervisors, managers, and directly or indirectly controlled enterprises		Aggregate ownership	
	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage
Le Yang Investment Co., Ltd.	56,000	100%	-	-	56,000	100%
LOGAH TECHNOLOGY CO.,LTD.	7,920	100%	-	-	7,920	100%
Legend Investment (Samoa) Limited	-	-	19,619	100%	19,619	100%
LOGAH TECHNOLOGY(HK) CO., Ltd.	-	-	14,100	100%	14,100	100%
Logah Auto-Accessories (Suzhou) Limited	-	-	-	100%	-	100%
Suzhou Longdeng Electronic Technologies Limited	-	-	-	100%	-	100%
Suzhou Ruideng Technologies Limited	-	-	-	100%	-	100%

Four. Capital Overview

I. Capital and outstanding shares

(I) Source of capital

1. Changes in share capital

Unit: NTD thousands; thousand shares

Year/month	Issued price	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of capital	Paid in properties other than cash	Others
2003.12	NT\$10	40,000	400,000	10,000	100,000	Initial capital NT\$100,000 thousand	None	Note 1
2004.07	NT\$10	40,000	400,000	20,000	200,000	Cash issue NT\$100,000 thousand	None	Note 2
2005.08	NT\$10	40,000	400,000	38,000	380,000	Cash issue NT\$180,000 thousand	None	Note 3
2006.07	NT\$16.5	100,000	1,000,000	80,000	800,000	Cash issue NT\$420,000 thousand	None	Note 4
2007.08	NT\$10	100,000	1,000,000	89,180	891,800	Cash issue NT\$91,800 thousand	None	Note 5
2008.08	NT\$10	200,000	2,000,000	99,635	996,350	Capitalization of earnings NT\$104,550 thousand	None	Note 6
2009.03	NT\$12.0	200,000	2,000,000	110,635	1,106,350	Cash issue NT\$110,000 thousand	None	Note 7
2009.09	NT\$10	200,000	2,000,000	112,743	1,127,431	Capitalization of earnings NT\$21,081 thousand	None	Note 8
2018.08	NT\$10	200,000	2,000,000	63,042	630,425	Capital reduction against previous losses NT\$497,006 thousand	None	Note 9
2019.07	NT\$10	200,000	2,000,000	73,042	730,425	Cash issue NT\$100,000 thousand	None	Note 10
2019.11	NT\$10	200,000	2,000,000	83,042	830,425	Cash issue NT\$100,000 thousand	None	Note 11
2020.12	NT\$10	200,000	2,000,000	93,042	930,425	Cash issue NT\$100,000 thousand	None	Note 12

Note 1: Approved by the Central Region Office, Ministry of Economic Affairs, Executive Yuan, through Correspondence No. Jing-Shou-Zhong-09233159300 dated December 22, 2003.

Note 2: Approved by the Central Region Office, Ministry of Economic Affairs, Executive Yuan, through Correspondence No. Jing-Shou-Zhong-09332435440 dated July 21, 2004.

Note 3: Approved by the Central Region Office, Ministry of Economic Affairs, Executive Yuan, through Correspondence No. Jing-Shou-Zhong-09432676590 dated August 19, 2005.

Note 4: Approved by the Department of Commerce, Ministry of Economic Affairs, Executive Yuan, through Correspondence No. Jing-Shou-Shang-09501149530 dated July 20, 2006.

Note 5: Approved by the Department of Commerce, Ministry of Economic Affairs, Executive Yuan, through Correspondence No. Jing-Shou-Shang-09601204890 dated August 24, 2007.

Note 6: Approved by the Department of Commerce, Ministry of Economic Affairs, Executive Yuan, through Correspondence No. Jing-Shou-Shang-09701197430 dated August 7, 2008.

Note 7: Approved by the Department of Commerce, Ministry of Economic Affairs, Executive Yuan, through Correspondence No. Jing-Shou-Shang-09801057190 dated March 24, 2009.

Note 8: Approved by the Department of Commerce, Ministry of Economic Affairs, Executive Yuan, through Correspondence No. Jing-Shou-Shang-09801226310 dated October 1, 2009.

Note 9: Approved by the Department of Commerce, Ministry of Economic Affairs, Executive Yuan, through Correspondence No. Jing-Shou-Shang-10701108820 dated September 3, 2018.

Note 10: Approved by the Department of Commerce, Ministry of Economic Affairs, Executive Yuan, through Correspondence No. Jing-Shou-Shang-10801105590 dated August 14, 2019.

Note 11: Approved by the Department of Commerce, Ministry of Economic Affairs, Executive Yuan, through Correspondence No. Jing-Shou-Shang-10801174360 dated December 23, 2019.

Note 12: Approved by the Department of Commerce, Ministry of Economic Affairs, Executive Yuan, through Correspondence No. Jing-Shou-Shang-10901243890 dated December 29, 2020.

2. Categories of outstanding shares

Book closure date: May 1, 2023 (Unit: shares)

Share category	Authorized capital			Remarks
	Outstanding shares	Unissued shares	Total	
Common shares	93,042,416	106,957,584	200,000,000	Private placement: 30,000,000 shares

3. Information relevant to the aggregate reporting policy: Not applicable.

(II) Shareholders structure

Book closure date: May 1, 2023

Shareholder structure	Government institutions	Financial institutions	Other corporate entities	Natural persons	Foreign institutions and foreigners	Total
Quantity						
Count	0	0	155	30,415	21	30,591
Number of shares held	0	0	43,631,893	49,270,471	140,052	93,042,416
Shareholding percentage	0%	0%	46.89%	52.96%	0.15%	100 %

(III) Diversity of ownership

Book closure date: May 1, 2023

Shareholding range	Number of shareholders	No. of shares held	Shareholding percentage
1 to 999	27,904	554,623	0.60%
1,000 to 5,000	1,818	3,693,705	3.97%
5,001 to 10,000	393	2,812,281	3.02%
10,001 to 15,000	105	1,292,511	1.39%
15,001 to 20,000	93	1,669,931	1.79%
20,001 to 30,000	87	2,191,095	2.35%
30,001 to 40,000	37	1,307,149	1.40%
40,001 to 50,000	26	1,224,741	1.32%
50,001 to 100,000	53	3,764,796	4.05%
100,001 to 200,000	34	4,867,183	5.23%
200,001 to 400,000	16	4,455,388	4.79%
400,001 to 600,000	11	5,389,178	5.79%
600,001 to 800,000	2	1,263,000	1.36%
800,001 to 1,000,000	1	841,000	0.90%
1,000,001 and above	11	57,715,835	62.04%
Total	30,591	93,042,416	100.00%

(IV) List of major shareholders

Book closure date: May 1, 2023

Name of major shareholder	Number of shares held	Shareholding percentage
Liyu Technology Co., Ltd.	31,580,492	33.94%
Lite-On Technology	7,578,200	8.14%
Yu, Hui-Fa	5,665,934	6.09%
Guangxin Co., Ltd.	2,981,488	3.20%
Sung, Ming-Feng	2,269,666	2.44%
Yu Liu, Shu-Chin	1,536,425	1.65%
Chen, Li-Chin	1,453,632	1.56%
Sung, Yan-Yi	1,260,366	1.35%
Chen, Fu-Ming	1,157,842	1.24%
Sung, Hui-Ling	1,136,790	1.22%

(V) Information relating to market price, net worth, earnings, and dividends per share for the last 2 years

Unit: NTD/thousand shares

Item	Year		2021	2022	2023 up until March 31 (Note 8)
Market price per share (Note 1)	High		21.60	18.70	13.85
	Low		11.10	12.75	11.90
	Average		14.45	14.50	12.66
Net worth per share (Note 2)	Before distribution		6.6	5.75	5.48
	After distribution		6.6	5.75	—
Earnings per share (EPS)	Weighted average outstanding shares		93,042	93,042	93,042
	Earnings per share (Note 3)	Before adjustment	0.02	(1.00)	(0.28)
		After adjustment	0.02	(1.00)	—
Dividends per share	Cash dividends		0	0	—
	Stock dividends	From earnings	None	None	—
		From capital surplus	None	None	—
	Cumulative undistributed dividends (Note 4)		None	None	—
Analysis of investment returns	P/E ratio (Note 5)		722.5	—	—
	Price to dividends ratio (Note 6)		—	—	—
	Cash dividend yield (Note 7)		—	—	—

*Where stock dividends were paid from earnings or capital surplus, market price and cash dividends per share are adjusted retrospectively for the number of new shares issued.

Note 1: The chart shows the highest and lowest market price of common shares in each year; average market price is calculated by weighing transacted prices against transacted volumes in the respective years.

Note 2: Calculated based on the number of outstanding shares at year-end; amount of distribution resolved by board of directors or in next year's shareholders meeting is presented in the chart.

Note 3: Where stock dividends were issued, EPS are disclosed in amounts before and after retrospective adjustments.

Note 4: If equity securities are issued with terms that allow dividends to be accrued and accumulated until the year the Company makes profit, the amount of cumulative undistributed dividends up until the current year is disclosed separately.

Note 5: P/E ratio = average closing price per share for the year / earnings per share.

Note 6: Price to dividends ratio = average closing price per share for the year / cash dividends per share.

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

Note 8: Net worth per share and earnings per share are based on audited (auditor-reviewed) data as at the latest quarter before the publication date of annual report. For all other fields, calculations are based on data as at the end of their respective years.

(VI) Dividend policy and execution

1. Below are terms of the Company's dividend policy stated in Article 33 of the Articles of Incorporation:

If the Company has a profit after the annual accounts, it shall first set aside 1% to 3% as employee remuneration and shall be distributed in shares or cash according to the resolution of the board of directors. The board of directors may resolve to appropriate remuneration to directors and supervisors not exceeding 1.5% of the Company's profit mentioned above. Employees' and directors' remuneration distribution proposals shall be submitted to the shareholders' meeting for reporting.

If, however, the Company has accumulated losses, profit shall first be used to offset accumulated losses and then to set aside employees' and directors' remuneration according to the aforementioned percentages.

In the event where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting accumulated losses, setting aside as legal reserve 10% of the remaining profit until the legal reserve reaches the amount of the Company's paid-in capital, and then setting aside or reversing a special reserve in accordance with the laws and regulations; The remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing an earnings distribution plan, which should be resolved in a shareholders' meeting for distribution of dividends to shareholders.

Considering the industrial environment where the Company is in, and in line with the financial planning, the sustainable operation and stable development of the Company with the basis of maximum security for the shareholders' equity, the dividend policy has been drafted as follows:

(1) The conditions and timing of dividend distribution are as follows:

The Company is currently actively exploring the market. In order to support the growth of the Company, the Company's dividends are distributed to meet the principle of future operation and development, and after taking sound financial structure, stable dividends, reasonable returns to shareholders, and other conditions into an all-around consideration, the Board of Directors shall prepare the earnings distribution proposal in accordance with the Articles of Incorporation and handle the distribution upon the approval by the shareholders' meeting and the competent authority.

(2) Distribution ratio of cash dividends and stock dividends:

Dividends and bonuses to shareholders are distributed in two ways: stock dividends and cash dividends. When the dividends are distributed, an appropriate cash and stock dividends ratio is drawn up. However, cash dividends shall not be less than 10% of the annual distribution. The upper limit shall be 100%.

2. Dividends proposed for the current year: The Company still had cumulative losses outstanding after offsetting current year's net income, hence no dividend was proposed.

(VII) Impacts of proposed stock dividends on the Company's business performance and earnings per share: No dividend was proposed for the year.

(VIII) Employee and director remuneration

1. Percentage or range of employee/director remuneration stated in the Articles of Incorporation

Employee remuneration: allocated at 1%-3% of net profit.

Director remuneration: allocated at no more than 1.5% of net profit.

2. Basis of calculation for employee/director remuneration and share-based compensations; and accounting treatments for any discrepancies between the amounts estimated and the amounts paid: Any discrepancies between the amount paid and the amount previously estimated will be recognized as gain or loss for 2023.

3. Employees' and directors' remuneration proposed by the board of directors:

(1) Employee/director remuneration, in cash or in shares Disclose the amount, causes and treatments of any differences between the amount paid and the amount estimated in the year the expense was recognized:

During the meeting held on March 23, 2023, the board of directors passed the resolution to forgo payment as the Company reported net loss in 2022.

(2) Sum and percentage of employee remuneration paid in shares, relative to net income and total employee remuneration shown in current separate and standalone financial statements: No share-based payment was proposed for the upcoming shareholder meeting, hence not applicable.

4. Actual payment of employee/director remuneration for the previous year (including the number of shares allocated, the sum of cash paid, and the price at which shares were issued), and any differences from the figures estimated (explain the amount, the cause, and treatment of such discrepancies).

Unit: NTD/shares

Item	2021 earnings distribution proposal			
	Amount recognized in the 2021 financial statements	Actual payment - 2021	Difference	Cause and treatment of difference
Employee remuneration	—	—	—	None
Director remuneration	—	—	—	None

(IX) Buyback of company shares: None.

II. Corporate bonds: None.

III. Preferred shares: None.

IV. Depository receipts: None.

V. Employee warrants: None.

VI. New issuance of employee restricted shares, mergers, and acquisitions: None.

VII. New shares issued for merger or acquisition: None.

VIII. Progress on planned use of capital: None.

Five. Operational Overview

I. Business activities

(I) Scope of business

1. Principal business activities

- (1) Electronics Components Manufacturing.
- (2) Product Designing.
- (3) Wholesale of Electronic Materials.
- (4) Manufacture of Power Generation, Transmission and Distribution Machinery.
- (5) Electrical Appliances and Audiovisual Electronic Products Manufacturing.
- (6) International Trade.
- (7) Restrained Telecom Radio Frequency Equipments and Materials Import.
- (8) All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Revenue weight

	2022	
	Revenue (NTD thousands)	Revenue weight (%)
Plastic mechanical parts	884,887	95.78%
Mold	26,578	2.88%
Others	12,430	1.34%
Total	923,895	100.00%

3. Current products (services)

Main products offered by the Company:

- (1) Mold design/development and manufacturing of networking and communication products.
- (2) AIO PC, LCD display, LCD TV.
- (3) Smart speaker, smart picture frame.
- (4) Manufacturing and sale of plastic precision parts for e-sport gaming machines and consumer electronics.
- (5) Sale of plastic materials.
- (6) Manufacturing and sale of plastic precision parts for automatic sanitizer dispensers, automatic soap dispensers, and automatic diffusers.
- (7) Smart home appliances such as hoverboards, scooters, smart refrigerator back panels, robot vacuum cleaners, and smart robots.
- (8) Manufacturing and sale of plastic precision parts for powered tools.
- (9) Manufacturing and sale of plastic precision parts for underwater products such as powered kickboard, underwater smartphone housing, and smart tripod.
- (10) Manufacturing and sale of plastic precision parts for battery packs used in new energy construction vehicles.
- (11) Manufacturing and sale of structural parts for smart home fitness display.
- (12) Development, design, and manufacturing of customized semi-automatic tools.
- (13) Manufacture and sale of precision mechanical components for e-books and electronic labels.
- (14) Manufacture and sale of new energy auto parts and interior parts molding and painting.

4. Products (services) planned to be developed

In response to the diversified product development needs of major system manufacturers and the trend of outsourcing production modules, the Company not only consistently meets customers' needs for total solution, but also continues to develop and innovate products and technologies in the future. The Company hopes to secure long-term cooperative relationship with major system manufacturers in Taiwan, China, and Hong Kong, and become a major supplier of mechanical parts related to consumer electronics, smart and electric products.

In response to the rapid growth in the sales of new energy vehicles in Mainland China, the Company has long been engaged in the manufacture of auto parts and related products, and striving toward becoming a first-tier supply chain.

(II) Industry overview

1. Current status and development of the industry

The Company's core technology lies in the design, development and manufacturing of precision molds and the complete resources and equipment for the manufacturing of precision plastic parts (machine specification 50T-2,800T), the surface treatment technology for plastic parts, the painting and assembly of spare parts, and the provision of vertically integrated services to customers are its core values.

The mold industry is a special industry that is technology- and capital-intensive with high added value. It is also an important basic tool for the mass production of various end products. Therefore, the mold industry has always been known as the "mother of the industry". The development of the mold industry not only improves the precision of industrial products, but also drives the progress of the overall manufacturing industry, thereby accelerating industrial upgrading. Therefore, the mold industry can be said to be the most crucial fundamental industry to support the flourishing development of the manufacturing industry.

The molds for the Company's plastic injection molding are manufactured by the Company or by the mold factory designated by the customer. The Company provides technical support and assists in the development of mold testing and verification before it is put into production.

The application of the Company's plastic injection molded products has gradually expanded from power supplies, consumer electronics, and computer peripherals to optoelectronics (such as TFT-LCD/LED TV enclosures), computers (AIO computers), smart speakers, AI robots, and communication (such as network communication,

Bluetooth headset shell components) and other high-precision plastic molded products.

With the increasing number of industrial brands in Mainland China, the Company is actively deploying and transforming to domestic customers and products oriented towards consumer and domestic demand, reducing excessive reliance on external products while increasing the development and penetration of domestic household and consumer products.

In addition to the existing 3C network communication products and AIO (all-in-one) housing product lines, we have successfully introduced renowned domestic enterprises and products such as:

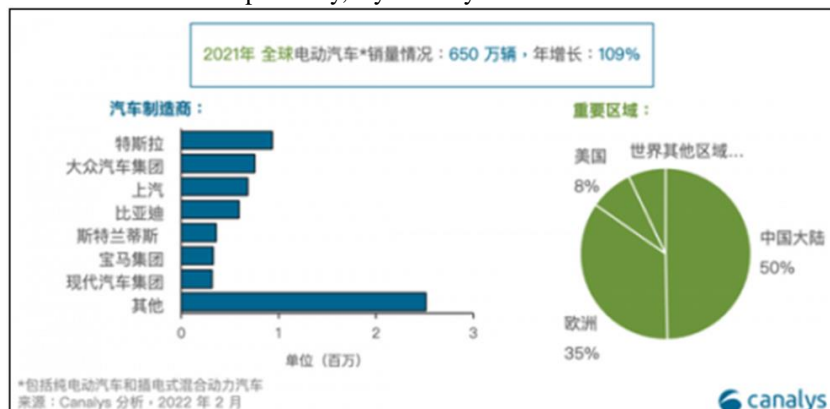
- (1) Home audio and video products - smart TVs, E-sports monitors, smart picture frames, smart speakers, smart robots, and other related components.
- (2) Sports and leisure products - powered snorkeling boards, inflatable water boards, smart diving phone housing, smart tripod components, and electric self-balancing bikes, scooters and other mechanical components.
- (3) Biological disinfection products - mechanical spare parts such as automatic hand sanitizer dispensers, automatic disinfectant dispensers, and automatic fragrance dispensers.
- (4) New energy products - new energy construction vehicle battery packs, chargers and other mechanical components.
- (5) Home smart fitness equipment - AI smart home fitness display mechanical components.
- (6) Paperless products - e-books and electronic labels mechanical components.
- (7) New energy vehicles - interior parts and central control instrument panel mechanical components.

Improve process planning: Introduce automated production lines to increase in-house production efficiency and yield, reduce labor costs, and increase gross profit margins, thereby positioning the Company at a leading competitive position in the industry.

The development of new process technologies includes IMF in-mold lamination technology, laser engraving process development, and plastic-aluminum 3D inkjet printing technology, and strives toward the direction of new product production processes and increasing product added value.

According to reports, the global manufacturing structure is changing. In 2022, the total annual sales of new energy electric vehicles in China reached 6.887 million units, accounting for 63% of the global market share.

According to the data from the CPCA, in 2022, the sales volume of passenger vehicles in China was 20.54 million units, ranking first in the world. The production and sales of new energy vehicles reached 7.058 million units and 6.887 million units respectively, a year-on-year increase of 96.9% and 93.4%.



Based on the 2021 data, it is evident that China's new energy vehicle market will continue to experience explosive growth after 2022, with the scale of production and sales reaching the forefront in the world, and the supply market for auto parts is on a continuous rise. In 2022, the Company actively developed new energy vehicle interior accessories and vehicle structural components. In 2023, we have achieved consistent growth in shipments to first-tier suppliers and OEMs. It is projected that in the second half of the year, shipments will experience a linear growth driven by new models.



According to the "2022 Global TV Market Shipment Data" report released by Omdia, an international authoritative market research organization, global TV sales in 2022 was 20.32567 million units. According to the Connected TV Industry Research Report, the global smart TV was roughly US\$101.7 billion in 2022, and is expected to reach US\$110.7 billion in 2029.

With the rise of the new generation IoT technology and artificial intelligence, there will be major changes in the application scenarios of the color TV industry in the future.

With the popularization of the design idea of mobile smart terminals, the color TV industry in the future will rely on the rigid demand for watching movies and become a new blue ocean in the technology industry in the future.

The Group is the mechanical plastic parts supplier for Mi TV and the end user Samsung TV. It has been deeply involved in the development of color TV molding and plastics for more than 10 years, and continues to grow steadily with customers with the continuous improvement of hardware and software.

According to the all-in-one AIO computer industry market research report, the market scale of the industry after 2023 will grow year by year with the popularization and application of 5G, artificial intelligence, big data, cloud computing and other technologies, and the functions and application scope of all-in-one computers will be further expanded. In particular, the scale of the consumer market in households and small offices will grow at the compound annual growth rate.

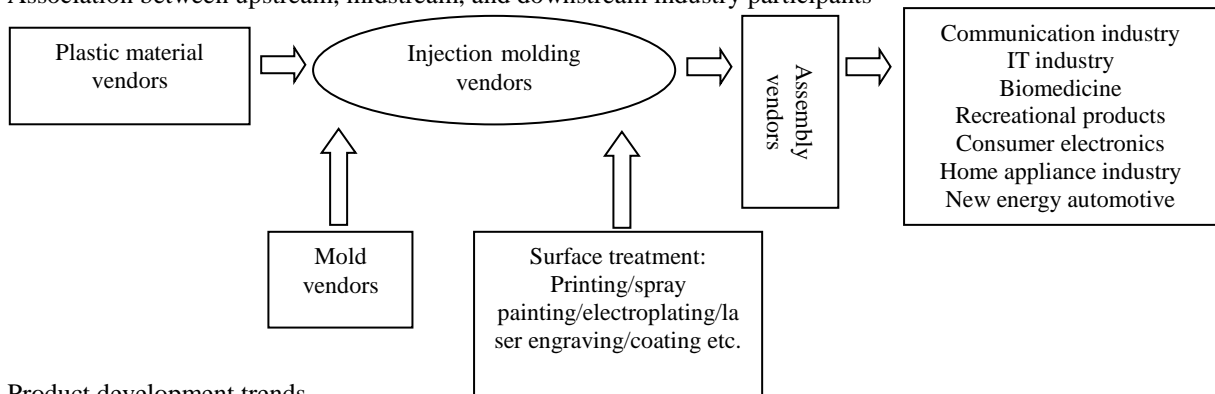
The Group is a long-term supplier of AIO all-in-one machine parts to world-class leading manufacturers such as Asustek and Lenovo, and has more than 10 years of experience in AIO molds, surface treatment, painting and other automated processes, and continues to develop new models in a steady growth.



In the Internet era, the continuous expansion of application scenarios has driven the rapid growth of data volume and transmission volume, providing a new round of development opportunities for wireless technologies. Among them, WiFi 6 features the latest WiFi technology in terms of data transmission efficiency, security, and other technical indicators in the current market application.

Benefiting from the rapid increase in the market penetration rate of WiFi 6 chips, various brand manufacturers continue to introduce new products such as wireless base stations/switches/routers/sharing devices. The Group is designated as a supplier of structural plastic components for several major American and European networking manufacturers, and is experiencing stable growth due to the continuous development in new models.

2. Association between upstream, midstream, and downstream industry participants



3. Product development trends

Looking to the future, the production of precision components will develop towards the characteristics of automation, high speed, and precision. In addition, the requirements for products are no longer limited to functional practicability, but also emphasize refinement, aesthetics, and design. The trend of product appearance requires the industry to actively introduce diversified materials, production processes and surface treatment technologies, and improve the ability to open more precise molds to meet the market demand.

4. Product competition

From the perspective of the AIO (all-in-one) plastic housing product line, which accounts for a high proportion of revenue, the Company serves as the primary supplier to our key customer, Kunshan Compal, and has been collaborating with Compal for over 10 years in the development and manufacturing of AIO molds and production. Our technical expertise and commitment to quality have consistently earned recognition from end customers.

Another significant revenue contributor is the TV series plastic casing, where our company serves as the main supplier to our key customer, Suzhou Raken Technology Limited.

We have been collaborating with Suzhou Raken for over 10 years in the development and manufacturing of molds and structural components for Xiaomi TV, and have maintained a competitive edge in technology upgrades and hardware equipment.

The closest competitor of the Company in terms of product line and production capacity is Megaforce (3294 TT), and there are many other potential competitors with the same plastic molding technology, including ABICO AVY (5392 TT), Donpon (3290 TT), Coxon (3607 TT) and Ju Teng (9136 TT), etc. However, there is a significant

difference in the development of their respective product application areas and customer relationships. Our company currently has 133 injection molding machines, providing comprehensive resources with a range of 50 to 2,800 tons for both single and double-shot equipment. This ensures that we are well-equipped to meet the needs of various product types.

(III) Technology and R&D overview

1. Technical complexity of business activities:

(1) Complexity of self-developed technologies:

- High speed injection molding technology.
- Closed hot runner system for injection molding.
- Express cold/hot molding technology.
- Automated molding technology.
- Leather coating and PU surface treatment technology.
- Multi-color screentone printing technology.
- Introduced automatic bolt setting machines and technologies.
- Introduced automatic polishing line and technologies.
- Introduced radial riveting machines and technologies with automated latch-spring separation.
- Introduced manual and automatic insert molding machines and technologies.
- Introduced mold designs and molding technologies for lightweight plastic parts.
- Introduced PC/ABS blow molding designs and technologies.
- Introduced TV/MNT borderless mold designs and molding/assembling technologies.
- Introduced new energy battery pack mold design and molding technology.

(2) Technologies developed or acquired through collaboration:

- Developed high-gloss ABS and PC/ABS materials.
- Developed high-gloss plastics with 10%-50% fiber content.
- Jointly developed fiber-reinforced materials for enhanced strength, and technologies for reducing undesirable contents.
- Developed glossy PC/ABS materials for blow molding.
- Development of PCR environment-friendly raw materials.

2. Research and development:

(1) Medium- and short-term R&D projects:

- Refinement of express cold/hot molding technology.
- Development of dual-color injection molding technology.
- Development and application of thermally conductive plastics.
- Collaborative refinement of injection technology.
- Leather coating and PU surface treatment technology.
- Refinement of technologies for plastic surface water transfer printing, plastic extrusion, and mold surface treatment.
- Development of high-gloss, high fiber content, and ultra performance materials.
- Refinement of nitrogen-assisted plastic forming technology.
- In-mold decoration (IMD) technology.
- Refinement of blow molding technology.
- Machine side automation for reduced manual works.
- Application of environment-friendly composite plastic materials and refinement of mold design.
- 3D printing technology for aluminum plastic composite panel.
- All electric high-speed thin-border forming technology.

(2) Long-term R&D projects

- Machine side automation will be the long-term focus of the Company's R&D efforts due to rising wages and shortage of labor in the Mainland. The automation has the potential to reduce production labor and minimize human intervention in ways that improve product yields and competitiveness.
- Pre-engineering service for molds and plastic parts. By establishing seamless connection with the customer end, the Company hopes to secure leadership position for all products offered.
- Additional investments will be committed into labor-saving equipment, and optimizations will be made to create a safe and comfortable work environment.
- Resources will be directed toward reducing energy consumption, minimizing carbon emission, and supporting environmental protection policies.
- Introduction of new plastics/mold production technologies such as: nitrogen assisted injection molding, in-mold runner cutting, IMD (in-mold decoration), in-mold labeling, blow molding, and MuCell process.

3. Annual R&D expenses in recent years:

Unit: NTD thousand

Year	2021	2022
R&D expenses	9,562	8,210
Net operating income	1,211,862	923,895
R&D expenses as a percentage of net revenues (%)	0.79%	0.89%

4. Technologies or products successfully developed:

(1) Technologies successfully developed:

- High speed injection molding technology.
- Insert mold technology.
- Closed hot runner system for injection molding.
- Express cold/hot molding technology.
- Automated molding technology.
- Leather coating and PU surface treatment technology.
- Multi-color screentone printing technology.
- High-gloss, high fiber content, and ultra stable materials.
- Nitrogen-assisted plastic forming technology.
- PCR environmental protection raw material quality stability technology.

(2) Products successfully developed:

- External casing for wired/Bluetooth earphones.
- External casing for power supplies.
- External casing for networking and communication products.
- External casing for LCD displays.
- External casing for LCD and LED TVs.
- External casing for All-in-One (AIO) PCs.
- Keyboards of various form factors.
- Automobile parts and interior components.
- External casing for powerbanks.
- External casing for DT series.
- External casing for gaming consoles.
- External casing for home theatre speakers.
- External casing for underwater products (inflation kickboard/underwater smartphone housing/and smart tripod).
- External casing for smart speakers and smart picture frames.
- External casing for hoverboards and scooters.
- External casing for automatic soap dispensers, automatic sanitizer dispensers, and automatic diffusers.
- New energy chargers.
- New energy battery packs.
- Structural parts for smart home fitness displays.
- E-book and electronic labels series of mechanical products.
- New energy interior auto parts mechanical products.

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

1. Short-term development plan

(1) Sales strategy

- Establish a professional marketing and sales team to actively promote business in domestic and overseas markets.
- Seek tactical strategic partners and expand production bases at home and abroad.
- Consolidate the supply chain relationship with the major system manufacturers of peripheral electronic products such as network communication and strengthen the close cooperative relationship between the two parties.
- Expand smart home series, deepen strategic alliances, and coordinate long-term cooperation.
- Build a stronger customer base for paperless electronic products.
- New energy/green energy product line business development and development.

(2) Product development and production strategy

- With the production of molds and plastic parts as the main core, we will upgrade product development capabilities, and strengthen industrial resource integration, product assembly research and development, and respond to operational growth.
- Establish the reinvested company in Mainland China as a production base, covering the regions of Southern China and Eastern China. This allows us to gain the advantage of supplying to downstream system manufacturers in close proximity, and also enables us to meet the needs of business growth in the short term and the production capacity requirements for new product development.
- To strategically establish overseas production bases in Southeast Asia in response to our customer base and actively seek collaboration with partners to expand our overseas manufacturing capacity.

(3) Research and development strategies

- The development and design of molds and plastic parts will be directed towards the development and upgrade of production technology to improve production efficiency and reduce production costs, thereby increasing the Company's competitive advantage in terms of productivity.
- Simplify the R&D of product assembly processes to increase gross profit and revenue.

2. Long-term development plan

(1) Sales strategy

- Actively explore long-term cooperation and development opportunities with leading consumer electronics brands, increase market share, and move toward the goal of sustained and stable business growth.
- Utilize the method of strategic alliance to vertically integrate upstream raw materials and downstream sales

channels, save logistics and freight, and improve core competitiveness.

(2) Product development and production strategy

- In addition to actively engaging in the development of plastic parts for the optoelectronic, communication, and electronics industries, we will continue to use more precise and advanced molds and plastic molding technologies to cooperate with high-performance and green plastic materials in the development of various products, and maintain a leading position in the same industry.
- Develop plastic parts and assemblies for new energy and green energy industries, and develop toward the trend of green energy and carbon reduction.
- Committed to improving the ability and production capacity of design and mold manufacturing, planning funds to strengthen the ability of production processes and automated production, and actively establishing strategic alliances with upstream and downstream industries to obtain more related spare parts production technology and integration capabilities. With a strategy focused on providing integrated production services and leveraging operational advantages, our goal is to create customer value and maintain their competitive edge, and we aim to become the strategic partner that best assists our customers in cost reduction.

(3) Research and development strategies

- Develop high value-added process technology and develop special molding processes to create industrial differentiation and enhance competitiveness.
- Cultivate professional R&D talents to achieve the goal of independence and independence of process development and pursuit of excellence.

II. Market, production and sales overview

(I) Market analysis

1. Locations where products (services) are mainly sold (provided)

Unit: NTD thousands; %

Sales destination \ Year	2021		2022	
	Sales value	Percentage (%)	Sales value	Percentage (%)
Domestic sale	693,808	57.25%	473,263	51.22%
Export sale	518,054	42.75%	450,632	48.78%
Total	1,211,862	100.00%	923,895	100.00%

2. Market share

Due to the limited number of manufacturers specializing in the mold design and manufacturing of precision products such as AIO (all-in-one), TV, network communication, and E-sports monitors, as well as secondary processing such as injection molding and glossy coating, there is currently a lack of comprehensive and objective market share data available for reference.

3. Future supply, demand and growth of the market

(1) Future supply and demand in the market

The R&D technology of the plastic products industry is very mature. Because plastic products have been widely used in various industries, the world's dependence on and demand for plastic products will still be irreplaceable in the next twenty years. Until alternative materials to plastic are developed, the supply and demand in the market remain incalculable. By providing customers with excellent quality, reasonable prices, reliable delivery, and satisfactory service, we can maintain a long-term customer base. Our company has always focused on these aspects, allowing us to sustain existing customers and develop new ones.

(2) Future growth of the market

After years of hard work, Taiwan's electronics, information and communication industries have become second only to the United States in terms of output value of information hardware at home and abroad. Among the main products, notebook computers, LCD TVs, LCD monitors, motherboards, power supplies, enclosures, Ranked first in the world in 20 product categories, including scanners, graphics cards, keyboards, UPS, mice, sound cards, video cards, hubs, modems, network cards, optical discs, and PDAs.

In view of the fact that consumer products are still the mainstream in the market, the Company is striving to continue research on various products and technologies in order to facilitate the improvement of gross profit.

4. Competitive niche and development prospects - favorable and unfavorable factors and countermeasures

(1) Competitive niche

- Skilled and experienced management team.
- The Company's management team, with years of experience in plastic injection and mold manufacturing, can fully grasp the production efficiency and improve the technical capabilities of the process, which not only effectively reduces the production cost, but also improves the product quality, thereby effectively enhancing the operating efficiency and market competitiveness.
- Rapid mold design, development, and production, and mass and rapid plastic injection molding production.
- The Company's main products are primarily used in the rapidly changing and high-volume production requirements of 3C electronic products. Given the demands of the downstream product market, the speed of mold development, design, and production, as well as the ability to handle mass production, will be the keys to success.
- The Company takes mold development and design as the core technology, and conducts discussions with customers during the product development period, which greatly shortens the mold design and development time. In addition, the Company has years of experience in mold manufacturing. The mold manufacturing process has already been standardized and modularized, and the process is synchronized with the mold characteristics,

significantly reducing the mold manufacturing time. This not only meets the downstream customers' requirements for rapid product mass production but also serves as a crucial factor in maintaining customer orders for the Company.

- 3C electronic products are characterized by rapid changes and high demand in a short period of time. In addition to the rapid completion of mold design and development and manufacturing, the mass production of the plastic injection molding process is also the key. In addition to the excellent mold development and manufacturing processes, the Company has also built sufficient plastic injection molding production capacity within the Group to meet the needs of downstream customers. This advantage not only allows us to coordinate with the injection molding process during mold development, reducing the running-in period for molds and improving the quality of the injection molding process, but also enables us to provide customers with further process services. In addition to improving the yield of the injection molding process, it can also provide customers with further process services, and increase the company's profits by producing plastic injection molding parts with the highest sales volume, which is decisive for stabilizing customer orders.
 - In terms of cost reduction and rapid mass production, outsourcing has become the mainstream in the market. Under this trend, manufacturers with relevant product production experience and scale of production capacity have become the first choice of international manufacturers for outsourcing. The Company has built a production base in Suzhou, China by virtue of its long-term production experience in plastic injection molding products. The Company continues to expand its production capacity and has a production capacity with economies of scale that enable it to make It is more difficult for new entrants to enter the market, and their abundant production capacity has also become an important advantage of the Company when acquiring OEM orders from major international manufacturers. The Group currently has hundreds of molding machines, including dozens of large-scale molding machines. The molding cycle time is significantly lower than that of competitors, giving the Company a competitive edge in terms of production capacity and profitability within the industry.
 - Based on the rich experience in the field of plastic injection products over the years, the Company's products are of good quality, and have passed ISO9001, ISO14001, ISO14064, QC080000, UL and ILTF 16949: 2016 certifications, and have been recognized by major international manufacturers. It is obvious that the Company's products quality has reached the international standard, which is helpful for the expansion of export market.
- (2) Competitive niche and development prospects - favorable and unfavorable factors and countermeasures
- Favorable factors
 - A. Wide range of downstream applications:

Plastic products are used in a wide range of applications. Plastic injection molded products can be used for daily necessities such as information, communication, and medical care. Such a broad range of product applications can reduce operating costs and increase potential business opportunities in the market. The development of a single product market does not increase business operations risk. Due to the rapid development of e-commerce, information-related products, communications, and consumer electronic products continue to grow. Technological evolution has resulted in products that are lighter, thinner, shorter, smaller, and more highly portable. As a result, the consumer market continues to grow.
 - B. Global logistics model:

In order to serve customers nearby and reduce production costs, the Company has established a factory in Suzhou, China. In addition to serving customers in close proximity, it can also reduce production costs and flexibly adjust production or delivery locations to meet customer demands, thereby enhancing the Company's international corporate image.
 - C. Strong technological ability:

The Company has focused on its own business for many years and continued to develop key technologies for plastic molding and mold R&D capabilities. Currently, the Company possesses advanced technologies such as high-gloss polishing, hot runner mold fabrication, rapid cooling and heating mold fabrication, precision and thin-wall production, 0.2mm thin-wall injection, medium to large-scale hot runner molding, injection molding of eco-friendly plastic materials, automated painting in dust-free environments, and PU coating. In addition, the Company attaches great importance to the combination of technology and commercialization, and quickly introduces mass production to meet the needs of customers to increase the added value of technology.
 - D. Obtained the Suzhou High-tech Enterprise Certification in 2022:

Continuous development of R&D patents, the company's long-term competitiveness, and the preferential and incentive measures of the local government are beneficial to the company's long-term development.
 - Unfavorable factors
 - A. Increasing tax, labor, and operating costs in Mainland China:

Since 2008, China has implemented a new corporate income tax system and a new labor contract law, resulting in higher tax, labor and operating costs for Taiwanese-funded enterprises in Mainland China.

Countermeasures:

 - a. Actively apply for various tax incentives in Mainland China to reduce the Group's tax cost.
 - b. Adjust the salary structure and enhance the degree of automation to reduce the demand for on-site labor.

In addition, improve management efficiency and streamline personnel to reduce personnel expenses and increase operating profits.

B. Rising raw material prices are eroding gross profit margins:

In recent years, the increasing demand for plastic usage across various industries, as well as the significant rise in e-commerce and food delivery packaging needs in Mainland China, have led to a corresponding increase in related raw material costs. As the plastic product industry heavily relies on these raw materials as a major component of overall costs, the surge in material prices has resulted in higher production costs for plastic products. This, in turn, will lower the product gross margins and have a noticeable adverse impact on profitability.

Responsive measures:

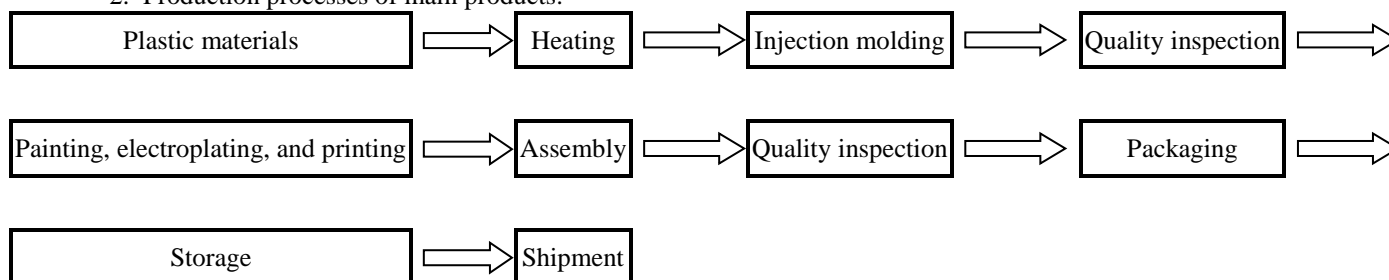
- a. Introduce special injection molding technology to reduce the wastage of raw materials during the production process.
- b. Continue to improve the mold design ability to reduce the consumption rate of raw materials in the production process.
- c. Bulk purchases of raw materials to reduce the unit purchase price.
- d. Introduce smart robotic arms into the factories, and the product is transported and operated in a centralized manner to reduce manpower.

(II) Main product applications and production processes

1. Main product applications

Main products	Key purposes
Mold	Formation and manufacturing of various products.
Plastic parts	External casing, hull, and structural parts for electronic products (mostly All-in-One PC, LCD TVs, and networking and communication equipment), home appliances, and power tools.
Plastic materials	Raw materials for plastic molding.

2. Production processes of main products:



(III) Supply of main materials

The Company maintains good working relationship with main material suppliers, and pays close attention to market prices so that critical materials can be acquired at favorable prices. The Company also establishes long-term strategic partnership with vendors to secure supply source.

(IV) Name of trade partner representing more than 10% of total purchases (sales) in any of the previous two years, and the amount and percentage of purchase (sale). Describe causes of any variation:

1. Main suppliers in the last two years

Unit: NTD thousand

Item	2021				2022				2023 up until the previous quarter			
	Name	Amount	As a percentage of annual net purchases (%)	Relationship with the issuer	Name	Amount	As a percentage of annual net purchases (%)	Relationship with the issuer	Name	Amount	As a percentage of net purchases up until the previous quarter of the current year	Relationship with the issuer
1	2846	76,986	15.14%	None	1605	45,690	10.33%	None	0001	9,535	12.62%	Investor with material influence on the Company
2	2548	74,243	14.60%	None					0506	9,158	12.12%	None
3	0506	66,262	13.03%	None								
	Others	291,025	57.23%		Others	396,530	89.67%		Others	56,848	75.26%	
	Net purchase	508,516	100.00%		Net purchase	442,220	100.00%		Net purchase	75,541	100.00%	

Cause of variation: The purchase amount decreased due to the decline in sales.

2. Main customers in the last two years

Unit: NTD thousand

Item	2021				2022				2023 up until the previous quarter			
	Name	Amount	As a percentage of annual net sales (%)	Relationship with the issuer	Name	Amount	As a percentage of annual net sales (%)	Relationship with the issuer	Name	Amount	As a percentage of net sales (%) up until the most recent quarter of the current year	Relationship with the issuer
1	0099	429,859	35.47%	None	0099	297,172	32.17%	None	0099	48,789	23.67%	None
2	0146	136,678	11.28%	None	0146	148,438	16.07%	None	0146	43,843	21.27%	None
3					2312	95,655	10.35%	None	2301	24,191	11.74%	None
									0219	23,268	11.29%	None
	Others	645,325	53.25%		Others	382,630	41.41%		Others	66,050	32.03%	
	Net sales	1,211,862	100.00%		Net sales	923,895	100.00%		Net sales	206,141	100.00%	

Cause of variation: The changes in the sales amount and ratio are mainly due to the impact of the Russian-Ukrainian War and the impact of the initial lockdown and subsequent reopening due to the COVID-19 pandemic in China.

(V) Production volume and value in the last two years

Unit: plastic parts (thousand PCS/NTD thousands)

Production volume/value	Year	2021		2022	
		Production volume	Production value	Production volume	Production value
Main products					
Plastic structural parts (including molds)		66,721	1,097,745	33,116	886,005

(VI) Sales volume and value in the last two years

Unit: plastic structural parts (thousand PCS/NTD thousands); consumer electronics (thousand pieces/NTD thousands)

Production volume/value	Year	2021				2022			
		Domestic sale		Export sale		Domestic sale		Export sale	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value
Main products									
Plastic structural parts (including molds)		40,574	693,808	27,324	518,054	18,599	473,263	14,913	450,632
Consumer electronics		-	-	-	-	-	-	-	-
Total		40,574	693,808	27,324	518,054	18,599	473,263	14,913	450,632

III. Employee information in the last 2 years up until the publication date of annual report

Unit: persons; %

Item	Year	2021	2022	2023 up until March 31
		Employee count (persons)		
	Direct employees	-	-	-
	Indirect employees	17	17	17
	R&D head count	3	3	2
	Total	20	20	19
Average age (years)		46	46	45
Average years of service (years)		2.45	2.80	3.26
Academic background (%)	Doctoral Degree	0%	0%	0%
	Master's Degree	10.00%	5.00%	5.26%
	Bachelor Degree	75.00%	75%	78.95%
	Senior high school	15.00%	20.00%	15.79%
	Below senior high school	0%	0%	0%

IV. Contribution to environmental protection

- (I) Description of compliance regarding pollutive facility installation permit, pollutant discharge permit, payment of pollution prevention expenses, or appointment of environmental protection personnel, where required by law: The Company is not a pollutive business regulated by the laws, hence not applicable.
- (II) Investment in pollution prevention equipment, the purpose of equipment, and possible benefits: None.
- (III) Efforts undertaken by the Company to rectify pollution in the last two years and up until the publication date of annual report; where dispute had arisen due to pollution, describe the progress of such dispute: None.
- (IV) Losses (including damage compensations) and fines incurred due to pollution of environment in the last two years up until the publication date of annual report, and expenses likely to be incurred on future response strategies: None.
- (V) Describe the current state of pollution and how improvements may affect the Company's earnings, competitiveness, and capital expenditure; estimate major capital expenditures on environmental protection in the next 2 years: None.

V. Labor-management relations

- (I) Availability and execution of employee welfare, education, training and retirement policies. Elaborate on the agreements between employers and employees, and protection of employees' rights:

1. Employee welfare measures and implementation

Human resources are the Company's greatest advantage, which is why we are committed to creating a comfortable and satisfying work environment where employees can perform to their maximum potentials free of distraction. In addition to implementing welfare measures in accordance with the Labor Standards Act, the Company has also assembled an Employee Welfare Committee to oversee the planning and execution of employee benefits and promote talent growth. The Company provides the following key welfare measures to employees:

- (1) Required by laws: National Health Insurance, Labor Insurance, and pension fund.
- (2) Additionally arranged by the Company: Training, group insurance, and year-end bonus among other bonuses depending on current year's operations and individual work performance. For employees' comfort and joy, the Company offers complimentary coffee and subscribes periodicals, magazines, and newspapers that employees may use at their convenience.
- (3) Arranged by the Employee Welfare Committee: Wedding/funeral/celebration subsidies and lifestyle privileges.

2. Employee training and education

Talents form the core of a business' competitiveness, and persistent training not only inspires potentials within an individual, but also improves knowledge among the workforce so that manpower can be allocated more effectively to deliver higher performance targets. All employees are encouraged to take part in the Company's on-job training program.

3. Retirement system and implementation

The pension system of the "Labor Pension Act" is applicable to the Company, belonging to the affirmed appropriation of pension plan under the management of the government, and pension is appropriated at the rate of 6% of the monthly salary of employees into the personal dedicated account of the Bureau of Labor Insurance.

4. Enforcement of labor agreements and employee rights

- (1) The Company observes the Labor Standards Act and maintains a productive employment relationship.
- (2) The Company has employee grievance system and channels in place, and promotes their existence through training and awareness programs. Employees' grievances and identities are kept confidential and handled in an appropriate manner.
- (3) The Company adopts a comprehensive range of internal communication channels. Information relating to the Company's operations is disclosed over the corporate website; any material changes in operation are notified to employees through meetings and announcements.

- (II) Actual or estimated losses arising as a result of employment disputes in the last year up until the publication date of annual report, and any response measures taken: None.

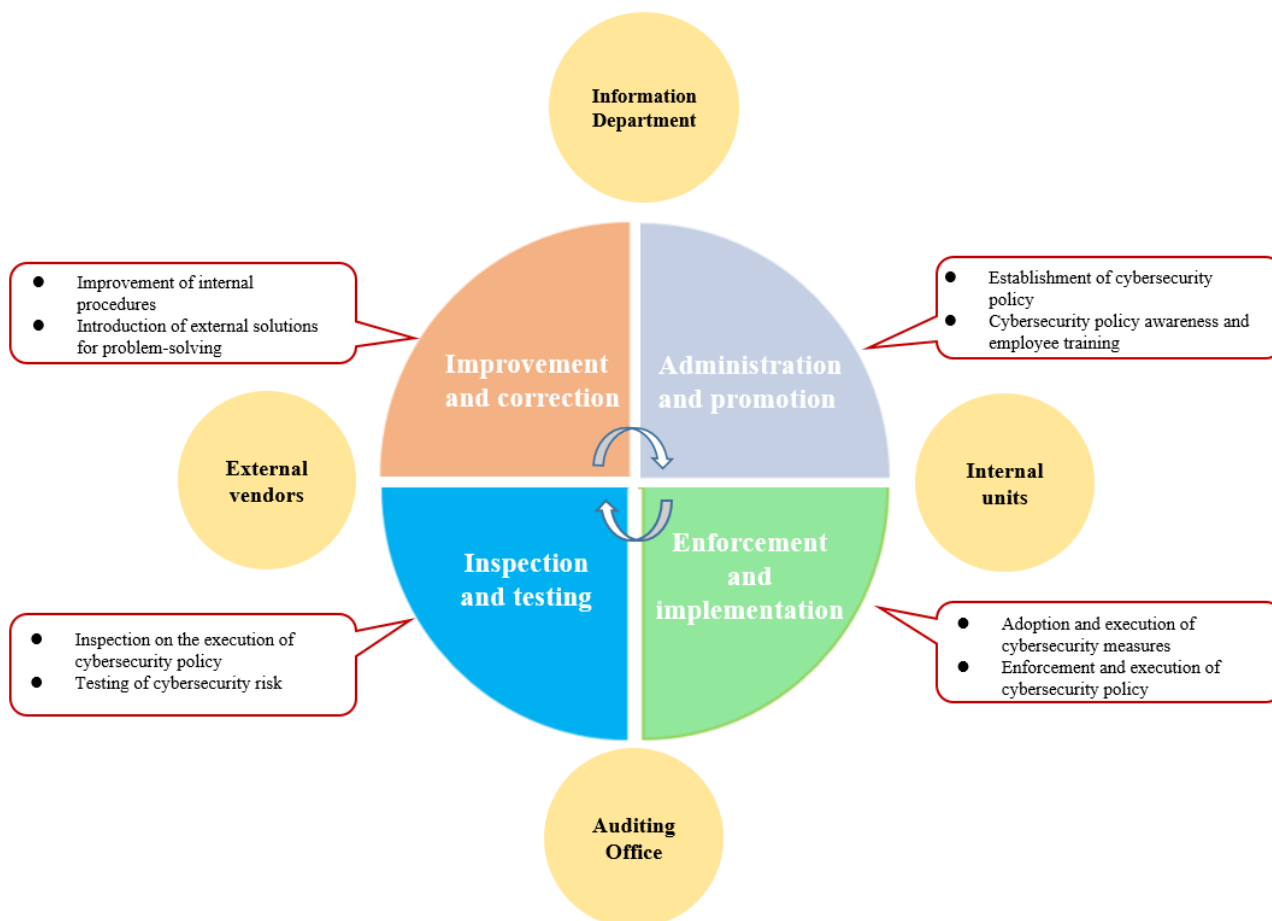
VI. Cybersecurity management:

- (I) Explain the cybersecurity risk management framework, cybersecurity policy, management practices, and resources committed

1. Cybersecurity risk management of the Company and resources committed

- (1) The Company has designated its Information Department as the unit responsible for cybersecurity matters. The department has been staffed with one IT manager and one IT specialist, whose responsibilities are to devise the internal cybersecurity policy, plan cybersecurity tasks, and implement and enforce the cybersecurity policy.
- (2) The Auditing Office is tasked with the responsibility of supervising cybersecurity. The office has been staffed with dedicated internal auditors to oversee execution of cybersecurity. Departments that are found to exhibit defect would be instructed to make immediate improvements and have progress tracked regularly to minimize cybersecurity risks.

- (3) The organization adopts regular auditing and circular management as ways to ensure attainment of reliability goals and ongoing improvement.



2. Cybersecurity policy and management solutions

- (1) The Company's cybersecurity policy encompasses the following three aspects:

- Policy making:** An organization-wide cybersecurity management system is implemented to regulate employees' behaviors.
- Use of technology:** Cybersecurity management equipment is implemented to enforce cybersecurity measures.
- Personnel training:** The Company promotes cybersecurity awareness among employees through cybersecurity training.

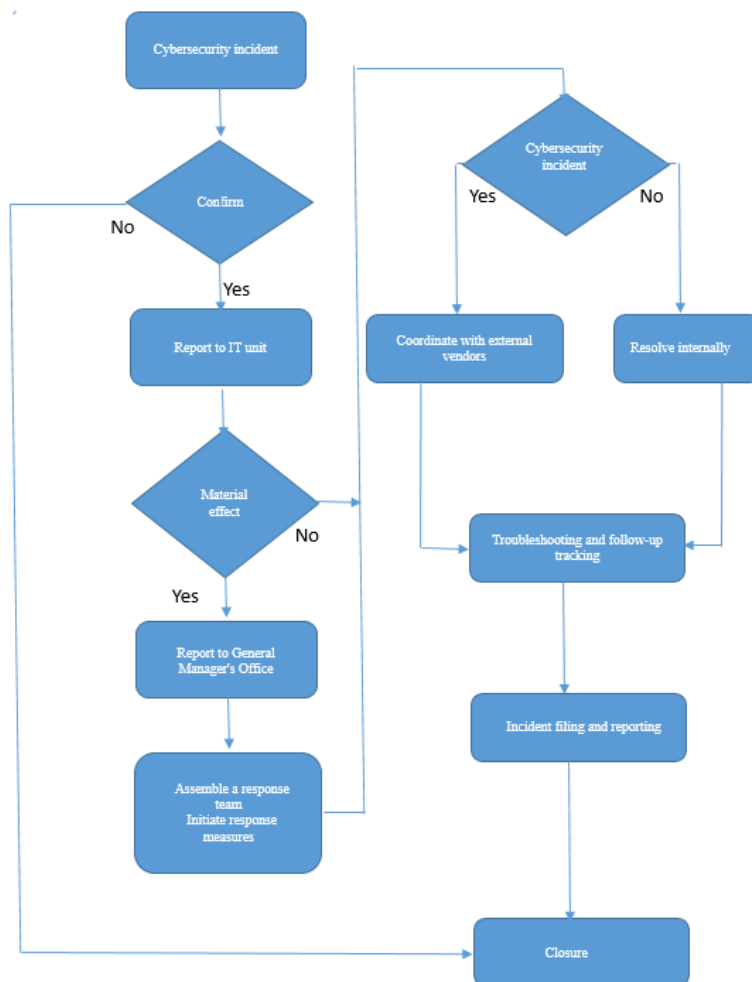
- (2) Management practices:

- Policy making:** The Company issues computer usage consent form that reminds employees of the proper ways to handle information. Existing policies are examined on a yearly basis to determine whether they continue to be relevant for the prevailing circumstances, and adjustments are made as deemed necessary.
- Use of technology:** In addition to adopting a multi-layer network security architecture to defend against external threats, the Company implements a multitude of cybersecurity protections to enhance the security of its IT environment. Additional cybersecurity tools have also been introduced to enforce personnel cybersecurity management, and thereby ensure that employees' conducts conform with internal policies.
- Personnel training:** The Company arranges annual cybersecurity training, workshops, and courses for employees as a way to promote knowledge and skills.

- d. Other management practices: The Company reviews its cybersecurity protocols on a regular basis, and analyses risk exposure after taking into consideration the value at risk, potential vulnerabilities, threats, and impacts. Outcomes of such risk assessment are used to devise cybersecurity measures and enhancements that enhance security of the IT environment. The actual measures include the following:

Item	Explanation	Control measures
Access right management	User account & access right management	Management and review of user accounts and access rights Regular count of user accounts and access rights
External threat	Potential vulnerabilities of internal system and anti-virus/anti-hack protection	Examination and update of server vulnerabilities Anti-virus, anti-hack, spam filter, and detection of malicious software
System	System availability and response to service disruption	Emergency response procedures for service disruption Data backup system

- (3) Cybersecurity incident reporting procedures: Cybersecurity incidents are reported and handled according to procedures and the underlying principles.



- (II) Losses arising as a result of major cybersecurity incident in the last year up until the publication date of annual report, and possible impacts and response measures; state the reasons if losses can not be reasonably estimated: None.

VII. Major contracts: None.

Six. Financial Overview

I. Summary balance sheet, statement of comprehensive income, auditors, and audit opinions for the last 5 years

(I) Summary balance sheet

1. IFRS-compliant - consolidated

Unit: NTD thousands

Item \ Year		Financial analysis for the last 5 years					2023 up until March 31 Financial data
		2018	2019	2020 (Note 3)	2021	2022	
Current assets		372,394	211,038	635,200	575,455	561,227	563,619
Property, plant and equipment		373,811	331,651	492,666	440,239	424,798	412,808
Intangible asset		24,591	2,180	16,561	13,094	11,031	10,098
Other assets		535,564	514,464	462,157	434,558	422,020	401,961
Total assets		1,306,360	1,059,333	1,606,584	1,463,346	1,419,076	1,388,486
Current liabilities	Before distribution	690,199	527,187	712,898	710,667	800,779	832,122
	After distribution	690,199	527,187	712,898	710,667	Note 2	-
Non-current liabilities		105,675	94,744	123,581	137,949	83,496	46,246
Total liabilities	Before distribution	795,874	621,931	836,479	848,616	884,275	878,368
	After distribution	795,874	621,931	836,479	848,616	Note 2	-
Equity attributable to owners of parent company		510,486	437,402	609,560	614,730	534,801	510,118
Share capital		630,425	830,425	930,425	930,425	930,425	930,425
Capital surplus		-	-	-	7,327	7,327	7,327
Retained earnings	Before distribution	(146,504)	(410,744)	(339,095)	(337,573)	(430,276)	(455,912)
	After distribution	(146,504)	(410,744)	(339,095)	(337,573)	Note 2	-
Other equities		26,565	17,721	18,230	14,551	27,325	28,278
Treasury stock		-	-	-	-	-	-
Non-controlling interests		-	-	160,545	-	-	-
Total equity	Before distribution	510,486	437,402	770,105	614,730	534,801	510,118
	After distribution	510,486	437,402	770,105	614,730	Note 2	-

Note 1: Financial data as at March 31, 2023 was auditor-reviewed, whereas financial data for all other years has been audited.

Note 2: The 2022 loss compensation proposal has yet to be resolved in a shareholder meeting.

Note 3: The Company acquired 100% equity ownership in Suzhou Ruideng Technologies Limited in September 2021 as part of a re-organization of entity under common control. For this reason, the entity should be treated as having been acquired since initiation, and for which the Company has restated financial information retrospectively for the comparative period (2020).

2. IFRS-compliant - separate

Unit: NTD thousand

Item	Year	Financial analysis for the last 5 years				
		2018	2019	2020 (Note 3)	2021	2022
Current assets		142,794	151,167	228,057	244,521	270,159
Funds and investments		500,375	299,812	580,576	450,645	377,887
Property, plant and equipment		1,353	750	150	26	27
Intangible asset		-	-	-	-	-
Other assets		253	289	1,069	1,173	869
Total assets		644,775	452,018	809,852	696,365	648,942
Current liabilities	Before distribution	127,354	10,186	33,834	76,713	105,379
	After distribution	127,354	10,186	33,834	76,713	Note 2
Non-current liabilities		6,935	4,430	5,913	4,922	8,762
Total liabilities	Before distribution	134,289	14,616	39,747	81,635	114,141
	After distribution	134,289	14,616	39,747	81,635	Note 2
Equity attributable to owners of parent company		510,486	437,402	609,560	614,730	534,801
Share capital		630,425	830,425	930,425	930,425	930,425
Capital surplus		-	-	-	7,327	7,327
Retained earnings	Before distribution	(146,504)	(410,744)	(339,095)	(337,573)	(430,276)
	After distribution	(146,504)	(410,744)	(339,095)	(337,573)	Note 2
Other equities		26,565	17,721	18,230	14,551	27,325
Treasury stock		-	-	-	-	-
Non-controlling interests		-	-	160,545	-	-
Total equity	Before distribution	510,486	437,402	770,105	614,730	534,801
	After distribution	510,486	437,402	770,105	614,730	Note 2

Note 1: All yearly financial information presented above has been audited.

Note 2: The 2022 loss compensation proposal has yet to be resolved in a shareholder meeting.

Note 3: The Company acquired 100% equity ownership in Suzhou Ruideng Technologies Limited in September 2021 as part of a re-organization of entity under common control. For this reason, the entity should be treated as having been acquired since initiation, and for which the Company has restated financial information retrospectively for the comparative period (2020).

(II) Summary statement of comprehensive income

1. IFRS-compliant - consolidated

Unit: NTD thousands

Item \ Year	2018	2019	2020 (Note 2)	2021	2022	Year-to-date March 31, 2023
Operating revenues	820,205	516,522	1,118,998	1,211,862	923,895	206,141
Gross profit (loss)	76,159	(32,450)	151,282	101,910	44,943	11,404
Operating profit/loss	(64,481)	(140,935)	27,124	(19,889)	(69,605)	(17,841)
Non-operating income and expense	(40,354)	(30,058)	33,119	(22,629)	(21,829)	(7,472)
Net profit (loss) before income tax	(104,835)	(170,993)	60,243	(42,518)	(91,434)	(25,313)
Current net income (loss) from continuing operations	(146,504)	(176,940)	55,253	(39,240)	(92,703)	(25,636)
Loss from discontinued operations	-	-	-	-	-	-
Current net income (loss)	(146,504)	(176,940)	55,253	(39,240)	(92,703)	(25,636)
Other comprehensive income for the current period (net, after-tax)	(8,357)	(8,844)	2,937	(5,903)	12,774	953
Total comprehensive income for the current period	(154,861)	(185,784)	58,190	(45,143)	(79,929)	(24,683)
Net income (loss) attributable to owners of the Company	(146,504)	(176,940)	74,849	1,522	(92,703)	(25,636)
Net income (loss) attributable to former controller of commonly controlled entities	-	-	(19,596)	(40,762)	-	-
Net income (loss) attributable to non-controlling shareholders	-	-	-	-	-	-
Comprehensive income attributable to owners of the Company	(154,861)	(185,784)	75,358	(2,157)	(79,929)	(24,683)
Total comprehensive income attributable to former controller of commonly controlled entities	-	-	(17,168)	(42,986)	-	-
Total comprehensive income attributable to non-controlling shareholders	-	-	-	-	-	-
Earnings (losses) per share	(2.32)	(2.59)	0.90	0.02	(1.00)	(0.28)

Note 1: Financial data as at March 31, 2023 was auditor-reviewed, whereas financial data for all other years has been audited.

Note 2: The Company acquired 100% equity ownership in Suzhou Ruideng Technologies Limited in September 2021 as part of a re-organization of entity under common control. For this reason, the entity should be treated as having been acquired since initiation, and for which the Company has restated financial information retrospectively for the comparative period (2020).

2. IFRS-compliant - separate

Unit: NTD thousands

Item \ Year	2018	2019	2020 (Note 2)	2021	2022
Operating revenues	24,068	11,742	5,051	8,298	9,394
Gross profit (loss)	22,601	11,742	5,051	8,298	9,394
Operating profit/loss	(12,992)	(16,568)	(27,541)	(22,998)	(23,780)
Non-operating income and expense	(134,134)	(160,726)	83,370	(16,417)	(67,973)
Net profit (loss) before income tax	(147,126)	(177,294)	55,829	(39,415)	(91,753)
Current net income (loss) from continuing operations	(146,504)	(176,940)	55,253	(39,240)	(92,703)
Loss from discontinued operations	-	-	-	-	-
Current net income (loss)	(146,504)	(176,940)	55,253	(39,240)	(92,703)
Other comprehensive income for the current period (net, after-tax)	(8,357)	(8,844)	2,937	(5,903)	12,774
Total comprehensive income for the current period	(154,861)	(185,784)	58,190	(45,143)	(79,929)
Net income (loss) attributable to owners of the Company	(146,504)	(176,940)	74,849	1,522	(92,703)
Net income (loss) attributable to former controller of commonly controlled entities	-	-	(19,596)	(40,762)	-
Net income (loss) attributable to non-controlling shareholders	-	-	-	-	-
Comprehensive income attributable to owners of the Company	(154,861)	(185,784)	75,358	(2,157)	(79,929)
Total comprehensive income attributable to former controller of commonly controlled entities	-	-	(17,168)	(42,986)	-
Total comprehensive income attributable to non-controlling shareholders	-	-	-	-	-
Earnings (losses) per share	(2.32)	(2.59)	0.09	0.02	(1.00)

Note 1: All yearly financial information presented above has been audited.

Note 2: The Company acquired 100% equity ownership in Suzhou Ruideng Technologies Limited in September 2021 as part of a re-organization of entity under common control. For this reason, the entity should be treated as having been acquired since initiation, and for which the Company has restated financial information retrospectively for the comparative period (2020).

(III) Names of financial statement auditors in the last 5 years and audit opinions

1. Names of financial statement auditors in the last 5 years and audit opinions

Year	Accounting firm	Name of CPA	Audit opinion
2018	Deloitte Taiwan	Chen, Chen-Li; Wu, Chiu-Yen	Unqualified opinion
2019	Deloitte Taiwan	Chen, Chen-Li; Wu, Chiu-Yen	Unqualified opinion
2020	Deloitte Taiwan	Chen, Chen-Li; Wu, Chiu-Yen	Unqualified opinion
2021	Deloitte Taiwan	Jiang, Jia-Ling; Wu, Chiu-Yen	Unqualified opinion with emphasis of matter paragraph
2022	Deloitte Taiwan	Jiang, Jia-Ling; Wu, Chiu-Yen	Unqualified opinion

2. If there was any reappointment of CPA in the last five years, provide reasons for reappointment from the Company, the former CPA, and the succeeding CPA:

Due to internal rotation and practical requirements within the accounting firm, the Company reappointed CPA Jiang, Jia-Ling and CPA Wu, Chiu-Yen of Deloitte Taiwan as its financial statement auditors on January 26, 2021.

II. Financial analysis for the last 5 years

Consolidated financial analysis - IAS-compliant

Analysis		Year	Financial analysis for the last 5 years					2023 up until March 31
			2018	2019	2020 (Note 3)	2021	2022	
Financial position %	Debt to assets ratio		60.92	58.71	52.07	57.99	62.31	63.26
	Long-term capital to property, plant and equipment ratio		164.83	160.45	181.40	170.97	145.55	134.78
Solvency (%)	Current ratio		53.95	40.03	89.10	80.97	70.09	67.73
	Quick ratio		34.46	30.93	69.77	63.97	55.73	55.74
	Interest coverage ratio		(2.03)	(4.20)	2.58	(1.04)	(2.78)	(2.82)
Operating efficiency	Receivables turnover (times)		3.73	5.12	3.69	3.41	2.91	2.73
	Average cash collection days		97.68	71.28	98.91	107.03	125.42	133.49
	Inventory turnover (times)		5.66	6.93	8.84	9.38	8.15	7.81
	Payables turnover (times)		3.18	3.22	3.20	3.13	2.96	3.44
	Average inventory turnover days		64.48	56.22	41.27	38.91	44.78	46.75
	Property, plant and equipment turnover (times)		1.75	1.46	2.19	2.60	2.14	1.97
	Total asset turnover (times)		0.54	0.44	0.69	0.79	0.64	0.59
Profitability	Return on assets (%)		(7.86)	(12.73)	5.29	(1.47)	(5.09)	(5.79)
	Return on equity (%)		(24.92)	(37.33)	7.98	(5.67)	(16.13)	(19.63)
	Pre-tax profit to paid-in capital ratio (%)		(16.63)	(20.59)	6.47	(4.57)	(9.83)	(10.88)
	Net profit margin (%)		(17.86)	(34.26)	4.94	(3.24)	(10.03)	(12.44)
	Earnings (losses) per share (NTD)		(2.32)	(2.59)	0.90	0.02	(1.00)	(0.28)
Cash flow	Cash flow ratio (%)		28.73	Note 2	6.91	13.90	Note 2	Note 2
	Cash flow adequacy ratio (%)		(3.43)	Note 2	8.89	97.65	Note 2	Note 2
	Cash reinvestment ratio (%)		22.12	Note 2	3.14	6.87	Note 2	Note 2
Degree of leverage	Operating leverage		(0.65)	(3.1)	11.00	(13.26)	(2.71)	(2.77)
	Financial leverage		0.65	0.81	(2.47)	0.49	0.74	0.73

Note 1: Financial data as at March 31, 2023 was auditor-reviewed, whereas financial data for all other years has been audited.

Note 2: Not calculated as the consolidated financial statements showed a net cash outflow from operating activities.

Note 3: The Company acquired 100% equity ownership in Suzhou Ruideng Technologies Limited in September 2021 as part of a re-organization of entity under common control. For this reason, the entity should be treated as having been acquired since initiation, and for which the Company has restated financial information retrospectively for the comparative period (2020).

Material changes (20% and above) in the last two years and causes:

Interest coverage, profitability, leverage, and cash flow: Mainly due to the impact of the Russian-Ukrainian War and the impact of the initial lockdown and subsequent reopening due to the COVID-19 pandemic in China, and the US-China trade war, resulting in reduced revenue and generating operating losses and net losses after taxes, thus leading to a significant change in the relevant ratios between the two periods.

Separate financial analysis - IAS-compliant

Analysis		Financial analysis for the last 5 years				
		2018	2019	2020 (Note 3)	2021	2022
Financial position %	Debt to assets ratio	20.83	3.23	4.91	11.72	17.59
	Long-term capital to property, plant and equipment ratio	38,242.50	58,910.93	517,345.33	2,383,276.92	2,013,196.30
Solvency (%)	Current ratio	112.12	1,484.07	674.05	318.75	256.37
	Quick ratio	111.98	1,482.82	673.82	318.31	256.01
	Interest coverage ratio	(31.78)	(31.48)	64.73	(76.74)	(80.34)
Operating efficiency	Receivables turnover (times)	4.76	6.49	11.12	4.53	2.75
	Average cash collection days	76.65	56.24	32.81	80.61	132.84
	Inventory turnover (times)	1.39	-	-	-	-
	Payables turnover (times)	0.01	-	-	-	-
	Average inventory turnover days	263.53	-	-	-	-
	Property, plant and equipment turnover (times)	14.52	11.17	11.22	94.30	354.49
	Total asset turnover (times)	0.03	0.02	0.01	0.01	0.01
Profitability	Return on assets (%)	(18.14)	(31.47)	8.87	(5.16)	(13.65)
	Return on equity (%)	(24.92)	(37.33)	9.15	(5.67)	(16.13)
	Pre-tax profit to paid-in capital ratio (%)	(23.34)	(21.35)	6	(4.24)	(9.86)
	Net profit margin (%)	(608.71)	(1,506.9)	1,093.9	(472.89)	(986.83)
	Earnings (losses) per share (NTD)	(2.32)	(2.59)	0.9	0.02	(1.00)
Cash flow	Cash flow ratio (%)	Note 2	Note 2	Note 2	Note 2	11.23
	Cash flow adequacy ratio (%)	Note 2	Note 2	Note 2	Note 2	Note 2
	Cash reinvestment ratio (%)	Note 2	Note 2	Note 2	Note 2	2.15
Degree of leverage	Operating leverage	1.00	1.00	0.98	0.99	1.00
	Financial leverage	0.74	0.75	0.97	0.98	0.95

Note 1: All yearly financial information presented above has been audited.

Note 2: Not calculated as the parent Company Only Financial Statements showed a net cash outflow from operating activities.

Note 3: The Company acquired 100% equity ownership in Suzhou Ruideng Technologies Limited in September 2021 as part of a re-organization of entity under common control. For this reason, the entity should be treated as having been acquired since initiation, and for which the Company has restated financial information retrospectively for the comparative period (2020).

Material changes (20% and above) in the last two years and causes:

1. Debt to assets ratio: Mainly due to the increase in accounts payable is the growth in revenue from triangular trade, leading to an increase in the ratio for the two periods.
2. Accounts receivable turnover and average cash collection days: Mainly due to the addition of triangle trading business since the previous year, resulting in significant changes in the ratio in the past three years, and there is no significant difference in collection days.
3. Property, plant and equipment turnover: Mainly due to the fact that equipment is almost fully amortized. A slight increase or decrease in revenue will result in a significant change in the ratio between the two periods.
4. Profitability: Mainly due to the impact on the subsidiary recognized under the equity method is due to the influence of the pandemic, war, and the U.S.-China trade war, resulting in a decrease in revenue and in the ratio of the two periods.

Explanation to formulas used in financial analyses:

1. Financial position

(1) Debt-to-assets ratio = total liabilities/ total assets.

(2) Long-term capital to property, plant and equipment ratio = (total equity + non-current liabilities) / net property, plant and equipment.

2. Solvency

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

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

(3) Interest coverage ratio = earnings before interest and tax / interest expenses for the current period.

3. Operating efficiency

(1) Receivables turnover (including accounts receivable and notes receivable from business activities) = net sales / average receivables balance (including accounts receivable and notes receivable from business activities).

(2) Average cash collection days = 365 / receivables turnover.

(3) Inventory turnover = cost of sales/average inventory balance.

(4) Payables turnover (including accounts payable and notes payable for business activities) = cost of sales / average payables balance (including accounts payable and notes payable for business activities).

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

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

(7) Total asset turnover = net sales / average total assets.

4. Profitability

(1) Return on assets = (net income + interest expenses x (1 - tax rate)) / average asset balance.

(2) Return on equity = net income / average shareholders' equity.

(3) Net profit margin = net income / net sales.

(4) Earnings per share = (net income attributable to owners of the parent - preferred share dividends) / weighted average outstanding shares. (Note 4)

5. Cash flow

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

(2) Cash flow adequacy ratio = net cash flow from operating activities for the previous 5 years / (capital expenditure + increase in inventory + cash dividends) for the previous 5 years.

(3) Cash reinvestment ratio = (net cash flow from operating activities - cash dividends) / (gross property, plant and equipment + long-term investments + other non-current assets + working capital). (Note 5)

6. Degree of leverage:

(1) Degree of operating leverage = (net operating revenues - variable operating costs and expenses) / operating profit (Note 6).

(2) Degree of financial leverage = operating profit / (operating profit - interest expense).

Note 4: Calculation of earnings per share has taken the following factors into account:

1. Weighted average outstanding common shares are used, instead of year-end outstanding shares.

2. Effects of cash issue or treasury stock, weighed by the number of outstanding shares and calculated for the length of time they were in circulation.

3. Where any additional shares were issued against capitalized earnings or capital surplus, the full year or half-year earnings per share are adjusted retrospectively, regardless of when the additional shares were issued.

4. For preferred shares that are cumulative and non-convertible in nature, all current year dividends (whether distributed or not) are deducted from net income, or added to net loss. For preferred shares that are non-cumulative in nature, preferred share dividends are deducted from net income, but no adjustment is required for net loss.

Note 5: The cash flow analysis takes into account the following:

1. Net cash flow from operating activities is taken from the amount presented in the cash flow statement.

2. Capital expenditure refers to the amount of annual cash outflow spent on capital investments.

3. Increase in inventory is used only if closing balance exceeds opening balance. The value will be substituted with zero if closing inventory balance is less than the opening balance.

4. Cash dividends include both common and preferred share cash dividends.

5. Gross property, plant and equipment refers to the amount before deducting accumulated depreciation.

Note 6: The Company, as a securities issuer, is required to classify operating costs and expenses between fixed and variable portions; any estimate or subjective judgment used in the classification has to be reasonable and consistent.

Note 7: For companies that issue shares without face value or at any face value other than NTS10 per share, all above percentages that involve paid-in capital in the denominator shall be substituted with equity attributable to owners of parent company instead.

Logah Technology Corporation Audit Committee's Review Report

The Board of Directors has prepared the 2022 Business Report, financial statements, and the compensation of losses proposal, etc., among which the financial statements were, at the request of the board directors, audited by Deloitte Taiwan, by whom an audit report was issued. We have reviewed the aforementioned Business Report, financial statements, and the earnings distribution proposal, to which we have found no misstatement, and we hereby issue a review report as presented above in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 and Article 228 of the Company Act. Please proceed to review it.

To:
Logah Technology Corporation 2023 Shareholders' Meeting

Convener of the Audit Committee; Chen, Liang-Tsung

March 23, 2023

- VI. The latest financial statements: See 86~145 of this annual report.
V. The latest audited Parent Company Only Financial Statements: See 146~199 of this annual report.
VI. Any financial distress experienced by the Company or affiliated enterprise and impacts on the Company's financial position in the last year up until the publication date of annual report: None.

Seven. Review and Analysis of Financial Position and Business Performance, and Risk Management Issues

I. Analysis of financial position

Material changes in assets, liabilities, and shareholders' equity in the last two years, including causes and impacts of such variations:

Unit: NTD thousands

Item \ Year	2021	2022	Variation	
			Amount	Percentage
Current assets	575,455	561,227	(14,228)	(2%)
Property, plant and equipment	440,239	424,798	(15,441)	(4%)
Intangible asset	13,094	11,031	(2,063)	(16%)
Other assets	434,558	422,020	(12,538)	(3%)
Total assets	1,463,346	1,419,076	(44,270)	(3%)
Current liabilities	710,667	800,779	90,112	13%
Non-current liabilities	137,949	83,496	(54,453)	(39%)
Total liabilities	848,616	884,275	35,659	4%
Equity attributable to owners of the company	614,730	534,801	(79,929)	(13%)
Share capital	930,425	930,425	—	—
Capital surplus	7,327	7,327	—	—
Retained earnings	(337,573)	(430,276)	(92,703)	(27%)
Other equities	14,551	27,325	12,774	88%
Equity attributable to former owner of business combination under common control	-	—	—	—
Total equity	614,730	534,801	(79,929)	(13%)

Analysis and explanation to significant variations amounting to NT\$10 million or 20% or above:

1. Decrease in non-current liabilities: Mainly due to the payment for the investment to purchase the equity of Suzhou Ruideng in installments.
2. Decrease in retained earnings and total equity: Mainly due to the impact of the pandemic, the war, and the U.S.-China trade war, resulting in a loss of revenue.
3. Increase in other equities: Mainly due to the strong U.S. dollar, resulting in the significant foreign exchange gain in the financial statements.
4. Future improvement plans: Actively explore new customer sources and continue to control and reduce costs and expenses.

II. Financial performance

Main causes of significant changes in revenues, operating profits, and profit before tax in the last 2 years; expected sales volume and basis of estimation; possible impacts on the Company's future financial/business performance; and response plans:

Unit: NTD thousand

Item	2021	2022	Amount increase (decrease)	Percentage
Net operating income	1,211,862	923,895	(287,967)	(24%)
Operating costs	1,109,952	878,952	(231,000)	(21%)
Gross profit	101,910	44,943	(56,967)	(56%)
Operating expenses	121,799	114,548	(7,251)	(6%)
Net operating profit (loss)	(19,889)	(69,605)	(49,716)	(250%)
Non-operating income and expense	(22,629)	(21,829)	800	4%
Net profit (loss) before income tax	(42,518)	(91,434)	(48,916)	(115%)
Income tax benefits (expenses)	3,278	(1,269)	(4,547)	(139%)
Net profit (loss) for the year	(39,240)	(92,703)	(53,463)	(136%)

- (I) The percentage of change by more than 20%, and the amount of change amounted to NT\$10 million, is as follows:
Decrease in operating revenue, costs, and gross profit: Mainly due to the impact of the Russian-Ukrainian War and the impact of the initial lockdown and subsequent reopening due to the COVID-19 pandemic in China, and the US-China trade war, resulting in a decline in revenue and overall operating losses.
- (II) Cause of changes in main business activities: None.
- (III) Sales forecast for the next year, basis of estimation, and response plans: Please refer to Operational Overview and Message to Shareholders in this annual report.

III. Cash flow:

- (I) Analysis of cash flow variations in the last year

Unit: NTD thousand

Item	2021	2022	Variation		
			Amount	%	Explanation
Net cash inflows (outflows) from operating activities	98,778	(119,865)	(218,643)	(221%)	Mainly due to the impact of the Russian-Ukrainian War and the impact of the initial lockdown and subsequent reopening due to the COVID-19 pandemic in China, and the US-China trade war, resulting in a decline in revenue and an increase of net cash outflow from operating activities.
Net cash outflows from investing activities	(33,123)	(72,918)	(39,795)	(120%)	It is mainly due to the investment to purchase the equity of Suzhou Ruideng in installments.
Net cash inflows (outflows) from financing activities	(56,445)	241,396	297,841	528%	Mainly due to new borrowings and borrowings from related parties.
Impact of fluctuations in exchange rate on cash	(278)	1,372	1,650	594%	
Net cash inflow	8,932	49,985	41,053	460%	

- (II) Improvements for lack of liquidity: Not applicable.
- (III) Liquidity analysis for the next year

Unit: NTD thousand

Cash balance at the beginning of the period	Net cash inflow from operating activities	Net cash inflow (outflow) from investing activities	Net cash outflow from financing activities	Cash balance at the end of the period	Financing of cash deficits	
					Investment plans	Financing plans
101,625	42,222	—	(92,192)	51,655	None	None

Analysis & explanation: The Company will actively explore new customers and maintain control over costs and expenses to increase cash inflow.

IV. Material capital expenditures in the last year and impacts on financial position and business performance:

- (I) Major capital spending and source of capital: None.
- (II) Expected benefits: None.

V. Investment policy in last year, main causes for profit or loss, improvement plans and the investment plans for the coming year:

Item	Explanation	Policy	Main causes of profit or loss	Improvement plans	Investment plans for the coming year	
Le Yang Investment Co., Ltd.		A holding company of overseas investments.	The net loss in 2022 was mainly due to the impact of the Russia-Ukraine War and the impact of the initial lockdown and subsequent reopening due to the COVID-19 pandemic in China, and the US-China trade war, resulting in a decline in revenue and overall operating losses for the subsidiaries, Suzhou Longdeng and Ruideng; additionally, investment companies recognized corresponding investment losses.	None	None	
Logah Technology Co., Ltd.		A holding company of Mainland subsidiaries.				
Legend Investment (Samoa) Limited		A holding company of Mainland subsidiaries.				
Logah Technology (HK) Co., Ltd.		A holding company of Mainland subsidiaries.		The net profit in 2022 came from the profit of triangle trade.	None	None
Logah Auto Accessories (Suzhou) Limited		Assembly and processing of injection molded products in China.				
Suzhou Longdeng Electronic Technologies Limited		Production site for injection molded products in China.				
Suzhou Ruideng Technologies Limited		Production site for injection molded products in China.			Actively explore new customer sources and continue to control and reduce costs and expenses	Evaluation may be conducted in the future as needed
Link Bright Technology Limited		Trading.		None	None	

VI. Evaluation of risk management issues in the last year up until the publication date of annual report

(I) Impact of interest rate, exchange rate, and inflation on the Company's earnings, and response measures:

Unit: NTD thousand

Item	Amount for 2022	As a percentage of consolidated net revenues (%)
Interest expenses	24,169	2.62%
Net exchange gains and losses	697	0.08%

Explanation:

1. Interest rate changes:

The Company adopts conservative financial practices. By maintaining close interaction with banks and paying constant attention to changes in market interest rates, the Company maintains the flexibility to source capital at favorable borrowing rates, which in turn minimizes impact of interest rate changes on the Company's profit and loss.

2. Exchange rate changes:

The Company hedges foreign currency exposure by maintaining balanced position of USD-denominated assets and liabilities. As for other currencies, the amount of cash inflow largely offsets outflow and therefore poses no material impact to the Company. The Company will continue monitoring changes in market exchange rate and foreign currency holding positions, and maintain proper balance between foreign currency-denominated assets and liabilities to minimize exchange rate risks.

3. Inflation:

Inflation has had no significant impact on the Company's profitability.

(II) Policies on high-risk and highly leveraged investments, loans to external parties, endorsements/guarantees, and trading of derivatives; describe the main causes of any profits or losses incurred and future response measures:

The Company has consistently avoided engagement in high-risk and highly leveraged investments. Any use of derivative in the future will primarily be intended for risk avoidance. Gains and losses on currency forwards are mostly offset against the gains/losses on valuation of foreign currency assets and liabilities on the balance sheet. In the future, the Company will regularly evaluate its hedging strategies and make flexible adjustments in line with operational and market changes.

Loan, endorsement and guarantee to external parties are carried out according to the Company's "External Party Lending Policy" and "External Party Endorsement and Guarantee Policy." The Company suffered no loss from the above in the last year.

(III) Future research and development plans and projected expenses:

Please see section "(III) Technology and R&D overview" in "Five. Operational Overview" for the Company's future R&D plans.

Ongoing development projects and projected R&D expenses:

1. Development projects:

- (1) Refinement of express cold/hot molding technology.
- (2) Development of dual-color injection molding technology.
- (3) Development and application of thermally conductive plastics.
- (4) Collaborative refinement of injection technology.
- (5) Leather coating and PU surface treatment technology.
- (6) Refinement of technologies for plastic surface water transfer printing, plastic extrusion, and mold surface

treatment.

- (7) Development of high-gloss, high fiber content, and ultra performance materials.
- (8) Refinement of nitrogen-assisted plastic forming technology.
- (9) In-mold decoration (IMD) technology.
- (10) Refinement of blow molding technology.
- (11) Machine side automation for reduced manual works.
- (12) Application of environment-friendly composite plastic materials and refinement of mold design.
- (13) 3D printing technology for aluminum plastic composite panel.
- (14) All electric high-speed thin-border forming technology.

2. Projected R&D expenses:

The Company expects to commit approximately NT\$10 million into R&D expenses in 2023.

(IV) Financial impacts and response measures in the event of changes in local and foreign regulations

1. Policy: The Company has internal departments that constantly monitor changes in policies and laws that are likely to affect its operations. Meanwhile, internal practices are adjusted accordingly to reflect the current circumstances. For this reason, recent changes in laws and policies have had no material impact on the Company's financial or business performance.
2. Regulatory compliance: It is part of the Company's mission to comply with relevant laws, which is why the management team monitors changes in laws and is constantly exploring appropriate responses. The Company has not made any major strategic adjustment to date due to regulatory changes.

(V) Financial impacts and response measures in the event of technological or industrial changes (including cybersecurity risks)

1. The Company has always placed emphasis on the development of research talents and new product technologies, and pays constant attention to how industry technologies progress over time. Currently, the Company responds to technological evolutions and development needs with conservative financial management strategies supported by pragmatic management practices.
2. Considering how network and virus attacks have evolved over time to threaten the IT environment, the Company has tasked its Information Department with the duty of implementing cybersecurity protections throughout the organization. Aside from installing firewalls and antivirus software, the Information Department also promotes security awareness, takes precautions, records behaviors, issues alerts, and works with the internal audit team to conduct random internal audits to ensure proper execution of the cybersecurity system.
3. All computer data is regularly backed up to a remote site so that corrupted files can be restored to the system. This redundancy plan minimizes risk of disruption to the Company's operations due to data loss.

There has been no change in technology (including cybersecurity risk) or industry practice in the last year up until the publication date of annual report that significantly affected the Company's financial position, business performance, or operations.

(VI) Crisis management, impacts, and response measures in the event of a change in corporate image

Business integrity and continuity have always been the Company's goal since inception. There has been no occurrence that compromised corporate image to date.

(VII) Expected benefits, risks and response measures in relation to mergers and acquisitions: None.

(VIII) Expected benefits, risks, and response measures associated with plant expansion: None.

(IX) Risks and response measures associated with concentrated sales or purchases

The Company purchases finished goods entirely from its Mainland investments, and supply disruption should be of minimal concern. Furthermore, the Company sells to a broad number of customers local and abroad, which means that sales are not concentrated to any single party.

The Company purchases from diversified sources and has access to a broad variety of raw material suppliers. There was only one raw material supplier that accounted for more than 10% of total purchases (i.e. 10.33%), indicating no concentration to any particular supplier. Furthermore, the Company purposely maintains business relationship with other suppliers to diversify sources of supply, and given the consistent and long-lasting nature of business relations, there should be no concern for supply shortage.

The Company has three main customers that account for more than 10% of total sales, and all of which are backed by long-lasting business relations. Furthermore, the Company persistently explores new customers and considers itself to be less prone to the risk of sales concentration.

(X) Impacts, risks, and response measures following a major transfer of shareholding by directors, supervisors, or shareholders with more than 10% ownership interest: None.

(XI) Impacts and risks associated with a change of management: None.

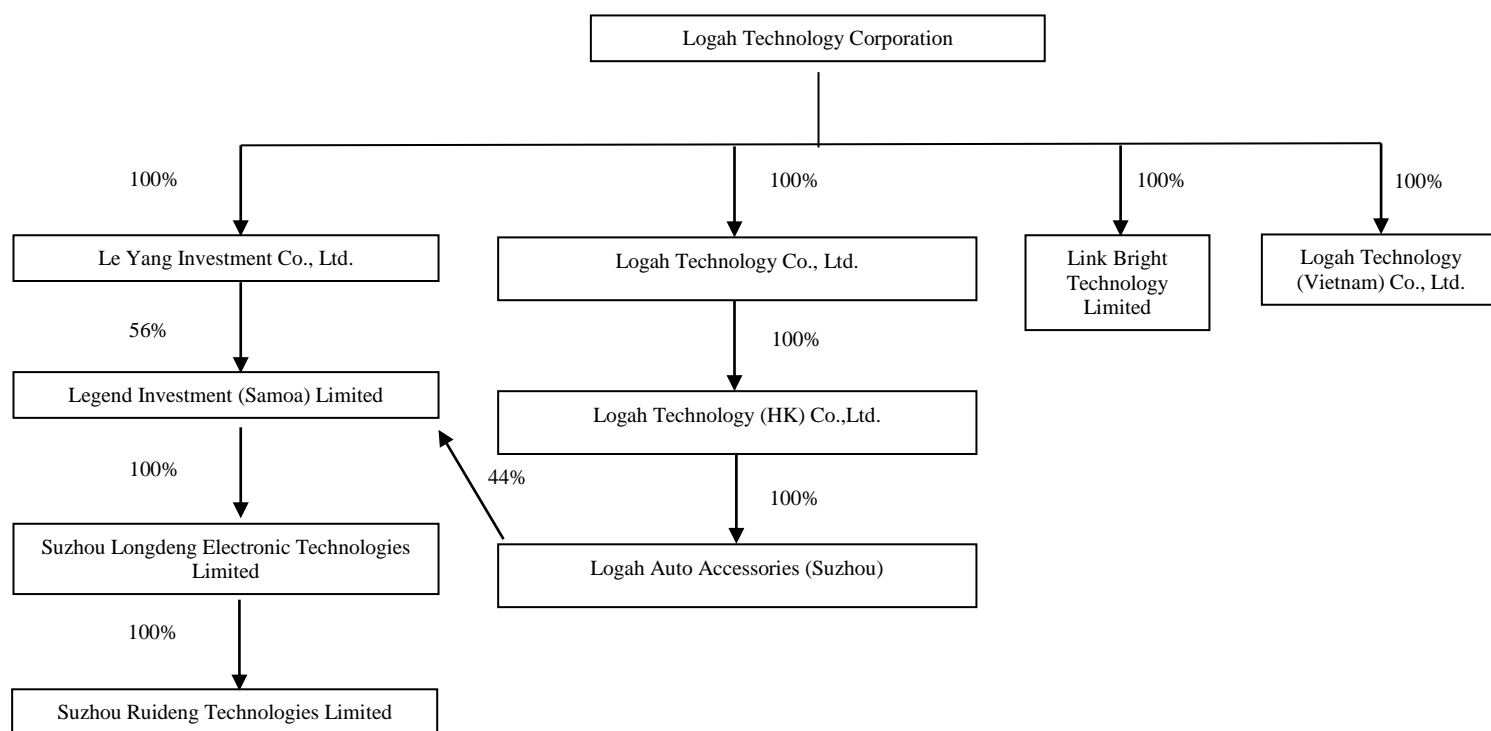
(XII) Litigation and non-contentious cases: None.

(XIII) Other material risks and response measures: None.

VII. Other material issues: None.

Eight. Special Disclosure

- I. Affiliated companies
 (I) Summary of affiliated companies
 1. Affiliated enterprises chart



2. Profile of affiliated companies

Unit: NTD thousands

Company name	Date of incorporation	Address	Paid-in capital	Main business activities or products
Le Yang Investment Co., Ltd.	2014/9/1	No. 15, Lane 62, Caigong 1st Rd., Kaohsiung City	NT\$560,000 thousand	Holding company
Logah Technology Co., Ltd.	2004/8/25	No.24, Lesperance Complex, Providence Industrial Estate, Mahe, Seychelles	US\$7,920 thousand	Holding company
Legend Investment (Samoa) Limited	2014/9/10	Portcullis Trust Net Chambers, P.O. Box 1225, Apia, SAMOA	US\$19,619 thousand	Holding company
Logah Technology (HK) Co., Ltd.	2007/11/2	Rm 804, Sino Centre, 582-592 Nathan Rd., Kln. H. K.	US\$14,100 thousand	Holding company
Logah Auto Accessories (Suzhou)	2004/12/23	No. 888 Youming Road, Youyi Industrial Zone, Songling Town, Wujiang District, Suzhou, Jiangsu, China	US\$20,100 thousand	Processing plastic injection products
Suzhou Longdeng Electronic Technologies Limited	2002/11/19	No. 888 Youming Road, Youyi Industrial Zone, Songling Town, Wujiang District, Suzhou, Jiangsu, China	US\$19,000 thousand	Manufacturing, processing, and trading of plastic injection products and dies
Suzhou Ruideng Technologies Limited	2007/12/17	North of Mayun Road and East of Zhujiang Road, High-tech Zone, Suzhou, Jiangsu, China	US\$6,330 thousand	Manufacturing and trading of displays and dies
Link Bright Technology Limited	2004/12/29	Room 1204, Yu Sung Boon Bldg., 107-111 Des Voeux Road Central, Hong Kong	RMB 4,000 thousand	trading
Logah Technology (Vietnam) Co., Ltd.	2023/5/5	Plot CN5-CN6, Cao An Industrial Cluster, Cao An Township, Jin Jiang District, Hai Duong Province, Vietnam	US\$ 1,000 thousand	Manufacturing, processing, and trading of plastic injection products

3. Common shareholders in controlling and controlled companies: None.

4. Industries covered by affiliated companies and job specialization:

The Company operates mainly in Taiwan, and diversifies production and sales activities internationally. Le Yang Investment Co., Ltd. and Logah Technology Co., Ltd. are holding companies for overseas investments; Logah Technology (HK) Co., Ltd. (incorporated in Hong Kong) and Legend Investment (Samoa) Limited (incorporated in Samoa) are holding companies for Mainland investments; Logah Auto Accessories (Suzhou) Limited processes injection molded plastic products; Suzhou Longdeng Electronic Technologies Limited and Suzhou Ruideng Technologies Limited are the main producers for affiliated businesses. Logah Technology (Vietnam) Co., Ltd processes injection molded plastic products and trades.

5. Directors, supervisors, and Presidents of affiliated companies

Name of entity	Title	Name or name of representative	Shareholding	
			Number of shares	Shareholding percentage
Le Yang Investment Co., Ltd.	Chairman	Logah Technology Co., Ltd. (Representative: Yu, Hui-Fa)	56,000,000 shares	100%
Logah Technology Co., Ltd.	Director	Logah Technology Co., Ltd. (Representative: Yu, Hui-Fa)	7,920,000 shares	100%
Legend Investment (Samoa) Limited	Director	Le Yang Investment Co., Ltd. (Representative: Yu, Hui-Fa) Logah Auto Accessories (Suzhou) (Representative: Yu, Hui-Fa)	19,619,195 shares	100%
Logah Technology (HK) Co., Ltd.	Director	Logah Technology Co., Ltd. (Representative: Yu, Hui-Fa)	14,100,000 shares	100%
Logah Auto Accessories (Suzhou)	Executive Director	Logah Technology (HK) Co., Ltd. (Representative: Yu, Hui-Fa)	-	100%
	Supervisor	Lin, Shu-Fen		
Suzhou Longdeng Electronic Technologies Limited	Executive Director	Legend Investment (Samoa) Limited (Representative: Yu, Hui-Fa)	-	100%
	Supervisor	Lin, Shu-Fen		
Suzhou Ruideng Technologies Limited	Executive Director	Suzhou Longdeng Electronic Technologies Limited (Representative: Yu, Hui-Fa)	-	100%
	Supervisor	Lin, Shu-Fen		
Link Bright Technology Limited	Director	Logah Technology Co., Ltd. (Representative: Yu, Hui-Fa)	10,000 shares	100%
Logah Technology (Vietnam) Co., Ltd.	General Manager	Logah Technology Co., Ltd. (Representative: Yu, Hui-Fa)	-	100%

Company name	December 31, 2022							
	Paid-in capital	Total assets	Total liabilities	Net worth	Operating revenues	Operating profit (loss)	Current net income (loss) (after tax)	Earnings (losses) per share (after tax)
Le Yang Investment Co., Ltd.	560,000	256,937	50	256,887	0	(113)	(42,142)	(0.75)
Logah Technology Co., Ltd.	246,186	99,268	0	99,268	0	(26)	(34,013)	(4.29)
Legend Investment (Samoa) Limited	603,228	58,227	0	58,227	0	(32)	(77,248)	(3.94)
Logah Technology (HK) Co., Ltd.	428,922	98,280	0	98,280	0	0	(33,989)	(2.41)
Logah Auto Accessories (Suzhou)	611,442	98,586	307	98,279	2,225	(61)	(33,989)	—
Suzhou Longdeng Electronic Technologies Limited	623,153	1,124,119	1,066,459	57,660	522,493	(14,446)	(77,218)	—
Suzhou Ruideng Technologies Limited	201,913	283,362	194,920	88,442	410,631	(33,765)	(43,066)	—
Link Bright Technology Limited	17,172	78,757	54,133	24,624	5,494	2,257	931	93.15

Declaration of Consolidated Financial of Affiliated Enterprises

The entities that are required to be included in the consolidated financial statements of the Company for 2022 (from January 1, 2022 to December 31, 2022) under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10, "Consolidated Financial Statements" endorsed by the Financial Supervisory Commission. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, the Company and its subsidiaries will not prepare a separate set of combined financial statements.

Declared by

Company Name: Logah Technology Corporation

Chairman: Yu, Hui-Fa

March 23, 2023

- II. Private placement of securities in the last year up until the publication date of annual report: None.
- III. Holding or disposal of the Company's shares by subsidiaries in the last financial year, up until the publication date of annual report: None.
- IV. Other supplementary information: None.
- V. Any occurrence of event defined under Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act in the previous year up until the publication date of annual report that significantly impacted shareholders' equity or security prices: None.

Independent Auditors' Report

To Logah Technology Corporation

Audit opinions

We have audited the accompanying consolidated financial statements of Logah Technology Corporation and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulation Governing Auditing and Certification of Financial Statements by Certified Public Accountants and auditing standards in the R.O.C. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. The auditors of the firm, subject to the independence regulations, have maintained independence from the Corporation in accordance with the Code of Ethics and perform other obligations of such Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the Corporation for the year 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters for the Corporation's consolidated financial statements for the year 2022 are stated as follows:

Revenue recognition

The Group is engaged in manufacturing, purchases and sales of plastic products. The amount of revenues of the customers has been material to the financial report, revenues shall evaluate significant risks. And, Authenticity shall be an important matter in audit of 2021, according to the Auditing Standards.

Please see note IV for explanation of important policies of revenues recognition

The audit procedures by CPA for the revenue recognition go as follows:

- I. To understand and testimony internal controls for the revenue recognition.
- II. Except the payment has not been received yet during the report date, a inquiry letter shall be sent or other alternatives will be adopted, the company requires to review whether sales revenues authentic by auditing the customer's shipping documents and certificates.

Other Matters

Logah Technology Corporation., has prepared the Parent Company Only Financial Statements for 2022 and 2021, to which we have also issued an independent auditor's report with unqualified opinion along with the section on other matters and provided for reference.

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. The term of "reasonable assurance" refers to high level of assurance. Nevertheless, the audit performed according to the Auditing Standards cannot guarantee the discovery of material misstatement in the financial statements.

Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

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

- I. Identify and assess the risk of material misstatement of the consolidated financial statements due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidence in order to be used as the basis for the opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- II. Obtain a necessary understanding of internal control concerning the inspection in order to design appropriate inspection procedures that are appropriate for the time being. The purpose, however, is not to effectively express opinions on the internal control of the Corporation.
- III. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management level.
- IV. According to the audit evidence obtained, evaluate the appropriateness of the continuous operation accounting basis and whether events or circumstances possibly generating material concerns on the continuous operation ability of the Corporation have significant uncertainty, and provide conclusion thereto. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion Our conclusions are based on the audit evidence

obtained up to the date of our auditor's report. Nevertheless, future events or circumstances may cause the Corporation to have no ability for continuous operation.

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

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

We also provide the governance units with statements that we have complied with relevant matters that may reasonably be thought to bear on our independence, and we have also communicated with the governance units on all relationships and other matters (including relevant protective measures) that may be considered to affect the independence of auditors. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Corporation's 2022 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditor's report are Chiang, Jia-Ling and Wu, Chiu-Yen

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 23, 2023

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

Logah Technology Corporation and its subsidiaries
Consolidated Balance Sheet
December 31, 2022 and 2021

Unit: NT\$1,000; %

Code	ASSETS	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	Current Assets				
1100	Cash and cash equivalents (Notes IV and VI)	\$ 101,625	7	\$ 51,640	4
1170	Accounts receivable (Note IV, V, VII, XIX, and XXVII)	295,405	21	329,464	23
1180	Accounts receivable-related parties (Notes IV, VII, XIX and XXVI)	3,382	-	6,764	-
1206	Other receivables (Notes IV and XXV)	18,598	1	19,836	1
1220	Current tax assets (Notes IV and XXI)	5	-	825	-
130X	Inventories (Notes IV and VIII)	106,328	8	109,346	7
1476	Other Financial assets-current (Note IV, IX and XXVII)	25,083	2	45,889	3
1479	Other current assets	<u>10,801</u>	<u>1</u>	<u>11,691</u>	<u>1</u>
11XX	Total current assets	<u>561,227</u>	<u>40</u>	<u>575,455</u>	<u>39</u>
	Non-current assets				
1600	Property, plant and equipment (Notes IV, XI, XXVI and XXVII)	424,798	30	440,239	30
1755	Right-of-use assets (Note IV, XII and XXVII)	245,799	17	270,513	19
1760	Investment property (Notes IV, XIII and XXVII)	117,500	8	118,806	8
1805	Goodwill (Notes IV and XIV)	2,237	-	2,205	-
1821	Other intangible assets (Notes IV and XIV)	8,794	1	10,889	1
1840	Deferred tax assets (Notes IV, V and XXI)	40,962	3	38,365	3
1980	Other Financial assets- non-current (Note IV, IX and XXVII)	<u>17,759</u>	<u>1</u>	<u>6,874</u>	<u>-</u>
15XX	Total non-current assets	<u>857,849</u>	<u>60</u>	<u>887,891</u>	<u>61</u>
1XXX	Total assets	<u>\$ 1,419,076</u>	<u>100</u>	<u>\$ 1,463,346</u>	<u>100</u>
	Liabilities and Equity				
	Current Liabilities				
2100	Short-term borrowings (Note XV and XXVII)	\$ 255,882	18	\$ 111,988	8
2130	Contract liabilities (Note XIX)	251	-	508	-
2150	Notes payable	-	-	1,459	-
2170	Accounts payable	238,164	17	316,973	22
2180	Accounts payable -related parties (Note XXVI)	12,993	1	23,956	2
2219	Other payables (Note XVI)	64,443	5	96,909	7
2220	Other payables -related parties (Notes XVI and XXVI)	159,198	11	77,850	5
2230	Current tax liabilities (Notes IV and XXI)	188	-	-	-
2280	Lease liabilities - current (Notes IV and XII)	19,026	1	23,164	1
2322	Long-term borrowings due in one year (Notes XV and XXVII)	47,771	3	56,834	4
2399	Other current liabilities	<u>2,863</u>	<u>-</u>	<u>1,026</u>	<u>-</u>
21XX	Total current liabilities	<u>800,779</u>	<u>56</u>	<u>710,667</u>	<u>49</u>
	Non-current liabilities				
2540	Long-term borrowings (Note XV and XXVII)	22,819	2	24,670	2
2570	Deferred tax liabilities (Notes IV and XXI)	13,292	1	12,528	1
2580	Lease liabilities - non-current (Notes IV and XII)	-	-	18,754	1
2622	Long-term payables -related parties (Notes XVI and XXVI)	45,668	3	79,596	5
2645	Deposits received	<u>1,717</u>	<u>-</u>	<u>2,401</u>	<u>-</u>
25XX	Total non-current liabilities	<u>83,496</u>	<u>6</u>	<u>137,949</u>	<u>9</u>
2XXX	Total Liabilities	<u>884,275</u>	<u>62</u>	<u>848,616</u>	<u>58</u>
	EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note XVIII)				
3110	Common share capital	930,425	66	930,425	64
3200	Capital surplus	7,327	-	7,327	-
3350	Deficit yet to be compensated	(430,276)	(30)	(337,573)	(23)
3400	Other equities	<u>27,325</u>	<u>2</u>	<u>14,551</u>	<u>1</u>
3XXX	Total equity	<u>534,801</u>	<u>38</u>	<u>614,730</u>	<u>42</u>
	Total liabilities and equities	<u>\$ 1,419,076</u>	<u>100</u>	<u>\$ 1,463,346</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements

Logah Technology Corporation and its subsidiaries
Consolidated Statements of Comprehensive Income
For the Years Ended December 31, 2022 and 2021

Unit: Expressed in NT\$ thousand; except (loss) earnings per share expressed in NT\$)

Code		2022		2021	
		Amount	%	Amount	%
4000	Operating revenue (Notes IV, XIX and XXVI)	\$ 923,895	100	\$ 1,211,862	100
5000	Operating costs (Notes VIII, XX and XXVI)	<u>878,952</u>	<u>95</u>	<u>1,109,952</u>	<u>91</u>
5900	Gross profit	<u>44,943</u>	<u>5</u>	<u>101,910</u>	<u>9</u>
	Operating expenses (Note XX and XXVI)				
6100	Selling expenses	28,220	3	28,076	2
6200	Administrative expenses	87,666	10	92,561	8
6450	Expected credit loss (gain)	(1,338)	-	<u>1,162</u>	-
6000	Total operating expenses	<u>114,548</u>	<u>13</u>	<u>121,799</u>	<u>10</u>
6900	Net operating loss	(69,605)	(8)	(19,889)	(1)
	Non-operating income and expenses (Note XX and XXVI)				
7100	Interest revenue	534	-	454	-
7010	Other income	1,967	-	13,094	1
7020	Other gains or losses	(161)	-	(15,316)	(1)
7050	Financial costs	(24,169)	(2)	(20,861)	(2)
7000	Total non-operating incomes and expenses	(21,829)	(2)	(22,629)	(2)
7900	Net loss before income tax	(91,434)	(9)	(42,518)	(3)
7950	Income tax gains (expenses) (Notes IV and XXI)	(1,269)	-	<u>3,278</u>	-
8200	Net loss for the year	(92,703)	(9)	(39,240)	(3)

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Code		2022		2021	
		Amount	%	Amount	%
	Other comprehensive income (loss) (Note XVIII and XXI)				
8360	Items that may be reclassified subsequently to profit or loss				
8361	Transaction difference on translation of financial statements of foreign operation	\$ 15,968	2	(\$ 6,823)	(1)
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	(3,194)	(1)	920	-
8300	Other comprehensive income of the year (net amount after tax)	12,774	1	(5,903)	(1)
8500	Total comprehensive income (loss) for the year	(\$ 79,929)	(9)	(\$ 45,143)	(4)
	Net income (loss) attributable to:				
8610	Owners of the Company	(\$ 92,703)	(10)	\$ 1,522	-
8615	Equity attributable to former owner of business combination under common control	-	-	(40,762)	(3)
8600		(\$ 92,703)	(10)	(\$ 39,240)	(3)
	Total comprehensive income attributable to:				
8710	Owners of the Company	(\$ 79,929)	(10)	(\$ 2,157)	-
8715	Equity attributable to former owner of business combination under common control	-	-	(42,986)	(4)
8700		(\$ 79,929)	(10)	(\$ 45,143)	(4)
	EARNINGS (LOSS) PER SHARE (Note XXII)				
9750	Basic	(\$ 1.00)		\$ 0.02	
9850	Diluted	(\$ 1.00)		\$ 0.02	

The accompanying notes are an integral part of the consolidated financial statements

Logah Technology Corporation and its subsidiaries
Consolidated Statement of Changes in Equity
For the Years Ended December 31, 2022 and 2021

Unit: NT\$1,000; %

Code	Equity attributable to owners of the company				Total	Equity attributable to former owner of business combination under common control	Total equity	
	Common share capital	Capital surplus	Deficit yet to be compensated	Other equities Transaction difference on translation of financial statements of foreign operation				
A1	Balance as of January 1, 2021 (restated)	<u>\$930,425</u>	<u>\$ -</u>	<u>(\$339,095)</u>	<u>\$ 18,230</u>	<u>\$609,560</u>	<u>\$160,545</u>	<u>\$770,105</u>
D1	Net profit (loss) for 2021	-	-	1,522	-	1,522	(40,762)	(39,240)
D3	Other comprehensive income (loss) for 2021	-	-	-	(3,679)	(3,679)	(2,224)	(5,903)
D5	Total comprehensive income of 2021	-	-	1,522	(3,679)	(2,157)	(42,986)	(45,143)
H3	Re-organization (Note XXIII)	-	7,327	-	-	7,327	(117,559)	(110,232)
Z1	Balance as of December 31, 2021	<u>930,425</u>	<u>7,327</u>	<u>(337,573)</u>	<u>14,551</u>	<u>614,730</u>	<u>-</u>	<u>614,730</u>
D1	Net loss in 2022	-	-	(92,703)	-	(92,703)	-	(92,703)
D3	Other comprehensive income (loss) for 2022	-	-	-	12,774	12,774	-	12,774
D5	Total comprehensive income of 2022	-	-	(92,703)	12,774	(79,929)	-	(79,929)
Z1	Balance as of December 31, 2022	<u>\$930,425</u>	<u>\$ 7,327</u>	<u>(\$430,276)</u>	<u>\$ 27,325</u>	<u>\$534,801</u>	<u>\$ -</u>	<u>\$534,801</u>

The accompanying notes are an integral part of the consolidated financial statements

Logah Technology Corporation and its subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

Unit: NT\$1,000; %

Code		2022	2021
	Cash flows from operating activities		
A10000	Net loss before tax for the year	(\$ 91,434)	(\$ 42,518)
A20010	Income/expenses items		
A20100	Depreciation expense	100,581	102,016
A20200	Amortization cost	3,212	3,041
A20300	Expected credit loss (gain)	(1,338)	1,162
A20900	Financial costs	24,169	20,861
A21200	Interest revenue	(534)	(454)
A22500	Loss (gain) on disposal of property, plant and equipment	(1,247)	4,382
A23700	Inventories Losses	3,884	18,803
A24100	Loss (gain) on foreign currency exchange	(47,477)	4,633
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	-	798
A31150	Accounts receivable	43,014	34,438
A31160	Accounts receivable-related parties	3,856	(2,753)
A31180	Other receivables	1,238	3,180
A31200	Inventories	(866)	(913)
A31240	Other current assets	890	914
A32125	Contract liability	(257)	508
A32130	Notes payable	(1,459)	(5,907)
A32150	Accounts payable	(78,809)	17,218
A32160	Accounts payable-related parties	(10,963)	(33,979)
A32180	Other payables	(45,291)	1,422
A32190	Other payables -related parties	-	(221)
A32230	Other current liabilities	<u>1,837</u>	<u>499</u>
A33000	Cash generated from (used in) operations	(96,994)	127,130
A33100	Interest received	534	454
A33300	Interest paid	(24,182)	(25,624)
A33500	Income tax received (paid)	<u>777</u>	<u>(3,182)</u>
AAAA	Net cash generated from (used in) operating activities	<u>(119,865)</u>	<u>98,778</u>

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Code		2022	2021
	Cash flows from investing activities		
B02200	Net cash outflow for obtaining subsidiaries	(\$ 48,693)	(\$ 11,918)
B02700	Purchase of property, plant and equipment	(35,684)	(33,959)
B02800	Proceeds from disposal of property, plant and equipment	1,538	1,167
B06500	Decrease in other financial assets	<u>9,921</u>	<u>11,587</u>
BBBB	Net cash outflow from investment activities	(<u>72,918</u>)	(<u>33,123</u>)
	Cash flows from financing activities		
C00100	Increase of short-term borrowings	491,127	138,939
C00200	Decrease in short-term borrowings	(302,085)	(144,862)
C01600	Proceeds from long-term borrowings	71,392	47,148
C01700	Repayments of long-term borrowings	(83,579)	(85,633)
C03000	Return of Guarantee deposits received	(724)	(933)
C03700	The increase in other payables - related parties)	90,367	13,562
C04020	Repaid principal of lease liabilities	(<u>25,102</u>)	(<u>24,666</u>)
CCCC	Net cash inflow (outflow) from financing activities	<u>241,396</u>	(<u>56,445</u>)
DDDD	Impact of fluctuations in exchange rate on profit or loss	<u>1,372</u>	(<u>278</u>)
EEEE	Increase in cash	49,985	8,932
E00100	Cash at the beginning balance	<u>51,640</u>	<u>42,708</u>
E00200	Cash at the end balance	<u>\$101,625</u>	<u>\$ 51,640</u>

The accompanying notes are an integral part of the consolidated financial statements

Logah Technology Corporation and the subsidiaries
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2022 and 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

I. Company History

Logah Technology Corporation (hereafter “the Company”) was incorporated on December 22, 2003; originally, it engaged in the R&D, design, and sales of backlight module inverters for LCD TVs. As the backlight source technology has been changed significantly, and the market demand has declined, by considering the future operation development with full organization restructure, the Company added new businesses including the trading of electronic materials, production and sales of electronic products, and international trading.

The Company is listed on the Taiwan Stock Exchange on March 16, 2009.

The consolidated financial statements were expressed in New Taiwan Dollars, which is the Company's functional currency.

II. Approval Date and Procedures of financial Statements

These consolidated financial statements were released upon the approval of the Board of Directors on March 23, 2023.

III. New Standards, Amendments and Interpretations

(I) Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC).

The initial application of the amendments to the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Company’s accounting policies.

(II) IFRSs endorsed by FSC applicable in 2023

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 1 “Disclosure of Accounting Policy”	January 1, 2023 (Note 1)
Amendments to IAS 8 “Definition of Accounting Estimation”	January 1, 2023 (Note 2)
Amendments to IAS 12 "Deferred income tax: related to assets and liabilities incurred due to single transaction"	January 1, 2023 (Note 3)

Note 1: Amendments are applicable to the reporting period beginning on or after Sunday, January 1, 2023.

Note 2: Amendments are applicable to the changes on accounting estimates and accounting policies for annual reporting periods beginning on or after January 1, 2023.

Note 3: Except for the temporary difference of lease and decommissioning obligations recognized as deferred income tax on January 1, 2022, the amendments are applicable to transactions occurred after January 1, 2022.

As of the date the consolidated financial statements were authorized for issue, the Corporation has assessed the possible impact that the application of other standards and interpretations would have on the Corporation's financial position and financial performance, and has determined that there would be no such material impact.

- (III) The New IFRSs issued by International Accounting Standards Board (IASB) but not yet endorsed and issued into effect by FSC

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
Amendments to IFRS 16's "Lease Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "First time of application of IFRS 17 and IFRS 9— comparison information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1's "Non-current Liabilities with Covenants"	January 1, 2024

Note 1: Unless stated otherwise, the above New, Revised or Amended Standards and Interpretations are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: The seller and lessee shall retrospectively apply the amendments to IFRS 16 to sale and leaseback transactions entered into in the future after the initial application of IFRS 16.

By the time the release date of the consolidated financial statements was approved, the Corporation had continued to evaluate the effect of the amendments to other standards and interpretations on its financial position and financial performance, and the relevant effects will be disclosed when the evaluation is completed.

IV. Summary of Significant Accounting Policies

(I) Compliance Statement

The preparation of the consolidated financial statements is based on the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and IFRSs accepted and effectively published by FSC.

(II) Basis of preparation

This consolidated financial report has been prepared based on the historical costs.

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

Current assets include:

1. Assets held primarily for the purpose of trading;
2. Assets that are expected to be realized within twelve months from the balance sheet date; and

3. Cash and cash equivalents (unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the date of statement of financial position).

Current liabilities include:

1. Liabilities held primarily for the purpose of trading;
2. Liabilities due to be settled within 12 months after the balance sheet date; and (liabilities with long-term refinancing or rearrangement of payment terms completed after the balance sheet date and before the release of the financial statements); and
3. Liabilities with a repayment deadline that cannot be unconditionally deferred for at least 12 months after the balance sheet date. However, the terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Assets and liabilities that are not classified as current are classified as non-current.

(IV) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company. Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions or up to the effective dates of disposals, as appropriate. Proper adjustments have been made to the financial statements of subsidiaries to allow their accounting policies to be consistent with those used by the Company. During the preparation of the consolidated financial statements, the transaction, account balance, revenue and expense among entities have been eliminated completely.

Please refer to Note X and Table 5 and 6 for the detailed list of subsidiaries, shareholding ratios and business activities.

(V) Business Combinations

The Corporation did not use the acquisition method for business combinations under reorganization; instead, the Corporation used the book value method and considered the acquisition to be a merger from the beginning and restated the comparative information for the prior reporting period.

(VI) Foreign currencies

In preparing the Parent Company Only statements of each individual Group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

Foreign currency monetary amount is translated at the closing rate at each date of the balance sheet. Other than the following items, exchange differences arising from settlement or translation are recognized as profit or loss at the period.

For the monetary items payable or receivable of foreign operations, if the repayment of the item is not currently planned, nor will happen in the foreseeable future (and thus constituting a partial investment in the concerned foreign operation), the exchange difference originally recognized to the other comprehensive income, and re-classified to profit and loss from equity when the net investment is disposed.

Non-monetary foreign currencies held at fair value at the exchange rates prevailing at the date of transaction; however, non-monetary foreign currencies held at fair value through other comprehensive income are recognized in other comprehensive income.

Non-monetary items carried at historical cost is reported using the exchange rate at the date of the transaction and will not calculated again.

In preparing the consolidated financial statements, assets and liabilities from foreign operations, including subsidiaries whose location or currency are different from the Company, are translated into the presentation currency, the New Taiwan dollar, at the exchange rates prevailing at the end of the reporting period. Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

(VII) Inventories

Inventories include the raw materials, products in progress, and finished products; inventories are stated at the lower of cost or net realizable value. The lower of cost and net realizable value is based on the individual inventory items. Net realized value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. The cost of inventories is calculated using the weighted average method.

(VIII) Property, plant and equipment

Property, plant and equipment are recognized at costs and subsequently measured at costs of the amount less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment under construction are recognized at cost less accumulated impairment loss. The cost includes professional service expenses and the borrowing costs eligible for capitalization. Upon completion and ready for intended use, such assets are classified to the appropriate categories of property, plant and equipment, and depreciation of these assets commences.

Property, plant, and equipment is depreciated using the straight-line method during the useful life, and each significant part is depreciated separately. If the lease term is shorter than the useful life, depreciation is provided during the lease term. The Corporation reviews the estimated useful lives, residual values and depreciation method at least at the end of each reporting period, and with the effect of any changes in estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

(IX) Investment Property

Investment property refers to plant held for the purpose of earning rents or capital appreciation or both.

Investment property is originally measured at cost (including transaction cost) and subsequently measured at the cost less accumulated depreciation and accumulated impairment losses. Investment property is depreciated on a straight-line basis.

Buildings of property, plant and equipment are transferred to investment property at the carrying amount at the time when ending the self-use.

When derecognizing investment property, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

(X) Goodwill

The cost of goodwill from business combination is the amount of goodwill recognized at the acquisition date, and is subsequently measured at cost less accumulated impairment losses.

To test impairment, goodwill is allocated among each cash generating unit or a group of cash generating units (collectively “CGUs”, which is expected to benefit from the synergies of the combination).

The carrying amount and recoverable amount of the CGUs to which goodwill is allocated will be compared every year and whenever there are signs of impairment as impairment testing on the units. If the goodwill allocated to CGUs was obtained from a business combination in the year, the CGUs should be tested for impairment before the end of the year. If the recoverable amount of CGUs to which goodwill is allocated is lower than its carrying amount, the impairment loss is first deducted from the carrying amount of the goodwill of said CGUs. Next, the carrying amount of other assets within said CGUs is deducted from the carrying amount of the goodwill of said CGUs in proportion to the carrying amount of each asset. Any impairment loss is recognized in loss in the current year. Impairment loss of goodwill shall not be reversed subsequently.

When disposing of a certain operation within the CGUs to which goodwill is allocated, the amount of goodwill related to the operation disposed of is included in the carrying amount of the operation to determine the gain or loss on the disposal.

(XI) Intangible asset

1. Acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Intangible assets are amortized using straight-line method over the useful lives. The Corporation conducts at least one annual review at the end of each year to assess the estimated useful life, residual value, and amortization methods, while applying the effects of changes in accounting estimates prospectively. Intangible assets with indefinite useful lives are recognized at cost less accumulated impairment loss.

2. Expenses for internal research are recognized as an expense when incurred.

3. acquired in a business combination

The intangible assets acquired by business combination are recognized at the fair value on the acquisition date, and are recognized separately from goodwill. The subsequent measurement method is the same as the intangible assets acquired independently.

4. Derecognition

When derecognizing an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss of the current year.

(XII) Impairment of property, plant and equipment, right-of-use assets, intangible assets other than goodwill

At the end of each reporting period, the consolidated company reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets, excluding goodwill, in order to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Corporation estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an individual asset or a CGU is lower than its carrying amount, the carrying amount is reduced to the recoverable amount, and the impairment loss is recognized in profit or loss.

When the impairment loss is subsequently reversed, the carrying amount of the asset or the CGU is increased to the revised recoverable amount, provided that the increased carrying amount shall not exceed the carrying amount (less amortization or depreciation) of the asset or the CGU, which was not recognized in impairment loss in prior years. The reversal of impairment loss is recognized as profit or loss.

(XIII) Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. The transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities at fair value through profit or loss is immediately recognized in profit or loss.

1. Financial assets

Regular trading of financial assets shall be recognized and derecognized in accordance with trade date accounting.

(1) Classification of measurement

Financial assets are classified into the financial assets measured at amortized cost

When the financial assets invested by the Corporation satisfies the following two criteria at the same time, it is classified as the amortized cost financial assets:

- A. Where the financial assets are held under certain business model, and the purpose of such model is to hold the financial assets in order to collect contract cash flows; and
- B. Where contract terms generated cash flow of specific date, and such cash flow is completely for the payment of the interest of principle and external circulating principle amount.

After initial recognition, such assets (including cash and cash equivalents, accounts receivables measured at amortized costs

(including related parties), other receivable, and other financial assets) are measured at the amortized cost of the total carrying amount determined by the effective interest method less any impairment loss; and any foreign currency exchange gains or losses are recognized in profit or loss. Interest income is calculated by multiplying the effective interest rate by the total carrying amount of financial assets.

A financial asset is credit impaired included significant financial difficulty of the issuer or the borrower, breach of contract, it is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization, and the disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

(2) Impairment of financial assets and contract assets

The Corporation assesses the impairment loss of financial assets measured at amortized cost (including accounts receivable).

Accounts receivable are recognized in allowance for losses based on the lifetime expected credit losses (ECLs). Other financial assets are assessed to determine whether the credit risk has significantly increased since the original recognition. If there is no significant increase, then the allowance loss is recognized according to the 12-month expected credit loss. If it has increased significantly, then allowance loss is recognized according to the lifetime expected credit loss.

Expected credit losses are weighted average credit losses with the probability of default events. The 12-month ECLs represent the ECLs from possible defaults of a financial instrument within 12 months after the reporting date. The lifetime ECLs represent the ECLs from all possible defaults in a financial instrument over the expected life of a financial instrument.

For the purpose of internal credit risk management, the Corporation, without considering the collateral held, determines that the following situations represent defaults in the financial assets:

- A. Internal or external information indicates that it is impossible for the debtor to settle the debt.
- B. It is overdue for more than 180 days, unless there is reasonable and corroborative information showing that a default date postponed is more appropriate.

All impairment losses on financial assets is decreased its carrying amount through contra accounts.

(3) Derecognition of financial assets

The Corporation derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it

transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of financial assets at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

2. Equity instruments

Debt and equity instruments issued by the Corporation are classified as either financial liabilities or equity as per the substance of the contractual arrangements and the definitions of financial liabilities and equity instruments.

Equity instruments issued by the Corporation are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Corporation's own equity instruments is recognized in and deducted directly from equity, and its carrying amounts are calculated based on weighted average by share types. The purchase, sale, issuance, or cancellation of the Company's own equity instruments is not recognized in profit or loss.

3. Financial liabilities

(1) Follow-up measurement

Financial liabilities are measured at amortized cost using effective interest method.

(2) Derecognition of financial liabilities

On the derecognition of financial liabilities, the difference between their carrying amount and the consideration paid and payable, including any transfer of non-cash assets or liabilities, is recognized as profit or loss.

(XIV) Revenue recognition

The Corporation allocates the transaction price to each performance obligation and recognizes the revenue when each of the obligation is satisfied after the customer has identified it.

The income from the sales of goods generated from the sales of plastic mechanical parts. The control of the goods is transferred to the customer when it is shipped or when it arrives at the place designated by the customer. The customer has the right to price and use the goods, has the obligation to resell them, and assumes the risk that the goods become obsolete. The consolidated company recognizes the revenue and accounts receivable at this point in time. The advance collected from the sale of goods are recognized as contract liabilities when the goods are shipped or before they arrive at the location designated by the customer.

During processing of imported materials, the control of the ownership of the processed products has not been transferred, so materials of imported materials are not recognized as income.

(XV) Lease

At the inception of a contract, the Corporation assesses whether the contract is, or contains, a lease.

1. The Corporation as the lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Under the operating lease, lease payments less lease incentives granted are recognized as revenue on a straight-line basis. The initial direct cost which occurs on granting operating leases is the carrying amount accumulated to the underlying assets and is recognized as expense on a straight of line basis.

2. The Corporation as the Lessee

The Corporation recognizes right-of-use assets and lease liabilities for all leases at the lease commencement date, except for low-value asset leases and short-term leases accounted for with recognition exemption applied where lease payments are recognized in expenses on a straight-line basis over the lease terms.

The right-of-use assets are initially measured at cost (including the initially measured amount of the lease liability, the lease payment paid before the lease commencement date less the lease incentives received, the initial direct cost, and the estimated cost of restoring the asset) and subsequently measured at cost less accumulated depreciation and accumulated impairment losses, and the remeasurement of the lease liability is adjusted. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. When the lease period expires, if the ownership of the acquired underlying asset or the cost of the right-of-use assets is reflected ton the exercise of the call option, the underlying assets will be depreciated from the commencement date to the end of the useful life of the underlying asset.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate in a lease if that rate can be readily determined. If that rate cannot be readily determined, the Corporation uses the incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Corporation remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized as profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

(XVI) Borrowing costs

Borrowing Costs requires that borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset, that necessarily takes a substantial period of time to get ready for its intended use or sale, are included in the cost of the asset.

Other borrowing costs at the period are recognized as profit or loss.

(XVII) Employee benefits

1. Short-term employee benefits

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

2. Pensions

For defined contribution plans, the amount of contribution payable in respect of service rendered by employees in that period should be recognized as expenses.

3. Termination benefits

The consolidated company recognizes a severance benefit liability when it is no longer able to rescind the offer of severance benefits, or to recognize the related restructuring costs, whichever is earlier.

(XVIII) Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

1. Current income tax

The Corporation determines the income (loss) of the year in accordance with the laws and regulations in each jurisdiction for income tax declaration and calculates the income tax payable (recoverable) accordingly.

A surtax is imposed on the undistributed earnings pursuant to the Income Tax Act of R.O.C. is recognized via the resolution at the annual shareholders' meeting.

Adjustment to income tax payable from prior years are recognized in the current income tax.

2. Deferred tax

Deferred tax is accounted for temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit or loss.

Deferred income tax liabilities are generally recognized for all taxable temporary differences, and deferred income tax assets are recognized when there are likely to be taxable income, against which the deductible temporary differences, losses, and loss credits can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Corporation is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The deductible temporary differences related to said investments are recognized as deferred income tax only if it is probable that there will be sufficient taxable income against which to utilize the benefits of the temporary differences, and they are expected to be reversed in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at each balance sheet date, and its carrying amount will be increased as it has become probable that future taxable income will allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates in the period in which the liabilities are expected to be settled or assets realized, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The measurement of deferred tax

liabilities and assets reflects the tax consequences that would ensue in a manner expected by the Corporation at the balance sheet date, to recover or settle the carrying amount of its assets and liabilities.

3. Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are recognized in other comprehensive income or directly in equity, respectively.

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

In the application of the Corporation's accounting policies, the management is required to make judgments, estimations, and assumptions about the relevant information that is not readily accessible from other sources based on historical experience and other relevant factors. Actual results may differ from these estimates.

The Corporation has taken COVID-19 into consideration on significant accounting estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. If a revision of an estimate only affects the current period, it is recognized in the period in which the revision occurs. If a revision of an accounting estimate affects the current period and future periods, it is recognized in the period in which the revision occurs and future periods.

Major source of estimates and assumption uncertainty

(I) Estimated impairment of accounts receivable

The estimated impairment of accounts receivable is based on the consolidating company's assumptions of default rate and expected loss rate. The consolidated company considers historical experience, current market conditions and forward-looking information, to develop assumptions and select inputs for impairment assessments. Please refer to Note VII for the key assumptions and input values adopted. If the actual future cash flows are less than expected, a material impairment loss may have resulted.

(II) Income tax

As of December 31, 2022 and 2021, the amount of deferred income tax assets related to unused tax losses and deductible temporary differences was NT\$265,599 thousand and NT\$256,938 thousand, respectively; due to the unpredictability of future profits, the consolidated company does not recognize such as a deferred tax asset. The realization of the deferred tax asset depends mainly on its future profitability or the taxable temporary difference. A significant recognition of deferred tax assets will be recognized as gain or loss if the real profits in the future are more than expected. Such recognition is recognized as gain or loss during the occurrence period.

VI. Cash and cash equivalents

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash on hand and penny cash	\$ 572	\$ 1,157
Check and demand deposit	96,454	50,483
Cash equivalents		
Time deposits with banks	<u>4,599</u>	<u>-</u>
	<u>\$ 101,625</u>	<u>\$ 51,640</u>

The interest rate per annum range of cash equivalents on the balance sheet date is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Time deposits with banks	4.1%	-

VII. Accounts receivable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts receivable (related parties)		
<u>Amortized cost</u>		
Total carrying amount	\$314,041	\$352,580
Less: Allowance for bad debts	<u>15,254</u>	<u>16,352</u>
	<u>\$298,787</u>	<u>\$336,228</u>

The consolidated company's average credit period of sales of goods is 30 to 180 days. No interest is accrued for accounts receivable. To mitigate credit risk, the management of the Company has designated functional working group responsible for decision on line of credit, credit approval and other supervision to ensure proper action has been taken to collect overdue accounts receivable. In addition, the Company will review the recoverable amount of the account receivables one by one on the balance sheet date to ensure that the appropriate provision of impairment losses for uncollectible account receivables have been made.

The loss allowance for accounts receivable is measured at an amount equal to useful lives expected credit losses. The ECLs on accounts receivable are estimated using a provision matrix with reference to clients' past default records, current financial position, economic situation in the industry, GDP forecast and industry outlook. As the Corporation's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Corporation's different customer base.

If any evidence shows the counterparty faces significant financial difficulty and the collectible amount cannot be reasonably expected, the Company will directly provide 100% loss allowance but keep track of the receivables. The recovered amount is recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Corporation's provision matrix.

December 31, 2022

	<u>Counterparty has no default signal</u>				<u>Counterparty has default signal</u>	<u>Total</u>
	<u>Not Past Due</u>	<u>Less than 60 days</u>	<u>61-90 days</u>	<u>overdue 91-150 days</u>		
Expected credit loss (%)	0~0.003	0.11~0.48	0.57~1.28	1.67~6.92	100	
Total carrying amount	\$ 286,189	\$ 8,874	\$ 385	\$ 3,389	\$ 15,204	\$ 314,041
Loss allowance (lifetime ECLs)	(3)	(5)	(3)	(39)	(15,204)	(15,254)
Cost after amortization	<u>\$ 286,186</u>	<u>\$ 8,869</u>	<u>\$ 382</u>	<u>\$ 3,350</u>	<u>\$ -</u>	<u>\$ 298,787</u>

December 31, 2021

	Counterparty has no default signal				Counterparty has default signal	Total
	Not Past Due	Less than 60		overdue 91- 150 days		
		days	61-90 days			
Expected credit loss (%)	0~0.002	0.01~0.34	0.16~0.78	0.54~8.5	100	
Total carrying amount	\$ 333,593	\$ 1,765	\$ 122	\$ 767	\$ 16,333	\$ 352,580
Loss allowance (lifetime ECLs)	(<u>2</u>)	-	-	(<u>17</u>)	(<u>16,333</u>)	(<u>16,352</u>)
Cost after amortization	<u>\$ 333,591</u>	<u>\$ 1,765</u>	<u>\$ 122</u>	<u>\$ 750</u>	<u>\$ -</u>	<u>\$ 336,228</u>

The movements of the allowance for doubtful notes and accounts receivable were as follows:

	2022	2021
Balance at January 1	\$ 16,352	\$ 15,282
Plus: current impairment losses	-	1,162
Less: current actual write-off	(1,338)	-
Exchange differences on translation	240	(92)
Balance at December 31	<u>\$ 15,254</u>	<u>\$ 16,352</u>

Please refer to Note XXV for the amount and relevant terms of factoring of accounts receivable by the consolidated company.

For the accounts receivable pledged as collateral for borrowings by the consolidated company are set out in Note XXVII.

VIII. Inventories

	December 31, 2022	December 31, 2021
Finished goods	\$ 79,945	\$ 81,830
Work in process	2,597	3,819
Raw materials	<u>23,786</u>	<u>23,697</u>
	<u>\$ 106,328</u>	<u>\$ 109,346</u>

The cost of selling goods related to inventories in 2022 and restated 2021 was NT\$875,900 thousand and NT\$1,108,463 thousand, respectively, including:

	2022	2021
Loss on obsolescence of inventory	\$ -	\$ 31,092
Inventory valuation loss (gain from price recovery)	3,884	(12,289)
Unamortized production overheads	-	1,926
	<u>\$ 3,884</u>	<u>\$ 20,729</u>

The increase in inventory profit in 2021 is due to the disposal of inventory at lower price.

IX. Other financial assets

	December 31, 2022	December 31, 2021
Pledge bank deposit	\$ 23,506	\$ 44,571
Refundable deposits	<u>19,336</u>	<u>8,192</u>
	<u>\$ 42,842</u>	<u>\$ 52,763</u>
Current	\$ 25,083	\$ 45,889
Non-current	<u>17,759</u>	<u>6,874</u>
	<u>\$ 42,842</u>	<u>\$ 52,763</u>

Please refer to Note XXVII for information on other financial assets pledged.

X. Subsidiary

The basis for the consolidated financial statements is as follows:

Investor	Investee	Main business	% of Ownership		Explanation
			December 31, 2022	December 31, 2021	
The Company	Logah Technology Co., Ltd. (Seychelles Logah)	Investment in holding companies	100	100	
The Company	Le Yang Investment Co., Ltd. (Le Yang Investment)	Investment in holding companies	100	100	
The Company	Link Bright Technology Limited (Link Bright Technology)	Trading	100	100	
Seychelles Logah	Logah Technology (HK) Co., Ltd. (Hongkong Logah)	Investment in holding companies	100	100	
Le Yang Investment	Legend Investment (Samoa) Limited (Legend Investment)	Investment in holding companies	56	56	
Hongkong Logah	Logah Auto Accessories (Suzhou Logah)	Processing plastic injection products	100	100	
Suzhou Logah	Legend Investment (Samoa) Limited (Legend Investment)	Investment in holding companies	44	44	
Legend Investment	Suzhou Longdeng Electronic Technologies Limited (Suzhou Longdeng)	Manufacturing, processing, and trading of plastic injection products and dies	100	100	
Suzhou Longdeng	Suzhou Ruideng Technology Limited (Suzhou Ruideng)	Manufacturing and trading of displays and dies	100	100	Refer to Note XXIII

XI. Property, plant and equipment

(I) Table of changes in cost, cumulative depreciation and impairment 2022

Cost	Building	Machinery and equipment	Others	Unfinished construction and equipment pending acceptance	Total
Balance as of January 1, 2022	\$ 264,351	\$ 731,692	\$ 124,278	\$ 4,089	\$ 1,124,410
Addition	-	32,626	2,697	11,608	46,931
Disposal	-	(5,117)	(7,970)	-	(13,087)
Exchange differences on translation	3,836	10,506	1,737	(76)	16,003
Balance as of December 31, 2022	<u>\$ 268,187</u>	<u>\$ 769,707</u>	<u>\$ 120,742</u>	<u>\$ 15,621</u>	<u>\$ 1,174,257</u>

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	Building	Machinery and equipment	Others	Unfinished construction and equipment pending acceptance	Total
<u>Accumulated depreciation</u>					
Balance as of January 1, 2022	(\$ 35,473)	(\$ 489,489)	(\$ 93,439)	\$ -	(\$ 618,401)
Depreciation expense	(7,986)	(55,384)	(5,309)	-	(68,679)
Disposal	-	4,865	7,931	-	12,796
Exchange differences on translation	(457)	(6,711)	(1,269)	-	(8,437)
Balance as of December 31, 2022	<u>(\$ 43,916)</u>	<u>(\$ 546,719)</u>	<u>(\$ 92,086)</u>	<u>\$ -</u>	<u>(\$ 682,721)</u>
<u>Accumulated impairment loss</u>					
Balance as of January 1, 2022	\$ -	(\$ 49,364)	(\$ 16,406)	\$ -	(\$ 65,770)
Exchange differences on translation	-	(731)	(237)	-	(968)
Balance as of December 31, 2022	<u>\$ -</u>	<u>(\$ 50,095)</u>	<u>(\$ 16,643)</u>	<u>\$ -</u>	<u>(\$ 66,738)</u>
Net amount on December 31, 2022	<u>\$ 224,271</u>	<u>\$ 172,893</u>	<u>\$ 12,013</u>	<u>\$ 15,621</u>	<u>\$ 424,798</u>

2021

	Building	Machinery and equipment	Others	Unfinished construction and equipment pending acceptance	Total
<u>Cost</u>					
Balance as of January 1, 2021 (after restatement)	\$ 265,439	\$ 768,793	\$ 130,033	\$ 3,350	\$ 1,167,615
Addition	-	23,468	2,434	755	26,657
Disposal	-	(57,425)	(7,690)	-	(65,115)
Exchange differences on translation	(1,088)	(3,144)	(499)	(16)	(4,747)
Balance as of December 31, 2021	<u>\$ 264,351</u>	<u>\$ 731,692</u>	<u>\$ 124,278</u>	<u>\$ 4,089</u>	<u>\$ 1,124,410</u>
<u>Accumulated depreciation</u>					
Balance as of January 1, 2021 (after restatement)	(\$ 27,773)	(\$ 486,661)	(\$ 94,471)	\$ -	(\$ 608,905)
Depreciation expense	(7,818)	(56,811)	(6,900)	-	(71,529)
Disposal	-	51,992	7,574	-	59,566
Exchange differences on translation	118	1,991	358	-	2,467
Balance as of December 31, 2021	<u>(\$ 35,473)</u>	<u>(\$ 489,489)</u>	<u>(\$ 93,439)</u>	<u>\$ -</u>	<u>(\$ 618,401)</u>
<u>Accumulated impairment loss</u>					
Balance as of January 1, 2021 (after restatement)	\$ -	(\$ 49,571)	(\$ 16,473)	\$ -	(\$ 66,044)
Exchange differences on translation	-	207	67	-	274
Balance as of December 31, 2021	<u>\$ -</u>	<u>(\$ 49,364)</u>	<u>(\$ 16,406)</u>	<u>\$ -</u>	<u>(\$ 65,770)</u>
Net amount on December 31, 2021	<u>\$ 228,878</u>	<u>\$ 192,839</u>	<u>\$ 14,433</u>	<u>\$ 4,089</u>	<u>\$ 440,239</u>

- (II) Useful life
Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives:

Buildings	
Main buildings of offices	20-40 years
Electromechanical power equipment	10 years
Machinery and equipment	5-10 years
Others	3-10 years

For the property, plant and equipment pledged as collateral for borrowings by the consolidated company are set out in Note XXVII.

- (III) Investing activities affect the cash and non-cash items at the same time

	<u>2022</u>	<u>2021</u>
Increase in property, plant and equipment	\$ 46,931	\$ 26,657
Decrease (increase) in payables for equipment.	(11,247)	<u>7,302</u>
Cash paid for purchasing property, plant, and equipment	<u>\$ 35,684</u>	<u>\$ 33,959</u>

XII. Lease agreements

- (I) Right-of-use assets

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Carrying amount of right-of-use assets		
Land	\$ 225,606	\$ 228,176
Buildings	<u>20,193</u>	<u>42,337</u>
	<u>\$ 245,799</u>	<u>\$ 270,513</u>
	<u>2022</u>	<u>2021</u>
Addition to right-of-use assets	<u>\$ -</u>	<u>\$ 7,665</u>
Depreciation expense of right-of-use assets		
Land	\$ 5,924	\$ 5,800
Buildings	<u>22,926</u>	<u>21,699</u>
	<u>\$ 28,850</u>	<u>\$ 27,499</u>

Except for the depreciation expenses added and recognized above, there were no major sublease and impairment loss of the right-of-use assets of the Company in 2022 and 2021.

For the right-of-use assets pledged as collateral for borrowings by the consolidated company are set out in Note XXVII.

(II)	Lease liabilities		
		<u>December 31, 2022</u>	<u>December 31, 2021</u>
	Carrying amount of lease liabilities		
	Current	\$ <u>19,026</u>	\$ <u>23,164</u>
	Non-current	\$ <u>-</u>	\$ <u>18,754</u>

Ranges of discount rates (%) for lease liabilities are as follow

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Buildings	1.1875~2.375	1.1875~2.375

(III) Material leases and terms

The consolidated company leases the land use-of-rights and buildings, for using as plant and office, and the lease period is 3 to 50 years, ending in March 2061. At the termination of the lease term, the Corporation does not hold the right of first refusal for the leased land use rights and buildings.

(IV) Information on other lease

	<u>2022</u>	<u>2021</u>
Expenses relating to short-term leases	\$ <u>223</u>	\$ <u>221</u>
Expenses for leases of low-value assets	\$ <u>30</u>	\$ <u>30</u>
Total cash outflow for leases	\$ <u>26,819</u>	\$ <u>27,317</u>

The Company leases employee's dormitory which qualifies as short-term leases and equipment which qualify as low-value asset leases. The Company elected to apply for the recognition exemption and, thus, did not recognize right-of-use assets and lease liabilities for these leases.

XIII. Investment Property

2022

<u>Cost</u>	<u>Buildings and structures</u>
Balance at January 1, 2022	\$132,744
Exchange differences on translation	<u>1,927</u>
Balance as of December 31, 2022	<u>\$134,671</u>
<u>Accumulated depreciation</u>	
Balance at January 1, 2022	(\$ 13,938)
Depreciation expense	(3,052)
Exchange differences on translation	<u>(181)</u>
Balance as of December 31, 2022	<u>(\$ 17,171)</u>
Net amount on December 31, 2022	<u>\$117,500</u>

2021

<u>Cost</u>	<u>Buildings and structures</u>
Balance at January 1, 2021	\$133,291
Exchange differences on translation	(<u>547</u>)
Balance as of December 31, 2021	<u>\$132,744</u>
<u>Accumulated depreciation</u>	
Balance at January 1, 2021	(\$ 10,996)
Depreciation expense	(2,988)
Exchange differences on translation	<u>46</u>
Balance as of December 31, 2021	(<u>\$ 13,938</u>)
Net amount on December 31, 2021	<u>\$118,806</u>

The investment property of the consolidated company is transferred from property, plant and equipment.

The lease term of the investment property is one to five years, and the lessee is granted the option to extend the lease term. The lessee agrees to adjust the rents according to the market standard when exercising the right to renew the lease. The lessee does not have the have preferential rights to acquire to acquire the investment property at the end of the lease term.

The consolidated company's investment properties are depreciated on a straight-line basis over their estimated useful lives:

Main building 40 years

The fair value of investment properties of the consolidated company was measured by an independent appraisal company as a level 3 input at each balance sheet date. The valuation adopts the cost method, and the important unobservable input value adopted is the discount rate. The fair value obtained from the valuation is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Fair value	<u>\$138,945</u>	<u>\$126,751</u>

All investment properties of the consolidated company are self-owned interests. Investment properties pledged as collateral for borrowings are set out in Note XXVII.

The total lease payments to be received in the future for investment property leased out under operating leases are as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Lease commitments of investment properties	<u>\$ 18,419</u>	<u>\$ 25,884</u>

XIV. Goodwill and intangible assets

(I) Goodwill

The consolidated company acquired the subsidiary Suzhou Longdeng on December 22, 2014. Pursuant to IFRS 3 "Business Combination," the difference of NT\$38,861 thousand from the total purchase price less the fair

value of the purchased identifiable net assets is classified as goodwill, and has been provided for the impairment loss, amounted to NT\$35,930 thousand.

(II) Other intangible assets

	<u>December 31, 2022</u>	<u>December 31, 2021</u>	
Customer relation	<u>\$ 8,794</u>	<u>\$ 10,889</u>	
<u>2022</u>			
	<u>Customer relation</u>	<u>Computer software</u>	<u>Total</u>
<u>Cost</u>			
Balance at January 1, 2022	\$ 122,531	\$ 376	\$ 122,907
Exchange differences on translation	<u>1,641</u>	<u>-</u>	<u>1,641</u>
Balance as of December 31, 2022	<u>\$ 124,172</u>	<u>\$ 376</u>	<u>\$ 124,548</u>
<u>Accumulated amortization</u>			
Balance at January 1, 2022	(\$ 111,642)	(\$ 376)	(\$ 112,018)
Amortization cost	(3,212)	-	(3,212)
Exchange differences on translation	<u>(524)</u>	<u>-</u>	<u>(524)</u>
Balance as of December 31, 2022	<u>(\$ 115,378)</u>	<u>(\$ 376)</u>	<u>(\$ 115,754)</u>
Net amount on December 31, 2022	<u>\$ 8,794</u>	<u>\$ -</u>	<u>\$ 8,794</u>
<u>2021</u>			
	<u>Customer relation</u>	<u>Computer software</u>	<u>Total</u>
<u>Cost</u>			
Balance at January 1, 2021	\$ 123,054	\$ 376	\$ 123,430
Exchange differences on translation	<u>(523)</u>	<u>-</u>	<u>(523)</u>
Balance as of December 31, 2021	<u>\$ 122,531</u>	<u>\$ 376</u>	<u>\$ 122,907</u>
<u>Accumulated amortization</u>			
Balance at January 1, 2021	(\$ 108,707)	(\$ 376)	(\$ 109,083)
Amortization cost	(3,041)	-	(3,041)
Exchange differences on translation	<u>106</u>	<u>-</u>	<u>106</u>
Balance as of December 31, 2021	<u>(\$ 111,642)</u>	<u>(\$ 376)</u>	<u>(\$ 112,018)</u>
Net amount on December 31, 2021	<u>\$ 10,889</u>	<u>\$ -</u>	<u>\$ 10,889</u>

Amortization expense is depreciated on a straight-line basis over the estimated useful lives below:

Customer relation 5 years

XV. Borrowings

(I) Short-term borrowings	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Secured borrowings (Note XXVII)		
Bank borrowings	\$255,882	\$102,594
Unsecured borrowings		
Bank borrowings	<u>-</u>	<u>9,394</u>
	<u>\$255,882</u>	<u>\$111,988</u>

The interest rate per annum of the said short-term borrowings are as following:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Secured borrowings (%)	3.65~6.58	1.47~4.65
Unsecured borrowings	-	2.94

Some of the aforesaid borrowings are endorsed and guaranteed by the Chairman, Yu, Hui-Fa and the substantive related party, Lin, Shu-Chen in Note XXVI.

(II) Long-term borrowings	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Secured borrowings (Note XXVII)		
<u>Bank borrowings - successively mature before June 2024</u>	<u>\$ 20,695</u>	<u>\$ 36,917</u>
Other borrowings - successively mature before July 2024	49,895	44,587
	<u>70,590</u>	<u>81,504</u>
Less: Current portion	<u>47,771</u>	<u>56,834</u>
Long-term borrowings	<u>\$ 22,819</u>	<u>\$ 24,670</u>

The interest rate per annum of the said long-term borrowings are as following:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Secured borrowings (%)	3.04~10.06	3.13~10.06

All of the aforesaid borrowings are endorsed and guaranteed by the Chairman, Yu, Hui-Fa and the substantive related party, Lin, Shu-Chen in Note XXVI.

XVI.	<u>Other payables (including related parties)</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
	Borrowings - related parties (Note XXVI)	\$146,309	\$ 55,942
	Investment payable (Note XXIII and XXVI)	58,557	101,504
	Wages and bonuses payable	22,002	29,523
	Payable for dies	4,441	35,932
	Processing fee payable	7,873	11,231
	Water and electric fee payable	6,865	7,873
	Accounts payable, equipment	11,320	73
	Others	<u>11,942</u>	<u>12,277</u>
		<u>\$269,309</u>	<u>\$254,355</u>
	Other payables	\$ 64,443	\$ 96,909
	Other payables - related parties (Notes XXVI)	159,198	77,850
	Long-term accounts payable - related parties (Notes XXVI)	<u>45,668</u>	<u>79,596</u>
		<u>\$269,309</u>	<u>\$254,355</u>

XVII. Post-employment benefit plans

The pension system of the “Labor Pension Act” is applicable to the Company, belonging to the affirmed appropriation of pension plan under the management of the government, and pension is appropriated at the rate of 6% of the monthly salary of employees into the personal dedicated account of the Bureau of Labor Insurance.

The employees of the subsidiaries, Suzhou Longdeng and Suzhou Ruideng, are members of the retirement benefit plan operated by the Chinese government. It is required to contribute pension insurance premiums to the relevant government departments pursuant to local laws and regulations, and it is also a defined retirement contribution procedures. Other subsidiaries have not yet prescribe a retirement procedures.

XVIII. Equity

(I)	Common share capital	<u>December 31, 2022</u>	<u>December 31, 2021</u>
	Authorized shares (in thousands)	<u>200,000</u>	<u>200,000</u>
	Authorized capital	<u>\$2,000,000</u>	<u>\$2,000,000</u>
	Issued and paid shares (in thousands)	<u>93,042</u>	<u>93,042</u>
	Issued capital	<u>\$ 930,425</u>	<u>\$ 930,425</u>

A holder of issued common shares with par value of NT\$10 per share is entitled to vote and to receive dividends.

As of December 31, 2021 and 2022, the aforementioned issued shares, including the privately placed common shares, amounted to 30,000 thousand shares, and have not been applied for an approval of public issuance.

Information for the previous privately placed common shares is as follows:

<u>Private Placement Date</u>	<u>No. of Privately Placed Shares (in thousands)</u>	<u>Privately Place Amount</u>
July 19, 2019	5,000	\$ 31,350
July 24, 2019	5,000	31,350
November 14, 2019	5,000	25,000
November 20, 2019	5,000	25,000
December 7, 2020	5,000	48,400
December 16, 2020	<u>5,000</u>	<u>48,400</u>
	<u>30,000</u>	<u>\$209,500</u>

(II) Capital surplus	<u>December 31, 2022</u>	<u>December 31, 2021</u>
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (note)		
<u>Additional paid-in capital</u>	<u>\$ 7,327</u>	<u>\$ 7,327</u>

Note: Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

(III) Retained earnings and dividend policy

Under the dividends policy as outlined in the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders.

The enterprise life cycle of the Company is at the growing stage. By considering the effects of future business expansion, fund demands, and taxation on the Company and its shareholders, for the distribution of dividends, the cash dividends must not lower than the 10% of the total distributed dividends of the year.

Legal capital reserve shall be set aside until its balance equals to full amount of the paid-in capital. Legal reserves may be used to offset the deficit.

The appropriations for offsetting loss for 2021 and 2020 were approved in the shareholders' general meetings on June 16, 2022, and J August 19, 2021, respectively.

The appropriations for offsetting loss for 2022 are subject to the resolution of the shareholders' meeting to be held in June 2023.

(IV)	Other items of equity		
	<u>Exchange differences arising on translation of foreign operations</u>		
		<u>2022</u>	<u>2021</u>
	Balance at January 1	\$ 14,551	\$ 18,230
	Exchange differences on translating the financial statements of foreign operations	15,968	(4,599)
	Related income tax	(3,194)	920
	Balance at December 31	<u>\$ 27,325</u>	<u>\$ 14,551</u>

XIX. Revenues

		<u>2022</u>	<u>2021</u>
	Revenue from contracts with customers		
	Sales revenue	\$ 913,022	\$ 1,205,334
	Rental income	<u>10,873</u>	<u>6,528</u>
		<u>\$ 923,895</u>	<u>\$ 1,211,862</u>

(I) Please refer to note IV for the description of contracts with customers

(II) Contract balance

		December 31,	December 31,	January 1,
		2022	2021	2021
		<u></u>	<u></u>	(after
				restatement)
	Notes receivable	\$ -	\$ -	\$ 801
	Accounts receivable (related parties) (Note VII)	<u>298,787</u>	<u>336,228</u>	<u>373,020</u>
		<u>\$ 298,787</u>	<u>\$ 336,228</u>	<u>\$ 373,821</u>
	Contract liability			
	Advance rent receipts	<u>\$ 251</u>	<u>\$ 508</u>	<u>\$ -</u>

The change in contract liabilities is mainly due to the difference between the point of meeting the performance obligation and the time of payment by the customer.

(III) Details of revenue from contracts with customers

Please see Note XXXII for the information on details of revenue from contracts with customers.

XX. Net loss for the year

Net loss for the year includes the following items:

(I) Other income

		<u>2022</u>	<u>2021</u>
	Rental income	\$ -	\$ 5,761
	Others	<u>1,967</u>	<u>7,333</u>
		<u>\$ 1,967</u>	<u>\$ 13,094</u>

(II)	Other gains and losses	2022	2021
	Net foreign currency conversion gain (loss)	\$ 697	(\$ 2,512)
	Depreciation charges on investment property	-	(1,499)
	Fee expenses	(1,581)	(2,328)
	Gain (loss) on disposal of property, plant and equipment	1,247	(4,382)
	Others	(<u>524</u>)	(<u>4,595</u>)
		(<u>\$ 161</u>)	(<u>\$ 15,316</u>)
(III)	Financial costs	2022	2021
	Interest on bank borrowings	\$ 8,660	\$ 6,149
	Interest on lease liabilities	1,454	2,400
	Interest on other borrowings	4,809	4,258
	Other interest expenses (Note XXIII)	9,246	8,054
		<u>\$ 24,169</u>	<u>\$ 20,861</u>
(IV)	Depreciation and amortization	2022	2021
	Property, plant and equipment	\$ 68,679	\$ 71,529
	Right-of-use assets	28,850	27,499
	Investment Property	3,052	2,988
	Other intangible asset	<u>3,212</u>	<u>3,041</u>
		<u>\$ 103,793</u>	<u>\$ 105,057</u>
	An analysis of depreciation by function		
	Operating costs	\$ 91,518	\$ 90,913
	Operating expenses	9,063	9,604
	Other gains and losses	-	1,499
		<u>\$ 100,581</u>	<u>\$ 102,016</u>
	An analysis of amortization by function		
	Operating expenses	<u>\$ 3,212</u>	<u>\$ 3,041</u>
(V)	Direct operating expenses of investment property	2022	2021
	Rental income generated	<u>\$ 1,091</u>	<u>\$ 999</u>

(VI)	Employee benefit expense		
		<u>2022</u>	<u>2021</u>
	Short-term employee benefits	\$260,362	\$326,076
	Pensions		
	Defined contribution plans	12,912	11,061
	Termination benefits	<u>-</u>	<u>54</u>
	Total employee benefit expenses	<u>\$273,274</u>	<u>\$337,191</u>
	An analysis by function		
	Operating costs	\$218,967	\$285,988
	Operating expenses	<u>54,307</u>	<u>51,203</u>
		<u>\$273,274</u>	<u>\$337,191</u>

(VII) Employee compensation and directors' remuneration

Under the Company's Articles of Incorporation, the Company shall accrue remunerations of employees and directors at the rates of 1% to 3% and no higher than 1.5% respectively, of net profit before income tax, of remuneration of employees and remuneration of directors. In 2022 and 2021, the Company recorded both cumulative deficit. Therefore, it did not estimate employee compensation and directors' remuneration.

If there is a change in the proposed amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in accounting estimate and will be reflected in the following year.

In 2022 and 2021, the Company recorded both cumulative deficit. Therefore, the board of directors resolved on March 18, 2022 and March 25, 2021, not to distribute the remunerations of employees and directors.

Please visit the "Market Observation Post System (MOPS)" of Taiwan Stock Exchange Corporation for information on employee compensation and directors' remuneration as resolved by the Company's Board of Directors.

(VIII) Gains (losses) on foreign currency exchange

		<u>2022</u>	<u>2021</u>
	Foreign exchange gains	\$ 12,265	\$ 2,861
	Foreign exchange losses	(<u>11,568</u>)	(<u>5,373</u>)
	Net gain (loss)	<u>\$ 697</u>	(<u>\$ 2,512</u>)

XXI. Income tax

(I) Main components of income tax expense recognized in profit or loss

	<u>2022</u>	<u>2021</u>
Current income tax		
Income tax expense generated in the current year	(\$ 362)	(\$ 255)
Adjustment on prior years	<u>131</u> (<u>231</u>)	<u>(201)</u> (<u>456</u>)
Deferred tax		
Income tax expense generated in the current year	(<u>1,038</u>)	<u>3,734</u>
Income tax income tax gain (expense) recognized in profit or loss	(\$ <u>1,269</u>)	<u>\$ 3,278</u>

A reconciliation of accounting profit and income tax income (expense) is as follows:

	<u>2022</u>	<u>2021</u>
Net loss before income tax	(<u>\$ 91,434</u>)	(<u>\$ 42,518</u>)
Income tax gain calculated at the statutory rate	\$ 22,272	\$ 9,532
Non-deductible expenses in determining taxable income, and deductible income	272	(23,016)
Unrecognized loss carryforward/ deductible temporary differences	(23,944)	16,963
Adjustments to income tax expenses from prior years in the year	<u>131</u>	(<u>201</u>)
Income tax income tax gain (expense) recognized in profit or loss	(\$ <u>1,269</u>)	<u>\$ 3,278</u>

(II) Income tax gain (expense) recognized in other comprehensive income

	<u>2022</u>	<u>2021</u>
Deferred tax		
Incurred during the year		
Translation of foreign operations	(<u>\$3,194</u>)	<u>\$ 920</u>

(III) Current tax assets and liabilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current income tax assets	<u>\$ 5</u>	<u>\$ 825</u>
Current tax liabilities		
Income taxes payable	<u>\$ 188</u>	<u>\$ -</u>

(IV) Deferred income tax assets and liabilities

Changes in deferred tax assets and liabilities are as follows:

2022

	Balance at January 1	Defined benefit costs recognized in profit or loss	Defined benefit costs recognized in other comprehensi ve income	Translation differences	Balance at December 31
<u>Deferred tax income assets</u>					
Temporary differences					
Inventory falling price reserves	\$ 1,744	\$ 976	\$ -	\$ 18	\$ 2,738
Exchange differences on translating foreign operations	7,881	-	-	3,087	10,968
Others	<u>28,740</u>	<u>(1,896)</u>	<u>-</u>	<u>412</u>	<u>27,256</u>
	<u>\$ 38,365</u>	<u>(\$ 920)</u>	<u>\$ -</u>	<u>\$ 3,517</u>	<u>\$ 40,962</u>
<u>Deferred income tax liabilities</u>					
Temporary differences					
Exchange differences on translating foreign operations	\$ 6,261	\$ -	\$ 3,194	(\$ 2,623)	\$ 6,832
Others	<u>6,267</u>	<u>118</u>	<u>-</u>	<u>75</u>	<u>6,460</u>
	<u>\$ 12,528</u>	<u>\$ 118</u>	<u>\$ 3,194</u>	<u>(\$ 2,548)</u>	<u>\$ 13,292</u>

2021

	Balance at January 1	Defined benefit costs recognized in profit or loss	Defined benefit costs recognized in other comprehensi ve income	Translation differences	Balance at December 31
<u>Deferred tax income assets</u>					
Temporary differences					
Inventory falling price reserves	\$ 1,372	\$ 378	\$ -	(\$ 6)	\$ 1,744
Exchange differences on translating foreign operations	8,614	-	-	(733)	7,881
Others	<u>29,474</u>	<u>(617)</u>	<u>-</u>	<u>(117)</u>	<u>28,740</u>
	<u>\$ 39,460</u>	<u>(\$ 239)</u>	<u>\$ -</u>	<u>(\$ 856)</u>	<u>\$ 38,365</u>

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	Balance at January 1	Defined benefit costs recognized in profit or loss	Defined benefit costs recognized in other comprehensi ve income	Translation differences	Balance at December 31
Deferred income tax liabilities					
Temporary differences					
Exchange differences on translating foreign operations	\$ 6,257	\$ -	(\$ 920)	\$ 924	\$ 6,261
Others	<u>10,276</u>	<u>(3,973)</u>	<u>-</u>	<u>(36)</u>	<u>6,267</u>
	<u>\$ 16,533</u>	<u>(\$ 3,973)</u>	<u>(\$ 920)</u>	<u>\$ 888</u>	<u>\$ 12,528</u>

(V) Items not recognized as deferred income tax assets in the consolidated balance sheet

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Unused loss carryforwards		
Due at the end of 2022	\$ -	\$ 119,186
Due at the end of 2023	214,170	220,686
Due at the end of 2024	284,165	277,146
Due at the end of 2025	61,915	61,556
Due at the end of 2026	28,420	28,420
Due at the end of 2027	91,586	22,035
Due at the end of 2028	12,742	12,742
Due at the end of 2029	17,072	17,072
Due at the end of 2030	21,216	21,216
Due at the end of 2031	20,780	21,301
Due at the end of 2032	<u>20,224</u>	<u>-</u>
	<u>\$ 772,290</u>	<u>\$ 801,360</u>
Deductible temporary difference		
Losses from foreign investments	<u>\$ 468,086</u>	<u>\$ 411,263</u>

(VI) Income tax examination

The Company and the subsidiary, Le Yang Investment's filing of profit-seeking enterprise income taxes has been assessed by the tax authorities for up to the end of 2020.

The income taxes of the subsidiaries, Suzhou Logah, Suzhou Longdeng and Suzhou Ruideng, have been settled and paid to the local tax authorities for the year ended 2021.

XXII. Earnings (loss) per share (EPS)

The Company may opt to distribute the remunerations of employees in shares or in cash; while cumulative deficit as of December 31, 2022 and 2021; therefore, the remunerations of employees were not estimated, and no diluting effect when calculating diluted earnings (loss) per share. The net income (loss) and weighted average number of ordinary shares used to calculate earnings (loss) per share are as follows:

<u>Net profit (loss) attributed to the owners of the Company</u>	<u>2022</u>	<u>2021</u>
Net income (loss) in the computation of basic earnings (loss) per share for the owner of the Company	(<u>\$ 92,703</u>)	<u>\$ 1,522</u>
<u>Number of shares</u>		Unit: thousand shares
	<u>2022</u>	<u>2021</u>
Weighted average number of ordinary shares in computation of basic earnings (loss) per share	<u>93,042</u>	<u>93,042</u>

XXIII. Business Combinations

(I) Acquiring a subsidiary

	<u>Major operating activities</u>	<u>Acquisition date</u>	<u>Acquisition percentage (%)</u>	<u>Transfer consideration</u>
Suzhou Ruideng	Manufacturing and trading of displays and dies	September 1, 2021	100	<u>\$ 110,232</u>

In order to cope with the needs of long-term future business development, the consolidated company acquired Suzhou Ruideng from its related party, Shisong Investment (SAMOA) Co., Ltd.

(II) Transfer consideration

Cash	<u>Suzhou Ruideng</u> <u>\$110,232</u>
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The above transferred consideration is obtained by referring to the valuation results of an independent valuation company based on the income method. Pursuant to the agreement between the two parties, the payment of the transfer consideration will be calculated from December 2021, each quarter is an installment, and the payment will be completed in ten instalments. As of December 31, 2022 and 2021, the unpaid transferred consideration was recorded as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Balance at January 1	\$101,504	\$ -
Acquiring a subsidiary	-	110,232
Net cash outflow for obtaining subsidiaries	(48,693)	(11,918)
Interest is calculated at an effective interest rate of 4.75% (Note XX)	3,945	1,727
Exchange differences on translation	<u>1,801</u>	<u>1,463</u>
Balance at December 31	<u>\$ 58,557</u>	<u>\$101,504</u>

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	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Other payables - related parties (Note XXVI)	\$ 46,615	\$ 44,012
Long-term payables - related parties (Note XXVI)	<u>11,942</u>	<u>57,492</u>
	<u>\$ 58,557</u>	<u>\$101,504</u>
(III) Assets acquired and liabilities assumed on acquisition date		<u>Suzhou Ruideng</u>
Current assets		
Cash		\$ 5,167
Accounts receivable		60,539
Accounts receivable - related parties		794
Other receivables		13,952
Other receivables – related parties		40,593
Inventories		23,655
Other financial assets -current		21,367
Other current assets		759
Non-current assets		
Property, plant and equipment		140,798
Right-of-use assets		42,790
Other financial assets - non-current		1,757
Current liabilities		
Accounts payable		(98,919)
Accounts payable - related parties		(204)
Other payables		(44,112)
Other payables -- related parties		(36,594)
Lease liabilities - Current		(20,187)
Current portion of long-term borrowings		(11,945)
Other current liabilities		(222)
Non-current liabilities		
Lease liabilities - Non-current		(21,178)
Deferred income tax liabilities		<u>(1,251)</u>
		<u>\$117,559</u>
(IV) Capital reserve generated from reorganization		<u>Suzhou Ruideng</u>
Transfer consideration		\$110,232
Less: Book value of identifiable net assets acquired		<u>(117,559)</u>
Capital reserve generated from reorganization		<u>(\$ 7,327)</u>

XXIV. Capital risk management

The Corporation manages its capital to ensure that it will be able to maximize shareholders return as a going concern through the optimization of the debt and equity balance. The overall strategy has not changed materially.

The Company's capital structure is consist of net debt (leases less cash) of the consolidated company and equity attributed to the Company's owner (common stocks, capital surplus, accumulated losses and other equity).

The Corporation is allowed not to follow other external laws or regulations on capital.

The key management of the Corporation reviews its capital structure for each season, including the consideration on costs of all types of capital and relevant risks. Under the recommendations of the key management personnel, to balance the overall capital structure, the Company may adopt the new share issuance and borrowings.

XXV. Financial instruments

(I) Fair value of financial instruments not measured at fair value

The management of the Corporation considers that the carrying amounts of financial assets and financial liabilities that are not measured at fair value are similar to their fair values.

(II) Categories of financial instruments

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial assets</u>		
Amortized cost (Note 1)	\$461,852	\$460,467
<u>Financial liabilities</u>		
Amortized cost (Note 2)	848,655	792,636

Note 1: The balances include cash and cash equivalents, account receivable (related parties included), other receivables, and financial assets measured at amortized cost.

Note 2: The balances included financial liabilities measured at amortized cost, which comprise short-term borrowing, notes receivable, account receivable (related parties included), other receivables (related parties included), long-term borrowings (including these due within a year), long-term payables - related parties and refundable deposit.

(III) Financial risk management objectives and policies

The Company's major financial instruments include accounts receivable, other financial assets, accounts payable, and borrowings. The financial management department provides service for each unit by organizing and coordinating the market operation nationally and internationally, supervising and reporting the internal risks by supervising and managing risk exposure analysis of financial risks associated with the Company's operation. Such risks include market risk (including exchange rate risk and interest rate risk), credit risk and liquidity risk.

The financial management department reports quarterly to the Audit Committee and board of directors of the consolidated company; such Audit Committee and board of directors are the independent organization responsible for supervising risks and implementing policies to mitigate exposures.

1. Market risk

The Company is exposed to the financial market risks, primarily changes in foreign currency exchange (see (1) following) rates and interest rates (see (2) following), due to its operation.

The Corporation is exposed to market risk associated with financial instruments and the management and measurement of such exposure have not changed.

(1) Foreign currency risk

The Company's sales and purchase transactions are denominated in foreign currency, which generates foreign currency risk.

Please refer to Note XXX for the Consolidated Company's carrying amounts of monetary assets and monetary liabilities not denominated in the functional currency (including the monetary items not denominated in the functional currency and canceled off in the consolidated financial reports) on the balance sheet date.

Sensitivity analysis

The Company is mainly affected by the fluctuations in the exchange rates of USD.

The table below details the Company's sensitivity analysis when the NTD and RMB (functional currency) increases and decreases by 5% against each relevant foreign currency. The rate of 5% is the sensitivity rate used when reporting foreign currency risk internally to the key management and represents the management's assessment of the reasonably likely change in foreign exchange rate. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and the end-of-year exchange rate is adjusted to 5% increase and decrease. When the functional currency appreciates/depreciates by 5% against USD, the resulted change in the amount of net pre-tax profit and loss is as follows:

	Effects of USD	
	2022	2021
Income	\$ 4,877	\$ 1,730

(2) Interest rate risk

The carrying accounts of financial assets and liabilities exposed to interest rate risk at the date of balance sheet are as follows:

	December 31, 2022	December 31, 2021
Fair value interest rate risk		
Financial assets	\$ 42,842	\$ 52,763
Financial liabilities	515,801	257,770
Cash flow interest rate risk		
Financial assets	100,153	50,450
Financial liabilities	34,563	135,086

Sensitivity analysis

The following sensitivity analysis is determined in accordance with interest rate risk of non-derivative instruments at the date of balance sheet. For the floating rate liabilities, the analysis is to assume that the amount of liabilities outstanding at the date of balance sheet is all outstanding at the reporting period. The sensitivity to a 1% change in interest rate is used when reporting

the interest rate risk internally to key management personnel and also represents the management's assessment of the reasonably possible change in interest rates.

If the interest rate increases/decreases by 1%, and all other variables remain unchanged, the pre-tax profit and loss of the consolidated company for 2022 and 2021 will change by NT\$656 thousand and NT\$846 thousand, mainly due to the exposures for the floating-rate demand deposit, and floating-rate long- and short-term borrowings.

2. Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Corporation. As at the end of the reporting period, the Company's maximum exposure to credit risk which will cause a financial loss to the Company due to failure of counterparties to discharge an obligation could arise from the carrying amount of the respective recognized financial assets as stated in the balance sheets.

A significant concentration of credit risk occurs when the counterparties to the Company's accounts receivable transactions are significantly concentrated in certain customers who mostly engage in similar business activities with similar business nature, such that their ability to perform contracts is impacted by similar financial or other conditions; the balance of the accounts receivable of these customers with obvious concentrated credit risk are as following:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Company A	\$ 56,268	\$ 2,298
Company B	43,991	21,309
Company C	41,227	54,605
Company D	39,820	25,312
Company E	31,398	52,242
Company F	<u>28,361</u>	<u>55,905</u>
	<u>\$ 241,065</u>	<u>\$ 211,671</u>

The Company's credit risk is mainly concentrated in the top six clients. As of December 31, 2022 and 2021, the percentages of total accounts receivable from the aforementioned clients were 77% and 60%, respectively.

3. Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows. In addition, the management of the Corporation monitors the utilization of borrowings and ensures compliance with loan conditions.

The bank borrowing is a material source of liquidity to the Corporation. The detailed information of the Company's unused financing facilities is further stated in (2) financing facilities below.

On December 31, 2022, the consolidated current liabilities of the consolidated company exceeded combined current assets by NT\$ 239,552 thousand, and the insufficient working capital may have liquidity risks that the contractual obligations may not be fulfilled. Other than the undrawn bank credit facilities may be used, the related parties

will make borrowings, and private placement of common shares for cash capital increase to fund.

(1) Liquidity and interest risks of non-derivative financial liabilities

The contract maturity analysis of the non-derivative financial liabilities is conducted based on the earliest date. The consolidated company may be required to repay and the undiscounted cash flow (including principal and estimated interests) of financial liabilities. Therefore, earliest period when the consolidated company may be required to repay the bank loan immediately, are listed as the following table, regardless of the probability of the bank to immediately execute the right; the maturity analysis of other non-derivative financial liabilities is prepared based pm the agreed repayment date.

	Repayment			
	on demand or less than 1 month	1–3 months	3 months–1 year	1-5 years
<u>December 31, 2022</u>				
Non-derivative financial liabilities				
Lease liabilities	\$ 5,585	\$ -	\$ 13,774	\$ -
Floating-rate instruments	3,342	15,278	11,196	7,099
Fixed-rate instruments	4,421	20,018	308,901	28,232
Non-interest bearing liabilities	<u>111,711</u>	<u>123,644</u>	<u>191,843</u>	<u>35,443</u>
	<u>\$ 125,059</u>	<u>\$ 158,940</u>	<u>\$ 525,714</u>	<u>\$ 70,774</u>
<u>December 31, 2021</u>				
Non-derivative financial liabilities				
Lease liabilities	\$ 5,505	\$ -	\$ 19,082	\$ 19,082
Floating-rate instruments	13,409	20,452	104,269	-
Fixed-rate instruments	1,497	26,463	90,481	108,004
Non-interest bearing liabilities	<u>218,612</u>	<u>133,347</u>	<u>86,340</u>	<u>2,401</u>
	<u>\$ 239,023</u>	<u>\$ 180,262</u>	<u>\$ 300,172</u>	<u>\$ 129,487</u>

(2) Financing facilities

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Unsecured bank borrowings facility		
Amount used	\$ -	\$ 9,394
Amount unused	<u>-</u>	<u>2,763</u>
	<u>\$ -</u>	<u>\$ 12,157</u>
Secured bank borrowings facility		
Amount used	\$ 276,577	\$ 44,212
Amount unused	<u>110,167</u>	<u>185,279</u>
	<u>\$ 386,744</u>	<u>\$ 229,491</u>

4. Transfers of financial assets

The relevant information about factoring the unexpired accounts receivable of the consolidated company at the end of the period is as follows:

December 31, 2022

Related Party	Sales Amount	Transfer to other receivables	Amount may be advanced	Advances Received	Interest Rates on Advances Received (%)
Chang Hwa Commercial Bank	<u>\$ 19,318</u>	<u>\$ 1,932</u>	<u>\$ -</u>	<u>\$ 17,386</u>	4.99~5.81
CTBC Bank	<u>\$128,565</u>	<u>\$ 12,857</u>	<u>\$ 4,264</u>	<u>\$111,444</u>	4.79

December 31, 2021

Related Party	Sales Amount	Transfer to other receivables	Amount may be advanced	Advances Received	Interest Rates on Advances Received (%)
Chang Hwa Commercial Bank	<u>\$ 28,312</u>	<u>\$ 4,841</u>	<u>\$ -</u>	<u>\$ 23,471</u>	1.22~1.35
CTBC Bank	<u>\$148,640</u>	<u>\$ 14,864</u>	<u>\$ -</u>	<u>\$133,776</u>	5.44

According to the Corporation's factoring agreements, losses from commercial disputes (such as sales returns and discounts) were borne by the Corporation, while losses from credit risk were borne by the banks.

5. Derecognized transferred notes receivable

The Consolidated Company endorses and transfers certain bank acceptance bills receivable in China to suppliers as a means of paying for payables. As almost all the risks and returns of these bills have been transfers, the Consolidated Company derecognizes the accounts payable corresponding to the transferred acceptance bills receivable. However, if the derecognized acceptance bills are not honored, suppliers have the right to claim against the Consolidated Company. Hence, the Consolidated Company remains involved in these bills.

The maximum risk exposure to losses from the acceptance bills that Consolidated Company continues to be involved but has derecognized is the face value of the acceptance bills transferred but not yet due. As of December 31, 2022 and 2021, the balance of such bills are NT\$487 thousand, and NT\$4,698 thousand, respectively. These bills are due within one to two month and one months after the balance sheet date. Considering the credit risks of the derecognized acceptance bills, the Consolidated Company assesses that the fair value of continued involvement is insignificant.

In 2022 and 2021, the consolidated company did not recognize any gain or loss when transferring the acceptance bills receivable, and the continuing participation in these notes did not recognize any gain or loss in the current period and accumulation.

XXVI. Related-Party Transactions

Transactions, account balances, gains and losses between the consolidated company is all eliminated upon consolidation and are therefore not disclosed in this note. Unless disclosed in other notes, the transactions between the Corporation and other related parties are as follows:

(I) Related party name and categories

<u>Related Party Name</u>	<u>Related Party Category</u>
Liyu Technology Co., Ltd. (Liyu Co.)	Investor with material influence on the Company
Shisong Investment (Samoa) Limited (Shisong Samoa)	Fellow subsidiary
Hwadeng (B.V.I.) Limited (Hwadeng Company)	Fellow subsidiary
Longdeng Electronic Technologies (Shenzhen) Ltd. (Shenzhen Longdeng)	Fellow subsidiary
Jungdeng Electronic and Plastic Ltd. (Shenzhen Jungdeng)	Fellow subsidiary
Lin, Shu-Chen	Substantive related party
Yu, Hui-Fa	Chairman of the Company

(II) Sales

<u>Line Item</u>	<u>Related party category/Name</u>	<u>2022</u>	<u>2021</u>
Sales revenue	Investor with material influence on the Company Liyu Co.	<u>\$ 4,242</u>	<u>\$ 23,127</u>

There are no significant differences in the transaction prices between the Corporation and related parties compared to non-related parties.

(III) Purchase

<u>Related party category/Name</u>	<u>2022</u>	<u>2021</u>
Investor with material influence on the Company Liyu Co.	<u>\$ 21,035</u>	<u>\$ 13,989</u>

The transaction price among the consolidated company and Liyu Co. is calculated as the original purchase price plus markup for certain percentage, and the payment term is longer than the non-related party.

(IV) Receivables from related parties (excluding lending to related parties)

<u>Line Item</u>	<u>Related party category/Name</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts receivable - related parties	Investor with material influence on the Company Liyu Co.	<u>\$ 3,382</u>	<u>\$ 6,764</u>

There is no guarantee for outstanding receivables from related parties. The receivables from related parties in 2022 and 2021 were not provided for the allowance for loss

(V) Payables to related parties (excluding lending to related parties)			
Line Item	Related party category/Name	December 31, 2022	December 31, 2021
Accounts payable - related parties	Fellow subsidiary Shisong Samoa	\$ -	\$ 1,723
	Investor with material influence on the Company Liyu Co.	<u>12,993</u>	<u>22,233</u>
		<u>\$ 12,993</u>	<u>\$ 23,956</u>
Other payables -- related parties	Fellow subsidiary Shisong Samoa	<u>\$ 46,615</u>	<u>\$ 44,012</u>
Long-term accounts payable - related parties	Fellow subsidiary Shisong Samoa	<u>\$ 11,942</u>	<u>\$ 57,492</u>

Other payables and long-term payables between the consolidated company and related party are the investment payables to Shisong Samoa for purchasing Suzhou Ruideng (see Note XXIII).

(VI) Acquisition of property, plant and equipment			
Related party category/Name	Price of acquisition		
	2022	2021	
Fellow subsidiary Shenzhen Jungdeng	<u>\$ -</u>	<u>\$ 430</u>	

(VII) Borrowings from related parties			
Line Item	Related party category/Name	December 31, 2022	December 31, 2021
Other payables -- related parties	Fellow subsidiary Shenzhen Longdeng Hwadeng Company	\$ - <u>112,583</u> <u>112,583</u>	\$ 6,205 <u>27,633</u> <u>33,838</u>
Long-term accounts payable - related parties	Fellow subsidiary Hwadeng Company Investor with material influence on the Company Liyu Co.	9,198 <u>24,528</u> <u>33,726</u> <u>\$146,039</u>	- <u>22,104</u> <u>22,104</u> <u>\$ 55,942</u>

Financial costs

<u>Related party category/Name</u>	<u>2022</u>	<u>2021</u>
Fellow subsidiary		
Hwadeng Company	<u>\$ -</u>	<u>\$ 17</u>

All borrowings of the consolidated company from related parties are zero-interest and unsecured borrowings.

(VIII) Endorsements/guarantees

Obtained endorsements/guarantees

<u>Related party category</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Chairman and the substantive related party		
Amount guaranteed	<u>\$398,007</u>	<u>\$551,937</u>
Amount actually drawn (listed as bank and other borrowings)	<u>\$ 84,457</u>	<u>\$193,492</u>

(IX) Remuneration to key management personnel

The total remunerations of directors and other key management is as follows:

	<u>2022</u>	<u>2021</u>
Short-term employee benefits	<u>\$ 9,729</u>	<u>\$ 9,860</u>
Pensions	<u>186</u>	<u>185</u>
	<u>\$ 9,915</u>	<u>\$10,045</u>

The remuneration of directors and other key management personnel were determined by the Remuneration Committee in accordance with the individual performance and the market trends.

XXVII. Pledged Assets

The following assets have been provided as collateral for financing borrowings and factoring the unexpired accounts receivable:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts receivable	<u>\$ 19,537</u>	<u>\$ 13,134</u>
Pledged bank deposit	<u>23,506</u>	<u>44,571</u>
Property, plant and equipment	<u>272,502</u>	<u>278,884</u>
Investment Property	<u>117,500</u>	<u>118,806</u>
Right-of-use assets	<u>225,606</u>	<u>228,176</u>
	<u>\$658,651</u>	<u>\$683,571</u>

XXVIII. Significant Contingent Liabilities and Unrecognized Commitments – As of December 31, 2021

As of December 31, 2021, the amount of consolidated company's opened but yet used L/C was NT\$1,215 thousand.

XXIX. Significant Events

- (I) In order to meet the future working capital needs, on March 23, 2023, the Board of Directors passed a resolution to approve the Company's application to Chailease Finance Co., Ltd. for a penny cash credit facility of 40 million, and authorized the Chairman to handle the relevant contract signing matters with full authority.
- (II) Considering the overall operation of the Company, on March 23, 2023, the Board of Directors passed a resolution to approve the establishment of a 100% reinvested subsidiary in Vietnam with an amount of US\$1 million, and authorized the Chairman to handle the relevant matters with full authority.

XXX. Information on Foreign-currency-denominated Assets And Liabilities

The information below is aggregated and presented in foreign currencies other than the Corporation's functional currency. The exchange rates disclosed refer to the rates at which these foreign currencies are converted to the functional currency. The significant financial assets and liabilities denominated in foreign currencies are as follows:

	Foreign Currency	Exchange rate		Carrying amount
<u>December 31, 2022</u>				
Foreign currency assets				
Monetary items				
USD	\$ 15,839	30.66	(USD: TWD)	\$ 485,620
USD	6,941	6.9646	(USD: CNY)	212,817
USD	2,253	7.8454	(USD: HKD)	<u>69,064</u>
				<u>\$ 767,501</u>
Foreign currency liabilities				
Monetary items				
USD	3,150	30.66	(USD: TWD)	\$ 95,565
USD	16,942	6.9646	(USD: CNY)	519,442
USD	1,759	7.8454	(USD: HKD)	<u>53,945</u>
				<u>\$ 669,952</u>
<u>December 31, 2021</u>				
Foreign currency assets				
Monetary items				
USD	\$ 15,905	27.63	(USD: TWD)	\$ 439,460
USD	5,560	6.3674	(USD: CNY)	153,622
USD	930	7.8517	(USD: HKD)	<u>25,685</u>
				<u>\$ 618,767</u>
Foreign currency liabilities				
Monetary items				
USD	2,138	27.63	(USD: TWD)	\$ 59,067
USD	18,421	6.3674	(USD: CNY)	508,972
USD	583	7.8517	(USD: HKD)	<u>16,120</u>
				<u>\$ 584,159</u>

The consolidated company mainly assumes the foreign exchange risks from USD, RMB and HKD. The following information is summarized based on the entity holding foreign currencies and expressed in functional currency. The exchange rates disclosed are used to translate the functional currencies into the expressing currency. Foreign exchange gains and losses with material influence (including realized and unrealized) are as follows:

Functional currency	Functional currency to currency presented		Net exchange gains (losses) (loss)
2022			
USD	29.805	(USD: TWD)	(\$ 2)
TWD	1	(TWD: TWD)	7,376
CNY	4.4347	(CNY: NTD)	(\$5,590)
HKD	3.8058	(HKD: TWD)	(<u>1,087</u>)
			<u>\$ 697</u>
2021			
USD	28.009	(USD: TWD)	\$ 1
TWD	1	(TWD: TWD)	(750)
CNY	4.3417	(CNY: NTD)	(228)
HKD	3.6032	(HKD: TWD)	(<u>1,535</u>)
			<u>(\$2,512)</u>

XXXI. Additional Disclosures

(I) Information on Significant Transactions

1. Financing provided to others. (Table 1)
2. Endorsements/guarantees provided. (Table 2)
3. Securities Held at the End of the Period (Excluding Investment in Subsidiaries): None.
4. Marketable securities acquired and disposed at costs or prices at least NT\$300 million or 20% of the paid-in capital: None.
5. Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None.
6. Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None.
7. Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 3.
8. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 4.
9. Trading in derivative instruments: None.
10. Others: The business relationship between the parent and the subsidiaries and significant transactions between them: Table 7.

(II) Information on Investees: Table 5

(III) Information on Investment in Mainland China

1. The name of the investee in mainland China, the main businesses, paid-in capital, method of investment, capital remitted in and out, percentage of ownership, income and recognized investment gain (losses) of the period, book value of the investment at the end of period, repatriated investment gain (losses), and the limitation on investee in Mainland China: Table 6.

2. Significant direct or indirect transactions through a third area with the investee in the Mainland Area, and its prices and terms of payment, unrealized gain or loss are as follows:
 - (1) The amount and percentage of purchases and the balance and percentage of the relevant payables at the end of the period: Table 7.
 - (2) The amount and percentage of sales and the balance and percentage of the relevant receivables at the end of the period: None
 - (3) The amount of property transactions and the amount of the resultant gains or losses: None.
 - (4) Endorsement/guarantee provided: Table 2.
 - (5) Financing provided: Table 1.
 - (6) Other transactions that significantly impacted the current year's profit or loss or financial position: None.
- (IV) Information on major shareholders: names, numbers of shares held, and shareholding percentages of shareholders who hold 5 percent or more of the equity: Table 8.

XXXII. Information on Departments

The Corporation's information reported to the chief operating decision-maker for resource allocation and segment performance assessment focuses on types of goods or services delivered or provided.

The chief operating decision-maker regards each entity of the Corporation as a separate operating segment, but when the consolidated financial statements are prepared, the factors below are considered on a consolidated basis, and these operating segments are aggregated as a single operating segment:

- (I) These operating segments have similar production and sales models;
- (II) These operating segments have similar main businesses;

The reportable segments of the consolidated company are as follows:

- The Company: refer to Note I for the main businesses.
- Suzhou Longdeng, Suzhou Ruideng and Suzhou Logah: The main business is the manufacture and trading of plastic injection products and dies.
- Others.

(I) Segment revenue, operation results, assets and liabilities

The following was an analysis of the Company's revenue and results, assets and liabilities by the reporting department.

	Parent Company	Suzhou Longdeng, Suzhou Ruideng, and Suzhou Logah	Others	Adjustment and write-off	Consolidation
<u>2022</u>					
Income from external customers	\$ 9,368	\$ 909,033	\$ 5,494	\$ -	\$ 923,895
Inter-segment income	26	26,316	-	(26,342)	-
Departmental income	<u>\$ 9,394</u>	<u>\$ 935,349</u>	<u>\$ 5,494</u>	<u>(\$ 26,342)</u>	<u>\$ 923,895</u>
Segment gain (loss)	<u>(\$ 23,780)</u>	<u>(\$ 48,272)</u>	<u>\$ 2,086</u>	<u>\$ 361</u>	<u>(\$ 69,605)</u>
Interest income					534
Other income					1,967
Other gains and losses					(161)
Financial costs					(24,169)
Consolidated net loss before income tax					(91,434)
Tax benefit					(1,269)
Total consolidated net loss					<u>(\$ 92,703)</u>
<u>December 31, 2022</u>					
Segment assets	<u>\$ 271,055</u>	<u>\$ 1,313,210</u>	<u>\$ 304,601</u>	<u>(\$ 469,790)</u>	<u>\$ 1,419,076</u>
Segment liabilities	<u>\$ 114,141</u>	<u>\$ 1,182,850</u>	<u>\$ 54,183</u>	<u>(\$ 466,899)</u>	<u>\$ 884,275</u>
<u>2021</u>					
Income from external customers	\$ 7,594	\$ 1,196,589	\$ 7,679	\$ -	\$ 1,211,862
Inter-segment income	704	26,886	-	(27,590)	-
Departmental income	<u>\$ 8,298</u>	<u>\$ 1,223,475</u>	<u>\$ 7,679</u>	<u>(\$ 27,590)</u>	<u>\$ 1,211,862</u>
Segment gain (loss)	<u>(\$ 22,998)</u>	<u>\$ 2,195</u>	<u>\$ 553</u>	<u>\$ 361</u>	<u>(\$ 19,889)</u>
Interest income					454
Other income					13,094
Other gains and losses					(15,316)
Financial costs					(20,861)
Consolidated net loss before income tax					(42,518)
Tax benefit					3,278
Total consolidated net loss					<u>(\$ 39,240)</u>
<u>December 31, 2021</u>					
Segment assets	<u>\$ 245,720</u>	<u>\$ 1,367,419</u>	<u>\$ 243,605</u>	<u>(\$ 393,398)</u>	<u>\$ 1,463,346</u>
Segment liabilities	<u>\$ 81,635</u>	<u>\$ 1,140,930</u>	<u>\$ 16,196</u>	<u>(\$ 390,145)</u>	<u>\$ 848,616</u>

(II) Revenue from main products

	<u>2022</u>	<u>2021</u>
Sales revenue		
Plastic mechanical parts	\$ 884,887	\$ 1,133,463
Dies	26,578	71,076
Others	1,557	795
	<u>\$ 913,022</u>	<u>\$ 1,205,334</u>
Rental income	<u>\$ 10,873</u>	<u>\$ 6,528</u>

(III) Information by regions

The information on the consolidated company's income from external customers and non-current assets by operating location is shown below:

	Revenues from external customers		Non-current assets	
			December 31,	December 31,
	2022	2021	2022	2021
Asia	<u>\$ 923,895</u>	<u>\$ 1,211,862</u>	<u>\$ 799,128</u>	<u>\$ 842,652</u>

Non-current assets do not include the deferred income tax assets and other financial assets - non-current

(IV) Information on major customers

Income from a single customer which exceed ten percent of total income of the Company is as follows:

	2022		2021	
	Amount	%	Amount	%
Company A	\$ 297,172	32	\$ 429,859	35
Company B	148,438	16	136,678	11
Company C	<u>95,655</u>	<u>10</u>	<u>2,089</u>	<u>-</u>
	<u>\$ 541,265</u>	<u>58</u>	<u>\$ 568,626</u>	<u>46</u>

Logah Technology Corporation and the subsidiaries
Financing provided to others
2022

Table 1

Unit In Thousands of New Taiwan Dollars or Foreign Currency, Unless Stated Otherwise

No.	Lender	Borrower	Financial Statement Account	Whether it is a related party	Amount of maximum limit for the year	Balance of limit at the end of year	Amount actually drawn (Note 3)	Interest Rate (%)	Nature of financing provided	Business Transaction Amounts	Reason for the necessity of short-term financing	Allowance for Impairment Loss	Collateral		Limit of financing for individual borrowers (Note 1)	Total limit of financing (Note 2)	Remarks
													Name	Value			
0	The Company	Suzhou Longdeng	Other receivables – related parties	Yes	\$ 226,655 (USD 7,150)	\$ 193,158 (USD 6,300)	\$ 127,239 (USD 4,150)	1.1~1.9	Short-term financing	\$ -	Funds for operation	\$ -	-	\$ -	\$ 213,920	\$ 213,920	40% of the Company's net worth
1	Le Yang Investment	Suzhou Longdeng	Other receivables – related parties	Yes	213,254 (USD 6,630)	202,663 (USD 6,610)	202,663 (USD 6,610)	-	Short-term financing	-	Funds for operation	-	-	-	102,755 (Note 4)	102,755 (Note 4)	40% of Le Yang Investment's net worth
2	Suzhou Logah	Suzhou Longdeng	Other receivables – related parties	Yes	103,543 (CNY (RMB)23,400)	77,260 (CNY (RMB)17,550)	66,035 (CNY (RMB)15,000)	-	Short-term financing	-	Funds for operation	-	-	-	98,279	98,279	100% of Suzhou Logah's net worth
3	Suzhou Ruideng	Suzhou Longdeng	Other receivables – related parties	Yes	112,533 (CNY (RMB)25,000)	22,012 (CNY (RMB)5,000)	-	-	Short-term financing	-	Funds for operation	-	-	-	88,442	88,442	100% of Suzhou Ruideng's net worth

Note 1: The cumulative balance of the loaned funds, must not exceed 40% of the loaned company's net worth

Note 2: Where an inter-company or inter-firm short-term financing facility is necessary, provided that such financing amount shall not exceed 40 percent of the lender's net worth. The limit of loaning of funds to the subsidiaries in which the Company holds, directly or indirectly, more than 50% of equity, is not exceeding 40 percent of the lender's net worth. The limit of loaning of funds to the subsidiaries in which the Company holds, directly or indirectly, more than 100% of equity, is not exceeding 100 percent of the lender's net worth.

Note 3: Offset for the preparation of consolidated financial statements

Note 4: The funds loan to Suzhou Longdeng by Le Yang Investment has exceeded the defined maximum loaned funds; Le Yang Investment has established the improvement plan (please refer to Table 4)

Logah Technology Corporation and the subsidiaries
Endorsements/guarantees provided
2022

Table 2

Unit: NTD thousand
(Not including the noted otherwise)

No.	Endorsement/guarantee provider	Guaranteed party		Limit of endorsement/guarantee for a single enterprise	Maximum balance for the period	Ending balance	Amount actually drawn	Amount of Endorsement/Guarantee Collateralized by Properties	Ratio of accumulated endorsement/guarantee to net equity per latest financial statements(%)	Maximum amount of endorsement/guarantee allowance (Note)	Guarantee provided by parent company	Guarantee provided by subsidiary	Guarantee provided to subsidiaries in Mainland China
		Company name	Relationship										
0	The Company	Suzhou Longdeng	Subsidiary	\$ 427,841 (80% of net worth)	\$ 600,000	\$ 130,000	\$ 61,756	\$ 12,264	24.31	\$ 427,841 (80% of net worth)	Y	N	Y
0	The Company	Suzhou Ruideng	Subsidiary	427,841 (80% of net worth)	255,000	255,000	111,444	-	47.68	\$ 427,841 (80% of net worth)	Y	N	Y
1	Suzhou Longdeng	Suzhou Ruideng	Subsidiary	46,128 (80% of Suzhou Longdeng's net worth)	44,818	44,023	-	-	8.23	\$ 46,129 (80% of Suzhou Longdeng's net worth)	Y	N	Y

Note: The total endorsement/guarantee provided to the companies in which the Company holds 100% voting rights directly or indirectly shall not exceed 80% of the Company's net worth. The limit of Endorsements/guarantees of funds to the subsidiaries in which the Company holds, directly or indirectly, more than 100% of equity, is not exceeding 80 percent of the Endorser/guarantor's net worth.

Logah Technology Corporation and the subsidiaries
 Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the share capital:
 2022

Table 3

Unit: NTD thousand
 (Not including the noted otherwise)

Companies purchasing from or sell to	Related Party	Relationship	Transaction Details				Differences in transaction terms compared with third party transactions		Note/Accounts Receivable (Payable)		Remarks
			Sales / Purchase	Amount	Percentage over total purchase (sale) (%)	Payment Terms	Differences in transaction terms compared with third party transactions		Balance	Percentage over total notes and accounts receivable (payable) (%)	
							Unit Price	Payment Terms			
The Company	Suzhou Longdeng	Consolidated subsidiaries	Purchase	(\$193,900)	(100)	Monthly settlement 180 days	No comparable transaction.	No comparable transaction.	(\$ 81,635)	(100)	Note

Note: The purchase transactions among the Company and Suzhou Longdeng that are triangular trade, have been written off in the preparation of the consolidated financial report.

Logah Technology Corporation and the subsidiaries
 Receivables from related parties amounting to at least NT\$100 million or 20% of the share capital
 December 31, 2022

Table 4

Unit: NTD thousand

Company Name	Related Party	Relationship	Balance of accounts receivable from related parties (Note 1)	Turnover Rate	Overdue		Amount collected subsequent to the balance sheet date	Amount in provision of allowance for bad debt
					Amount	Action taken		
The Company	Suzhou Longdeng	Parent to subsidiary	\$127,595	Note 2	\$ -	-	\$ -	\$ -
Le Yang Investment	Suzhou Longdeng	Subsidiary	202,663	Note 2	202,663	The Company expects to develop partial lands of the subsidiary for leasing, in order to increase the cash inflow to repay borrowings	-	-

Note 1: Offset for the preparation of consolidated financial statements

Note 2: The funds are loaned to related parties, and listed under other receivables - related parties, so it is not applicable.

Logah Technology Corporation and the subsidiaries
Information on investees
2022

Table 5

Unit: thousand shares, NTD or foreign currency thousand

Investor	Investor Company	Location	Main business	Initial investment amount		Balance at December 31, 2020			Current income (losses) of the investee	Investment gain (loss) recognized for the year	Remarks
				End of current year	End of last year	Number of shares	Ratio %	Carrying amount			
The Company	Seychelles Logah	No. 24, Lesperance Complex, Providence Industrial Estate, Mahe, Seychelles	Investment in holding companies	\$ 246,186 (USD 7,920)	\$ 246,186 (USD 7,920)	7,920	100	\$ 99,268	(\$ 34,013)	(\$ 34,013)	Note
The Company	Link Bright Technology	Room 1204, Yu Sung Boon Bldg., 107-111 Des Voeux Road Central, Hong Kong	Trading	17,172 (CNY (RMB)4,000)	17,172 (CNY (RMB)4,000)	10	100	24,623	931	931	Note
The Company	Le Yang Investment	No. 15, Lane 62, Caikong 1st Rd., Kaohsiung City	Investment in holding companies	560,000	560,000	56,000	100	<u>256,887</u> <u>\$ 380,778</u>	(<u>42,142</u>) (<u>\$ 75,224</u>)	(<u>42,142</u>) (<u>\$ 75,224</u>)	Note
Seychelles Logah	Hongkong Logah	Rm 804, Sino Centre, 582-592 Nathan Rd., Kln. H. K.	Investment in holding companies	428,922 (USD 14,100)	428,922 (USD 14,100)	14,100	100	<u>\$ 98,280</u> (USD 3,205)	(<u>\$ 33,989</u>) (USD -1,140)	(<u>\$ 33,989</u>) (USD -1,140)	Note
Le Yang Investment	Legend Investment	Portcullis Trust Net Chambers, P.O. Box 1225, Apia, SAMOA	Investment in holding companies	338,230 (USD 11,000)	338,230 (USD 11,000)	11,000	56.07	<u>\$ 32,648</u> (USD 1,065)	(<u>\$ 77,248</u>) (USD -2,592)	(<u>\$ 43,313</u>) (USD -1,453)	Note
Suzhou Logah	Legend Investment	Portcullis Trust Net Chambers, P.O. Box 1225, Apia, SAMOA	Investment in holding companies	264,998 (USD 8,619)	264,998 (USD 8,619)	8,619	43.93	<u>\$ 25,579</u> (USD 834)	(<u>\$ 77,248</u>) (USD -2,592)	(<u>\$ 33,935</u>) (USD -1,139)	Note

Note: Offset for the preparation of consolidated financial statements

Logah Technology Corporation and the subsidiaries
Information on Investment in Mainland China
2022

Table 6

Unit: NTD thousand

Name of Investee in Mainland China	Main business	Paid-in capital	Investment method	Accumulated investment amount of outflow from Taiwan at the beginning of the year	Outward remittance or repatriation of investment amount at beginning of the year		Accumulated investment amount of outflow from Taiwan at the end of the year	Current income (losses) of the investee	Ownership percentage of direct or indirect investment	Investment gain (loss) recognized for the year	Book value of investment at the end of year	Cumulative repatriation of investment income as of the end of the year	Remarks
					Outward remittance	Repatriation							
Suzhou Logah	Processing plastic injection products	\$ 611,442 (USD 20,100)	Reinvestment in Chinese companies via the investments in some existing companies at the third region	\$ 319,160 (USD 10,100)	\$ -	\$ -	\$ 319,160 (USD 10,100)	(\$ 33,989) (USD -1,140)	100	(\$ 33,989) (USD -1,140)	\$ 98,279 (USD 3,205)	\$ -	Note 2 and 4
Suzhou Longdeng	Manufacturing, processing, and trading of plastic injection products and dies	623,153 (USD 19,000)	Reinvestment in Chinese companies via the investments in some existing companies at the third region	347,189 (USD 10,987)	-	-	347,189 (USD 10,987)	(77,218) (USD -2,591)	100	(77,218) (USD -2,591)	57,660 (USD 1,881)	-	Note 2 and 4
Suzhou Ruideng	Manufacturing and trading of displays and dies	201,913 (USD 6,330)	Reinvestment through existing companies in China	-	-	-	-	(43,066) (CNY (RMB) - 9,711)	100	(43,066) (CNY (RMB) - 9,711)	88,442 (CNY (RMB) 20,090)	-	Note 2 and 4

The Company

Accumulated investment amount of outflow in China mainland from Taiwan at the end of the year	Investment amount approved by Investment Commission, MOEA (note 1)	limitation on investee regulated under Investment Commission, MOEA (Note 3)
\$319,160 (US\$ 10,100)	\$616,266 (US\$ 20,100)	\$320,881

Le Yang Investment

Accumulated investment amount of outflow in China mainland from Taiwan at the end of the year	Investment amount approved by Investment Commission, MOEA (note 1)	limitation on investee regulated under Investment Commission, MOEA (Note 3)
\$347,189 (US\$ 10,987)	\$582,540 (US\$ 19,000)	\$154,132

Note 1: Calculation is based on the exchange rate on December 31, 2022, US\$1=NT\$30.66

Note 2: Calculation is based on the 2022 financial statements of that company audited by the CPAs

Note 3: The maximum cumulative amount of the Company's investments in China (60% of the equity net worth): 534,801×60%=320,881; the maximum cumulative amount of the subsidiary, Le Yang's investments in China (60% of the equity net worth): 256,887×60%=154,132.

Note 4: Gains and losses on investments between reinvestments, long-term investments in equity, and the net worth of equity between investee companies have been written-off in the preparation of the consolidated financial statements.

Logah Technology Corporation and the subsidiaries
The business relationship between the parent and the subsidiaries and significant transactions between them
2022

Table 7

Unit: NTD thousand

No.	Name	Counterparty	Flow of Transactions	Transaction status			Percentage of total revenue (assets) the consolidation (%)
				Item	Amount	Transaction condition	
0	The Company	Suzhou Longdeng	Parent to subsidiary	Purchase (note 1 and 2)	\$ 193,900	Triangular trade, priced as cost plus mark-up	21
0	The Company	Suzhou Longdeng	Parent to subsidiary	Accounts payable	81,635	Payment as monthly settlement 180 days	6
1	Suzhou Longdeng	Suzhou Logah	Subsidiary to subsidiary	Other payables	66,035	Payment to be made in three years, borrowings with zero interest	5
1	Suzhou Longdeng	Le Yang Investment	Subsidiary to subsidiary	Other payables	202,663	Payment to be made in one years, borrowings with zero interest	14
1	Suzhou Longdeng	The Company	Subsidiaries to Parent Company.	Other payables	127,595	Payment made within one year, with 1.1%~1.9% interest negotiated by both parties.	9
1	Suzhou Longdeng	Suzhou Ruideng	Subsidiary to subsidiary	Purchase (note 1)	19,516	Calculated as cost plus mark-up	2
1	Suzhou Longdeng	Suzhou Ruideng	Subsidiary to subsidiary	Accounts payable	9,119	Payment as monthly settlement 180 days	1
2	Link Bright Technology	Suzhou Longdeng	Subsidiary to subsidiary	Purchase (note 1 and 2)	88,279	Triangular trade, priced as cost plus mark-up	10
2	Link Bright Technology	Suzhou Longdeng	Subsidiary to subsidiary	Accounts payable	53,945	Payment is made base on the customer's collection situation	4

Note 1: There is no unrealized profit/loss at the end of year.

Note 2: The purchases among the Company, Link Bright Technology, and Suzhou Longdeng are mainly the transactions for triangular trade.

Logah Technology Corporation
Information on Major Shareholders
December 31, 2022

Table 8

Name of major shareholder	Shares	
	Number of shares held	Percentage (%)
Liyu Technology Co., Ltd.	31,580,492	33.94
Lite-On Technology	7,578,200	8.14
Yu, Hui-Fa	5,665,934	6.08

Note: This table is based on the information provided by the Taiwan Depository & Clearing Corporation for shareholders holding greater than five percent of the shares completed the process of registration and book-entry delivery in dematerialized form, including treasury stocks, at the last business date of current quarter, plus number of privately placed common shares that have completed the commercial and industrial change registration at the last business day at the end of the same quarter. There may be a discrepancy in the number of shares recorded on the consolidated financial statements and its dematerialized securities arising from the difference in basis of preparation.

Independent Auditors' Report

To Logah Technology Corporation

Audit opinions

We have audited the accompanying Parent Company Only Financial Statements of Logah Technology Corporation (the Corporation), which comprise the standalone balance sheets as of December 31, 2022 and 2021, and the standalone statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying Parent Company Only Financial Statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulation Governing Auditing and Certification of Financial Statements by Certified Public Accountants and auditing standards in the R.O.C. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. The auditors of the firm, subject to the independence regulations, have maintained independence from the Corporation in accordance with the Code of Ethics and perform other obligations of such Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Parent Company Only Financial Statements of the Corporation for the year 2022. These matters were addressed in the context of our audit of the Parent Company Only Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters for the Corporation's Parent Company Only Financial Statements for the year 2022 are stated as follows:

Revenue recognition

As for note IX, attachments 1 and 6 of Parent Company Only Financial Statements, the Corporation held investments and lending loan se of Suzhou Longdeng Electronic Technology Co., Ltd. (Suzhou Longdeng) and Suzhou Ruideng Technology Co., Ltd. (Suzhou Ruideng) that were 480,859 thousand, accounting for 74% of total assets of the Corporation. The Corporation recognized investment losses of Suzhou Longdeng and Suzhou Ruideng as 76,155 thousand, accounting for 83% of the net loss before tax of the Corporation, directly or indirectly. Hence, operating results of Suzhou Longdeng and Suzhou Ruideng tend to affect whether the profit or loss of investments for equity method is appropriate.

Suzhou Longdeng and Suzhou Ruideng are engaged in manufacturing, purchases and sales of plastic products. The amount of revenues of the customers has been material to the financial report, revenues shall evaluate significant risks. And, Authenticity shall be an important matter in audit of 2021, according to the Auditing Standards.

Please see note IV for explanation of important policies of revenues recognition

The audit procedures by CPA for the revenue recognition go as follows:

- I. To understand and testimony internal controls for the revenue recognition.
- II. Except the payment has not been received yet during the report date, an inquiry letter shall be sent or other alternatives will be adopted, the company requires to review whether sales revenues authentic by auditing the customer's shipping documents and certificates.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the Parent Company Only Financial Statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for necessary internal control as management determines is necessary to enable the preparation of Parent Company Only Financial Statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the Parent Company Only Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards in the R.O.C. will always detect a material misstatement when it exists in the Parent Company Only Financial Statements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Parent Company Only Financial Statements.

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

- I. Identify and assess the risk of material misstatement of the Parent Company Only Financial Statements due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidence in order to be used as the basis for the opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- II. Obtain a necessary understanding of internal control concerning the inspection in order to design appropriate inspection procedures that are appropriate for the time being. The purpose, however, is not to effectively express opinions on the internal control of the Corporation.
- III. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management level.
- IV. According to the audit evidence obtained, evaluate the appropriateness of the continuous operation accounting basis and whether events or circumstances possibly generating material concerns on the continuous operation ability of the Corporation have significant uncertainty, and provide conclusion thereto. In case where we consider that such events or circumstances have a material uncertainty, then relevant disclosure of the Parent Company Only Financial Statements are required to be provided in our

audit report to allow users of Parent Company Only Financial Statements to be aware of such events or circumstances, or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. Nevertheless, future events or circumstances may cause the Corporation to have no ability for continuous operation.

- V. Evaluate the overall presentation, structure and content of the Parent Company Only Financial Statements, including relevant notes, and whether the Parent Company Only Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- VI. Obtain sufficient and appropriate audit evidence for the financial information of individual entities of the Corporation and provide opinion on the Parent Company Only Financial Statements. We handle the guidance, supervision and execution of the audit on the Corporation and are responsible for preparing the opinion for the Corporation.

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

We also provide the governance units with statements that we have complied with relevant matters that may reasonably be thought to bear on our independence, and we have also communicated with the governance units on all relationships and other matters (including relevant protective measures) that may be considered to affect the independence of auditors.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Corporation's 2022 the Parent Company Only Financial Statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditor's report are Chiang, Jia-Ling and Wu, Chiu-Yen

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 23, 2023

Notes to Readers

The accompanying parent company only financial statements are intended only to present the financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' audit report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and parent company only financial statements, the Chinese version shall prevail.

Logah Technology Corporation
Balance Sheets
December 31, 2022 and 2021

Unit: NT\$1,000; %

Code	ASSETS	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	Current Assets				
1100	Cash and cash equivalents (Notes IV and VI)	\$ 45,924	7	\$ 4,408	1
1170	Accounts receivable (Notes IV, VII and XXIV)	78,226	12	54,479	8
1180	Accounts receivable - related parties (Notes IV, VII and XXIII)	-	-	15,676	2
1200	Other receivables (Notes IV and XXII)	5,741	1	4,841	1
1210	Other receivables - related parties (Notes IV and XXIII)	127,595	20	134,246	19
1220	Current tax assets (Notes IV and XVIII)	2	-	-	-
1476	Other Financial assets-current (Note IV, VIII and XXIV)	12,264	2	30,535	4
1479	Other current assets	407	-	336	-
11XX	Total current assets	<u>270,159</u>	<u>42</u>	<u>244,521</u>	<u>35</u>
	Non-current assets				
1550	Investment accounted for under the equity method (Notes IV and IX)	377,887	58	450,645	65
1600	Property, plant and equipment (Note IV and X)	27	-	26	-
1840	Deferred tax assets (Notes IV, V and XVIII)	819	-	1,123	-
1980	Other Financial assets-non-current (Note IV and VIII)	50	-	50	-
15XX	Total non-current assets	<u>378,783</u>	<u>58</u>	<u>451,844</u>	<u>65</u>
1XXX	Total assets	<u>\$648,942</u>	<u>100</u>	<u>\$696,365</u>	<u>100</u>
	Liabilities and Equity				
	Current Liabilities				
2100	Short-term borrowings (Note XII, XXIV)	\$ 13,867	2	\$ 23,139	3
2150	Notes payable	-	-	1,459	-
2170	Accounts payable	-	-	5,861	1
2180	Accounts payable-related parties (Note XXIII)	81,635	13	35,297	5
2219	Other payables (Note XIII)	6,655	1	8,513	1
2220	Other payables -related parties (Notes XIII and XXIII)	1,062	-	2,311	1
2399	Other current liabilities	2,160	-	133	-
21XX	Total current liabilities	<u>105,379</u>	<u>16</u>	<u>76,713</u>	<u>11</u>
	Non-current liabilities				
2570	Deferred tax liabilities (Notes IV and XVIII)	8,762	2	4,922	1
2XXX	Total Liabilities	<u>114,141</u>	<u>18</u>	<u>81,635</u>	<u>12</u>
	Other Item Equity (Note XV)				
3110	Common share capital	930,425	143	930,425	134
3200	Capital surplus	7,327	1	7,327	1
3300	Deficit yet to be compensated	(430,276)	(66)	(337,573)	(49)
3400	Other equities	27,325	4	14,551	2
3XXX	Total equity	<u>534,801</u>	<u>82</u>	<u>614,730</u>	<u>88</u>
	Total liabilities and equities	<u>\$648,942</u>	<u>100</u>	<u>\$696,365</u>	<u>100</u>

The accompanying notes are an integral part of the financial report

Logah Technology Corporation
Statements of Comprehensive Income
For the Years Ended December 31, 2022 and 2021
Unit: Expressed in NT\$ thousand; except (loss) earnings per share expressed in NT\$)

Code		2022		2021	
		Amount	%	Amount	%
4000	Operating revenue (Notes IV and XXIII)	\$ 9,394	100	\$ 8,298	100
5900	Gross profit	9,394	100	8,298	100
	Operating expenses (Note XVII and XXIII)				
6100	Selling expenses	687	7	253	3
6200	Administrative expenses	32,487	346	31,043	374
6000	Total operating expenses	33,174	353	31,296	377
6900	Net operating loss	(23,780)	(253)	(22,998)	(277)
	Non-operating income and expenses (Note XVII and XXIII)				
7100	Interest revenue	1,741	19	1,769	21
7010	Other income	591	6	481	6
7020	Other gains or losses	6,047	64	(539)	(7)
7050	Financial costs	(1,128)	(12)	(507)	(6)
7070	Share of profit (loss) from subsidiaries	(75,224)	(801)	(17,621)	(212)
7000	Total non-operating incomes and expenses	(67,973)	(724)	(16,417)	(198)
7900	Net profit (loss) before income tax	(91,753)	(977)	(39,415)	(475)
7950	Income tax gains and (expenses) (Notes IV and XVIII)	(950)	(10)	175	2
8200	Net profit (loss) for the year	(92,703)	(987)	(39,240)	(473)

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Code		2022		2021	
		Amount	%	Amount	%
	Other comprehensive income (loss) (Note XV, XVIII)				
8360	Items that may be reclassified subsequently to profit or loss				
8361	Transaction difference on translation of financial statements of foreign operation	\$ 18,073	192	(\$ 4,814)	(58)
8380	OCI of associates	(2,105)	(22)	(2,009)	(24)
8399	Income tax relating to items that may be reclassified subsequently to profit or loss (Note XXI)	(3,194)	(34)	920	11
8300	Other comprehensive income of the year (net amount after tax)	12,774	136	(5,903)	(71)
8500	Total comprehensive income (loss) for the year	(\$ 79,929)	(851)	(\$ 45,143)	(544)
	Net income (loss) attributable to:				
8610	Owners of the Company	(\$ 92,703)	(987)	\$ 1,522	18
8615	Equity attributable to former owner of business combination under common control	-	-	(40,762)	(491)
8600		(\$ 92,703)	(987)	(\$ 39,240)	(473)
	Total comprehensive income attributable to:				
8710	Owners of the Company	(\$ 79,929)	(851)	(\$ 2,157)	(26)
8715	Equity attributable to former owner of business combination under common control	-	-	(42,986)	(518)
8700		(\$ 79,929)	(851)	(\$ 45,143)	(544)
	Retained earnings (loss) (Note XIX)				
9750	Basic	(\$ 1.00)		\$ 0.02	
9850	Diluted	(\$ 1.00)		\$ 0.02	

The accompanying notes are an integral part of the financial report

Logah Technology Corporation
Statement of Changes in Equity
For the Years Ended December 31, 2022 and 2021

Unit: NT\$1,000; %

Code		Common share capital	Capital surplus	Deficit yet to be compensated	Other equities Transaction difference on translation of financial statements of foreign operation	Total	Equity attributable to former owner of business combination under common control	Total equity
A1	Balance as of January 1, 2021 (restated)	<u>\$930,425</u>	<u>\$ -</u>	<u>(\$339,095)</u>	<u>\$ 18,230</u>	<u>\$609,560</u>	<u>\$160,545</u>	<u>\$770,105</u>
D1	Net profit (loss) for 2021	-	-	1,522	-	1,522	(40,762)	(39,240)
D3	Other comprehensive income (loss) for 2021	-	-	-	(3,679)	(3,679)	(2,224)	(5,903)
D5	Total comprehensive income of 2021	-	-	1,522	(3,679)	(2,157)	(42,986)	(45,143)
H3	Reorganization (Note XV and XX)	-	7,327	-	-	7,327	(117,559)	(110,232)
Z1	December 31, 2021	<u>930,425</u>	<u>7,327</u>	<u>(337,573)</u>	<u>14,551</u>	<u>614,730</u>	<u>-</u>	<u>614,730</u>
D1	Net profit (loss) in 2022	-	-	(92,703)	-	(92,703)	-	(92,703)
D3	Other comprehensive income (loss) for 2022	-	-	-	12,774	12,774	-	12,774
D5	Total comprehensive income of 2022	-	-	(92,703)	12,774	(79,929)	-	(79,929)
Z1	Balance as of December 31, 2022	<u>\$930,425</u>	<u>\$ 7,327</u>	<u>(\$430,276)</u>	<u>\$ 27,325</u>	<u>\$534,801</u>	<u>\$ -</u>	<u>\$534,801</u>

The accompanying notes are an integral part of the financial report

Logah Technology Corporation
Statements of Cash Flows
For the Years Ended December 31, 2022 and 2021

Unit: NT\$1,000; %

Code		2022	2021
	Cash flows from operating activities		
A10000	Net profit (loss) before tax for the year	(\$ 91,753)	(\$ 39,415)
A20010	Income/expenses items		
A20100	Depreciation expense	16	155
A20900	Financial costs	1,128	507
A21200	Interest revenue	(1,741)	(1,769)
A22400	Share of loss (profit) from subsidiaries and	75,224	17,621
A24100	Net (gain)/loss on foreign currency exchange	(68)	-
A29900	Other Items	(361)	(361)
A30000	Net changes in operating assets and liabilities		
A31150	Accounts receivable	(23,747)	(45,675)
A31160	Accounts receivable-related parties	15,676	(15,676)
A31180	Other receivables	(900)	(713)
A31190	Other receivables -related parties	-	11,200
A31240	Other current assets	(71)	(258)
A32130	Notes payable	(1,459)	(5,836)
A32150	Accounts payable	(5,861)	5,861
A32160	Accounts payable-related parties	46,338	22,723
A32180	Other payables	(1,858)	(5,055)
A32190	Other payables -related parties	(1,249)	1,979
A32230	Other current liabilities	<u>2,027</u>	<u>68</u>
A33000	Cash generated from operations	11,341	(54,644)
A33100	Interest received	1,626	2,154
A33300	Interest paid	(1,128)	(507)
A33500	Income tax paid	(<u>2</u>)	<u>-</u>
AAAA	Net cash inflow (outflow) from operating activities	<u>11,837</u>	<u>(52,997)</u>
	Cash flows from investing activities		
B02700	Purchase of property, plant and equipment	(17)	(31)
B04300	Other decrease (increase) receivables - related parties	20,629	27,768
B06500	Decrease (increase) in other financial assets	<u>18,271</u>	<u>(2,308)</u>
BBBB	Net cash inflow (outflow) from investment activities	<u>38,883</u>	<u>25,429</u>

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Code		2022	2021
	Cash flows from financing activities		
C00100	Increase of short-term borrowings	\$ 77,673	\$ 48,513
C00200	Decrease in short-term borrowings	(<u>86,877</u>)	(<u>25,374</u>)
CCCC	Net cash inflow (outflow) from financing activities	(<u>9,204</u>)	<u>23,139</u>
EEEE	The increase (decrease) in cash and cash equivalents	41,516	(4,429)
E00100	Cash and cash equivalents at the beginning balance	<u>4,408</u>	<u>8,837</u>
E00200	Cash and cash equivalents at the end balance	<u>\$ 45,924</u>	<u>\$ 4,408</u>

The accompanying notes are an integral part of the financial report

Logah Technology Corporation
Notes to Parent Company Only Financial Statements
For the Years Ended December 31, 2022 and 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

I. Company History

Logah Technology Corporation (hereafter “the Company”) was incorporated on December 22, 2003; originally, it engaged in the R&D, design, and sales of backlight module inverters for LCD TVs. As the backlight source technology has been changed significantly, and the market demand has declined, by considering the future operation development with full organization restructure, the Company added new businesses including the trading of electronic materials, production and sales of electronic products, and international trading.

The Company is listed on the Taiwan Stock Exchange on March 16, 2009.

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

II. Approval Date and Procedures of the Parent Company Only financial Statements

These Parent Company Only financial statements were released after approved by the Board of Directors on March 23, 2023.

III. New Standards, Amendments and Interpretations

(I) Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC).

The initial application of the amendments to the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Company’s accounting policies.

(II) IFRSs endorsed by FSC applicable in 2023

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 1 “Disclosure of Accounting Policy”	January 1, 2023 (Note 1)
Amendments to IAS 8 “Definition of Accounting Estimation”	January 1, 2023 (Note 2)
Amendments to IAS 12 "Deferred income tax: related to assets and liabilities incurred due to single transaction"	January 1, 2023 (Note 3)

Note 1: Amendments are applicable to the reporting period beginning on or after Sunday, January 1, 2023.

Note 2: Amendments are applicable to the changes on accounting estimates and accounting policies for annual reporting periods beginning on or after January 1, 2023.

Note 3: Except for the temporary difference of lease and decommissioning obligations recognized as deferred income tax on January 1, 2022, the amendments are applicable to transactions occurred after January 1, 2022.

As of the date the Parent Company Only Financial Statements were authorized for issue, the Company has assessed the possible impact that the application of other standards and interpretations would have on the Company's financial position and financial performance, and has determined that there would be no such material impact.

- (III) The New IFRSs issued by International Accounting Standards Board (IASB) but not yet endorsed and issued into effect by FSC

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
Amendments to IFRS 16's "Lease Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "First time of application of IFRS 17 and IFRS 9— comparison information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1's "Non-current Liabilities with Covenants"	January 1, 2024

Note 1: Unless stated otherwise, the above New, Revised or Amended Standards and Interpretations are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: The seller and lessee shall retrospectively apply the amendments to IFRS 16 to sale and leaseback transactions entered into in the future after the initial application of IFRS 16.

By the time the release date of the Parent Company Only financial statements was approved, the Company had continued to evaluate the effect of the amendments to other standards and interpretations on its financial position and financial performance, and the relevant effects will be disclosed when the evaluation is completed.

IV. Summary of Significant Accounting Policies

- (I) Compliance Statement

These parent company only financial statements were prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

- (II) Basis of preparation

This Parent Company Only financial report has been prepared based on the historical costs.

When the Company prepares the Parent Company Only financial statements, it adopts the equity method to account for the investment in subsidiaries. In order to make the amounts of the net profit for the year, other comprehensive income for the year and total equity in its financial statements to be the same as the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in

accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using the equity method, share of profit or loss of subsidiaries and associates, share of other comprehensive income of subsidiaries and associates, as appropriate, in these financial statements.

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

Current assets include:

1. Assets held primarily for the purpose of trading;
2. Assets that are expected to be realized within twelve months from the balance sheet date; and
3. Cash and cash equivalents (unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the date of statement of financial position).

Current liabilities include:

1. Liabilities held primarily for the purpose of trading;
2. Liabilities due to be settled within 12 months after the balance sheet date; and (liabilities with long-term refinancing or rearrangement of payment terms completed after the balance sheet date and before the release of the financial statements); and
3. Liabilities with a repayment deadline that cannot be unconditionally deferred for at least 12 months after the balance sheet date. However, the terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Assets and liabilities that are not classified as current are classified as non-current.

(IV) Business Combinations

The Company did not use the acquisition method for business combinations under reorganization; instead, the Corporation used the book value method and considered the acquisition to be a merger from the beginning and restated the comparative information for the prior reporting period.

(V) Foreign currencies

In preparing the Company's financial statements, transactions in currencies other than the Company's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

Foreign currency monetary amount is translated at the closing rate at each date of the balance sheet. Other than the following items, exchange differences arising from settlement or translation are recognized as profit or loss at the period.

For the monetary items payable or receivable of foreign operations, if the repayment of the item is not currently planned, nor will happen in the foreseeable future (and thus constituting a partial investment in the concerned foreign operation), the exchange difference originally recognized to the other comprehensive income, and re-classified to profit and loss from equity when the net investment is disposed.

Non-monetary foreign currencies held at fair value at the exchange rates prevailing at the date of transaction; however, non-monetary foreign currencies held at fair value through other comprehensive income are recognized in other comprehensive income.

Non-monetary items carried at historical cost is reported using the exchange rate at the date of the transaction and will not be calculated again.

When preparing the Parent Company Only financial statements, the assets and liabilities of the Company and its foreign operations (including subsidiaries that operate in countries or adopt the functional currencies different from the Company) are translated into NTD. Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

(VI) Investment in subsidiaries

The Company's investments in the subsidiaries are accounted for using the equity method. Subsidiaries are entities which the Company holds the control of.

Under the equity method, an investment is initially recognized in the statements of financial position at cost and adjusted thereafter to recognize the Company's share of profit or loss and other comprehensive income of the subsidiaries as well as the distribution received. In addition, the Company also recognizes its share in the changes in equities of subsidiaries.

Unrealized profit and loss from downstream transactions with a subsidiary are eliminated in the parent company only financial statements. Profit and loss from upstream and sidestream transactions between subsidiaries are recognized in the Company's parent company only financial statements only to the extent that interests in the subsidiary are not related to the Company.

(VII) Property, plant and equipment

Property, plant and equipment are recognized at costs and subsequently measured at costs of the amount less accumulated depreciation and accumulated impairment losses.

Property, plant, and equipment is depreciated using the straight-line method during the useful life, and each significant part is depreciated separately. The Company reviews the estimated useful lives, residual values and depreciation method at least at the end of each reporting period. The application of the impact of changes in accounting estimates is deferred.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

(VIII) Loss of property, plant, and equipment

At the end of each reporting period, the Company reviews whether there is any indication that its property, plant and equipment have suffered an impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an individual asset or a CGU is lower than its carrying amount, the carrying amount is reduced to the recoverable amount, and the impairment loss is recognized in profit or loss.

When the impairment loss is subsequently reversed, the carrying amount of the asset or the CGU is increased to the revised recoverable amount, provided that the increased carrying amount shall not exceed the carrying amount (less amortization or depreciation) of the asset or the CGU, which was not recognized in impairment loss in prior years. The reversal of impairment loss is recognized as profit or loss.

(IX) Financial instruments

Financial assets and liabilities shall be recognized in the parent company only financial statements when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. The transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities at fair value through profit or loss is immediately recognized in profit or loss.

1. Financial assets

Regular trading of financial assets shall be recognized and derecognized in accordance with trade date accounting.

(1) Classification of measurement

Financial assets held by the Company are classified into the financial assets measured at amortized cost

When the financial assets invested by the Company satisfies the following two criteria at the same time, it is classified as the amortized cost financial assets:

- A. Where the financial assets are held under certain business model, and the purpose of such model is to hold the financial assets in order to collect contract cash flows; and
- B. Where contract terms generated cash flow of specific date, and such cash flow is completely for the payment of the interest of principle and external circulating principle amount.

After initial recognition, such assets (including cash and cash equivalents, accounts receivables measured at amortized costs (including related parties), other receivable (including related parties), and other financial assets) are measured at the amortized cost of the total carrying amount determined by the effective interest method less any impairment loss; and any foreign currency exchange gains or losses are recognized in profit or loss. Interest income is calculated by multiplying the effective interest rate by the total carrying amount of financial assets.

A financial asset is credit impaired included significant financial difficulty of the issuer or the borrower, breach of contract, it is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization, and the disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are

highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

(2) Impairment of financial assets and contract assets

The Company assesses the impairment loss of financial assets measured at amortized cost (including accounts receivable).

Accounts receivable are recognized in allowance for losses based on the lifetime expected credit losses (ECLs). Other financial assets are assessed to determine whether the credit risk has significantly increased since the original recognition. If there is no significant increase, then the allowance loss is recognized according to the 12-month expected credit loss. If it has increased significantly, then allowance loss is recognized according to the lifetime expected credit loss.

Expected credit losses are weighted average credit losses with the probability of default events. The 12-month ECLs represent the ECLs from possible defaults of a financial instrument within 12 months after the reporting date. The lifetime ECLs represent the ECLs from all possible defaults in a financial instrument over the expected life of a financial instrument.

For the purpose of internal credit risk management, the Company, without considering the collateral held, determines that the following situations represent defaults in the financial assets:

- A. Internal or external information indicates that it is impossible for the debtor to settle the debt.
- B. It is overdue for more than 180 days, unless there is reasonable and corroborative information showing that a default date postponed is more appropriate.

All impairment losses on financial assets is decreased its carrying amount through contra accounts.

(3) Derecognition of financial assets

The Company derecognizes the financial assets only when the contractual rights to the cash flows from the financial assets expire, or when it transfers the financial assets and substantially all the risks and rewards of ownership of the financial assets to another entity.

On derecognition of financial assets at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

2. Equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or equity as per the substance of the contractual arrangements and the definitions of financial liabilities and equity instruments.

Equity instruments issued by the Company are recognized at the proceeds received, net of the cost of direct issue.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity, and its carrying

amounts are calculated based on weighted average by share types ° The purchase, sale, issuance, or cancellation of the Company's own equity instruments is not recognized in profit or loss.

3. Financial liabilities

(1) Follow-up measurement

Financial liabilities are measured at amortized cost using effective interest method.

(2) Derecognition of financial liabilities

On the derecognition of financial liabilities, the difference between their carrying amount and the consideration paid and payable, including any transfer of non-cash assets or liabilities, is recognized as profit or loss.

(X) Revenue recognition

The Company allocates the transaction price to each performance obligation and recognizes the revenue when each of the obligation is satisfied after the customer has identified it.

The Company acts as an agent to provide merchandise sales services, and net income is recognized when the control of the merchandise is transferred to the customer and there are no subsequent obligations.

(XI) Lease

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

Where the Company is a lessee, the low-value underlying asset leases and short-term leases payment applicable for with recognition exemption, are recognized in expenses on a straight-line basis over the lease terms.

(XII) Employee benefits

1. Short-term employee benefits

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

2. Pensions

For defined contribution plans, the amount of contribution payable in respect of service rendered by employees in that period should be recognized as expenses.

3. Termination benefits

The Company recognizes a severance benefit liability when it is no longer able to rescind the offer of severance benefits, or to recognize the related restructuring costs, whichever is earlier.

(XIII) Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

1. Current income tax

A surtax is imposed on the undistributed earnings pursuant to the Income Tax Act of R.O.C. is recognized via the resolution at the annual shareholders' meeting.

Adjustment to income tax payable from prior years are recognized in the current income tax.

2. Deferred tax

Deferred tax is accounted for temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit or loss.

Deferred income tax liabilities are generally recognized for all taxable temporary differences, and deferred income tax assets are recognized when there are likely to be taxable income, against which the deductible temporary differences, losses, and loss credits can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The deductible temporary differences related to said investments are recognized as deferred income tax only if it is probable that there will be sufficient taxable income against which to utilize the benefits of the temporary differences, and they are expected to be reversed in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at each balance sheet date, and its carrying amount will be increased as it has become probable that future taxable income will allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates in the period in which the liabilities are expected to be settled or assets realized, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3. Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are recognized in other comprehensive income or directly in equity, respectively.

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

In the application of the Company's accounting policies, the management is required to make judgments, estimations, and assumptions about the relevant information that is not readily accessible from other sources based on historical experience and other relevant factors. Actual results may differ from these estimates.

The Company considers the COVID-19 pandemic and its possible economic implications when making the Company's critical accounting estimates such as cash flow forecast, growth rate, discount rate and profitability. These estimates and underlying assumptions are reviewed on an ongoing basis by the management. If a revision of an estimate only affects the current period, it is recognized in the period in

which the revision occurs. If a revision of an accounting estimate affects the current period and future periods, it is recognized in the period in which the revision occurs and future periods.

Major source of estimates and assumption uncertainty – Income Tax

As of December 31, 2022 and 2021, the amount of deferred income tax assets related to unused tax losses and deductible temporary differences was NT\$130,328 thousand and NT\$142,278 thousand, respectively; due to the unpredictability of future profits, the consolidated company does not recognize such as a deferred tax asset. The realization of the deferred tax asset depends mainly on its future profitability or the taxable temporary difference. A significant recognition of deferred tax assets will be recognized as gain or loss if the real profits in the future are more than expected. Such recognition is recognized as gain or loss during the occurrence period.

VI. Cash and cash equivalents

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash on hand and penny cash	\$ 10	\$ 27
Demand deposits with banks	41,315	4,381
Cash equivalents		
Time deposits with banks	<u>4,599</u>	<u>-</u>
	<u>\$45,924</u>	<u>\$ 4,408</u>

The interest rate per annum range of cash equivalents on the balance sheet date is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Time deposits with banks	4.1%	-

VII. Accounts receivable (related parties)

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Amortized cost		
Total carrying amount	\$ 78,226	\$ 70,155
Less: Allowance for bad debts	<u>-</u>	<u>-</u>
	<u>\$ 78,226</u>	<u>\$ 70,155</u>

The balance of accounts receivable is mainly generated by the company's triangular trade, and the net transaction amount is recognized under the item of operating income.

The Company's average credit period of sales of goods is 30 to 180 days. No interest is accrued for accounts receivable. To mitigate credit risk, the management of the Company has designated personnel responsible for decision on line of credit, credit approval and other supervision to ensure proper action has been taken to collect overdue accounts receivable. In addition, the Company will review the recoverable amount of the receivables one by one on the balance sheet date to ensure that the appropriate provision of impairment losses for uncollectible receivables have been made.

The loss allowance for accounts receivable of the Company is measured at an amount equal to useful lives expected credit losses. The ECLs on accounts receivable are estimated using a provision matrix with reference to clients' past default records, current financial position, economic situation in the industry, GDP forecast and industry outlook. Based on the Company's history of credit losses, as there was no significant difference in the loss patterns among different groups of clients, the groups of clients were not further differentiated in the provision matrix, and only ECLs rate was set based on the number of days for which accounts receivable was past due.

If any evidence shows the counterparty faces significant financial difficulty and the collectible amount cannot be reasonably expected, the Company will directly offset the relevant accounts receivable but keep track of the receivables. The recovered amount is recognized in profit or loss.

The Company's allowance for impairment losses on accounts receivable based on the provision matrix is as follows:

December 31, 2022

	Counterparty has no default signal		Total
	Not Past Due	Less than 60 days	
Expected credit loss (%)	-	-	
Total carrying amount	\$73,330	\$ 4,896	\$78,226
Loss allowance (lifetime ECLs)	-	-	-
Amortized cost	<u>\$73,330</u>	<u>\$ 4,896</u>	<u>\$78,226</u>

December 31, 2021

	Counterparty has no default signal			Total
	Not Past Due	Less than 60 days	61–90 days	
Expected credit loss (%)	-	-	-	
Total carrying amount	\$ 62,920	\$ 6,159	\$ 1,076	\$ 70,155
Loss allowance (lifetime ECLs)	-	-	-	-
Amortized cost	<u>\$ 62,920</u>	<u>\$ 6,159</u>	<u>\$ 1,076</u>	<u>\$ 70,155</u>

Please refer to Note XXII for the amount and relevant terms of factoring of accounts receivable by the Company.

For the accounts receivable pledged as collateral for borrowings by the Company are set out in Note XXIV.

VIII. Other financial assets

	December 31, 2022	December 31, 2021
Pledge bank deposit	\$ 12,264	\$ 30,535
Refundable deposits	50	50
	<u>\$ 12,314</u>	<u>\$ 30,585</u>
Current	\$ 12,264	\$ 30,535
Non-current	50	50
	<u>\$ 12,314</u>	<u>\$ 30,585</u>

The interest rate per annum range of cash in pledging banks on the balance sheet date is as follows:

	December 31, 2022	December 31, 2021
Time deposits at banks (%)	2.3	0.03~0.12

Please refer to Note XXIV for information on financial assets pledged.

IX. Investment accounted for under the equity method
Investments in subsidiaries

	December 31, 2022		December 31, 2021	
	Amount	Equity (%)	Amount	Equity (%)
Unlisted companies				
Logah Technology Co., Ltd. (Seychelles Logah)	\$ 97,998	100	\$ 139,428	100
Le Yang Investment Co., Ltd. (Le Yang Investment)	255,266	100	289,906	100
Link Bright Technology Limited (Link Bright Technology)	<u>24,623</u>	100	<u>21,311</u>	100
	<u>\$377,887</u>		<u>\$450,645</u>	

Suzhou Longdeng, the Company's sub-subsidiary, acquired 100% equity of Suzhou Ruideng from its related party, Shisong Investment (Samoa) Co., Ltd. in September 2021. This acquisition of equity is the reorganization under a common control, and shall be applied with the book value method, and deemed as a combination from the beginning; therefore the consolidated financial reports are restated for the comparative period. Please refer to Note XX.

The share of profit or loss and other comprehensive income of subsidiaries accounted for using the equity method in 2022 and 2021 are in accordance with auditors' reports of each subsidiaries as of the same period.

X. Property, plant and equipment

(I) Table of changes in costs and accumulated depreciation
2022

	Transportation Equipment	Office equipment	Miscellaneous quipments	Total
<u>Cost</u>				
Balance at January 1, 2022	\$ 3,600	\$ 3,554	\$ 140	\$ 7,294
Addition	-	17	-	17
Balance as of December 31, 2022	<u>\$ 3,600</u>	<u>\$ 3,571</u>	<u>\$ 140</u>	<u>\$ 7,311</u>
<u>Accumulated depreciation</u>				
Balance at January 1, 2022	(\$ 3,600)	(\$ 3,528)	(\$ 140)	(\$ 7,268)
Depreciation expense	-	(16)	-	(16)
Balance as of December 31, 2022	<u>(\$ 3,600)</u>	<u>(\$ 3,544)</u>	<u>(\$ 140)</u>	<u>(\$ 7,284)</u>
Net amount on December 31, 2022	<u>\$ -</u>	<u>\$ 27</u>	<u>\$ -</u>	<u>\$ 27</u>

2021

	Transportation Equipment	Office equipment	Miscellaneous quipments	Total
<u>Cost</u>				
Balance at January 1, 2021	\$ 3,600	\$ 3,535	\$ 140	\$ 7,275
Addition	-	31	-	31
Disposal	-	(12)	-	(12)
Balance as of December 31, 2021	<u>\$ 3,600</u>	<u>\$ 3,554</u>	<u>\$ 140</u>	<u>\$ 7,294</u>
<u>Accumulated depreciation</u>				
Balance at January 1, 2021	(\$ 3,450)	(\$ 3,535)	(\$ 140)	(\$ 7,125)
Depreciation expense	(150)	(5)	-	(155)
Disposal	-	12	-	12
Balance as of December 31, 2021	<u>(\$ 3,600)</u>	<u>(\$ 3,528)</u>	<u>(\$ 140)</u>	<u>(\$ 7,268)</u>
Net amount on December 31, 2021	<u>\$ -</u>	<u>\$ 26</u>	<u>\$ -</u>	<u>\$ 26</u>

- (II) Useful life
Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives:
Transportation Equipment 5 years
Office equipment 3 years

XI. Lease agreements

Information on other lease of the Company is as below:

	<u>2022</u>	<u>2021</u>
Expenses for leases of low-value assets	<u>\$ 30</u>	<u>\$ 30</u>
Total cash outflow for leases	<u>\$ 30</u>	<u>\$ 30</u>

The Company has elected to apply the recognition exemption for low-value leases of office equipment and, thus, did not recognize said leases in right-of-use assets and lease liabilities.

XII. Short-term borrowings

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Secured borrowings (Note XXIV)		
Bank borrowings	<u>\$ 13,867</u>	<u>\$ 23,139</u>

The interest rate per annum range of aforesaid borrowings is as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Secured borrowings (%)	6.08~6.58	1.47~2.00

Aforesaid borrowings are endorsed and guaranteed by the Chairman, Yu, Hui-Fa and the substantive related party. Please refer to Note XXIII.

XIII. Other payables

	<u>2022</u>	<u>2021</u>
Wages and bonuses payable	\$ 2,787	\$ 2,781
Service fee payable	2,734	2,343
Payable for dies	1,058	4,709
Others	<u>1,138</u>	<u>991</u>
	<u>\$ 7,717</u>	<u>\$ 10,824</u>
Other payables	\$ 6,655	\$ 8,513
Other payables - related parties (Notes XXIII)	<u>1,062</u>	<u>2,311</u>
	<u>\$ 7,717</u>	<u>\$ 10,824</u>

XIV. Post-employment benefit plans

The pension system of the “Labor Pension Act” is applicable to the Company, belonging to the affirmed appropriation of pension plan under the management of the government, and pension is appropriated at the rate of 6% of the monthly salary of employees into the personal dedicated account of the Bureau of Labor Insurance.

XV. Equity

(I) Common share capital		
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Authorized shares (in thousands)	<u>200,000</u>	<u>200,000</u>
Authorized capital	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>
Issued and paid shares (in thousands)	<u>93,042</u>	<u>93,042</u>
Issued capital	<u>\$ 930,425</u>	<u>\$ 930,425</u>

A holder of issued common shares with par value of NT\$10 per share is entitled to vote and to receive dividends.

As of December 31, 2021 and 2022, the aforementioned issued shares, including the privately placed common shares, amounted to 30,000 thousand shares, and have not been applied for an approval of public issuance.

Information for the previous privately placed common shares is as follows :

<u>Private Placement Date</u>	<u>No. of Privately Placed Shares (in thousands)</u>	<u>Privately Place Amount</u>
July 19, 2019	5,000	\$ 31,350
July 24, 2019	5,000	31,350
November 14, 2019	5,000	25,000
November 20, 2019	5,000	25,000
December 7, 2020	5,000	48,400
December 16, 2020	<u>5,000</u>	<u>48,400</u>
	<u>30,000</u>	<u>\$209,500</u>

(II) Capital surplus		
	<u>December 31, 2022</u>	<u>December 31, 2021</u>
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (note)		
Additional paid-in capital	<u>\$ 7,327</u>	<u>\$ 7,327</u>

For capital reserves arising from reorganization, please refer to Notes XXIII to consolidated financial statements

Note: Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

(III) Retained earnings and dividend policy

Under the dividends policy as outlined in the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit

together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders.

The enterprise life cycle of the Company is at the growing stage. By considering the effects of future business expansion, fund demands, and taxation on the Company and its shareholders, for the distribution of dividends, the cash dividends must not lower than the 10% of the total distributed dividends of the year.

Legal capital reserve shall be set aside until its balance equals to full amount of the paid-in capital. Legal reserves may be used to offset the deficit.

The appropriations for offsetting loss for 2021 and 2020 were approved in the shareholders' general meetings on June 16, 2022, and August 19, 2021, respectively.

The appropriations for offsetting loss for 2022 are subject to the resolution of the shareholders' meeting to be held in June 2023.

(IV) Other items of equity

Exchange differences arising on translation of foreign operations

	<u>2022</u>	<u>2021</u>
Balance at January 1	\$ 14,551	\$ 18,230
Exchange differences on translating the financial statements of foreign operations	18,073	(4,814)
Related income tax	(3,614)	963
Share of profit or loss of subsidiaries using the equity method	(2,105)	215
Related income tax	<u>420</u>	<u>(43)</u>
Balance at December 31	<u>\$ 27,325</u>	<u>\$ 14,551</u>

XVI. Revenues

	<u>2022</u>	<u>2021</u>
Revenue from contracts with customers		
Net sales revenue of materials (Note 1)	\$ 26	\$ 704
Net sales revenue of products (Note 2)	<u>9,368</u>	<u>7,594</u>
	<u>\$ 9,394</u>	<u>\$ 8,298</u>

Note 1: Total sales revenue of materials and costs are listed as below:

	<u>2022</u>	<u>2021</u>
Total sales revenue of materials	<u>\$ 576</u>	<u>\$ 15,826</u>
Sales costs of materials	<u>\$ 550</u>	<u>\$ 15,122</u>

Note 2: Total sales revenue of products and costs are listed as below:

	<u>2022</u>	<u>2021</u>
Total sales revenue of products	<u>\$ 203,268</u>	<u>\$ 162,934</u>
Cost of goods sold	<u>\$ 193,900</u>	<u>\$ 155,340</u>

(I) Please refer to note IV for the description of contracts with customers

(II) Contract balance

	December 31, 2022	December 31, 2021	January 1, 2021
Accounts receivable (related parties) (Note VII)	<u>\$ 78,226</u>	<u>\$ 70,155</u>	<u>\$ 8,804</u>

XVII. Net loss for the year

Net loss for the year includes the following items:

(I) Interest income

	2022	2021
Cash in banks	\$ 153	\$ 38
Other interest income (Note XXIII)	<u>1,588</u>	<u>1,731</u>
	<u>\$ 1,741</u>	<u>\$ 1,769</u>

(II) Other gains and losses

	2022	2021
Net foreign currency conversion gain (loss)	\$ 6,134	(\$ 539)
Other	<u>(87)</u>	<u>-</u>
	<u>(\$ 6,047)</u>	<u>(\$ 539)</u>

(III) Financial costs

	2022	2021
Interest on borrowings	<u>\$1,128</u>	<u>\$ 507</u>

(IV) Depreciation and amortization

	2022	2021
Property, plant and equipment	<u>\$ 16</u>	<u>\$ 155</u>

An analysis of depreciation by function

Operating expenses	<u>\$ 16</u>	<u>\$ 155</u>
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(V) Employee benefit expense

	2022	2021
Short-term employee benefits	\$ 22,787	\$ 21,539
Pensions		
Defined contribution plans	975	908
Termination benefits	<u>-</u>	<u>10</u>
Total employee benefit expenses	<u>\$ 23,762</u>	<u>\$ 22,457</u>

An analysis by function

Operating expenses	<u>\$ 23,762</u>	<u>\$ 22,457</u>
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(VI) Employee compensation and directors' remuneration

Under the Company's Articles of Incorporation, the Company shall accrue remunerations of employees and directors at the rates of 1% to 3% and no

higher than 1.5% respectively, of net profit before income tax, of remuneration of employees and remuneration of directors. In 2022 and 2021, the Company recorded both cumulative deficit. Therefore, it did not estimate employee compensation and directors' remuneration.

If there is a change in the amounts after the annual parent company only financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

In 2021 and 2020, the Company recorded both cumulative deficit. Therefore, the board of directors resolved on March 18, 2022 and March 25, 2021, not to distribute the remunerations of employees and directors.

Please visit the "Market Observation Post System (MOPS)" of Taiwan Stock Exchange Corporation for information on employee compensation and directors' remuneration as resolved by the Company's Board of Directors.

(VII) Gains (losses) on foreign currency exchange

	<u>2022</u>	<u>2021</u>
Foreign exchange gains	\$ 10,944	\$ 2,225
Foreign exchange losses	(<u>4,810</u>)	(<u>2,764</u>)
Net gains (loss)	<u>\$ 6,134</u>	<u>(\$ 539)</u>

XVIII. Income tax

(I) Main components of income tax expense recognized in profit or loss

	<u>2022</u>	<u>2021</u>
Deferred tax		
Income tax expense generated in the current year	(<u>\$ 950</u>)	<u>\$ 175</u>
Income tax income tax gain (expense) recognized in profit or loss	(<u>\$ 950</u>)	<u>\$ 175</u>

A reconciliation of accounting profit and income tax income (expense) is as follows:

	<u>2022</u>	<u>2021</u>
Net profit (loss) before income tax	(<u>\$ 91,753</u>)	(<u>\$ 39,415</u>)
Income tax gain (expense) calculated at the statutory rate	\$ 18,351	\$ 7,883
Non-deductible expenses in determining taxable income, and deductible income	(8,639)	(2,076)
Unrecognized loss carryforward/ deductible temporary differences	(<u>10,662</u>)	(<u>5,632</u>)
Income tax income tax gain (expense) recognized in profit or loss	<u>(\$ 950)</u>	<u>\$ 175</u>

(II) Income tax gain (expense) recognized in other comprehensive income

	2022	2021
<u>Deferred tax</u>		
Income tax expense generated in the current year		
Translation of foreign operations	(\$ 3,614)	\$ 963
Share of other comprehensive profit or loss of subsidiaries using the equity method	<u>420</u> (\$ 3,194)	(<u>43</u>) <u>\$ 920</u>

(III) Current tax assets

	2022	2021
Tax refund receivable	<u>\$ 2</u>	<u>\$ -</u>

(IV) Deferred income tax assets and liabilities

Changes in deferred tax assets and liabilities are as follows:

2022

	Balance at January 1	Defined benefit costs recognized in profit or loss	Defined benefit costs recognized in other comprehensive income	Balance at December 31
<u>Deferred tax income assets</u>				
Unrealized exchange loss	\$ 473	(\$ 232)	\$ -	\$ 241
Others	<u>650</u>	(<u>72</u>)	-	<u>578</u>
	<u>\$ 1,123</u>	(<u>\$ 304</u>)	<u>\$ -</u>	<u>\$ 819</u>
<u>Deferred income tax liabilities</u>				
Exchange differences on translating foreign operations	\$ 3,637	\$ -	\$ 3,194	\$ 6,831
Others	<u>1,285</u>	<u>646</u>	-	<u>1,931</u>
	<u>\$ 4,922</u>	<u>\$ 646</u>	<u>\$ 3,194</u>	<u>\$ 8,762</u>

2021

	Balance at January 1	Defined benefit costs recognized in profit or loss	Defined benefit costs recognized in other comprehensive income	Balance at December 31
<u>Deferred tax income assets</u>				
Unrealized exchange loss	\$ 296	\$ 177	\$ -	\$ 473
Others	<u>723</u>	(<u>73</u>)	-	<u>650</u>
	<u>\$ 1,019</u>	<u>\$ 104</u>	<u>\$ -</u>	<u>\$ 1,123</u>
<u>Deferred income tax liabilities</u>				
Exchange differences on translating foreign operations	\$ 4,557	\$ -	(\$ 920)	\$ 3,637
Others	<u>1,356</u>	(<u>71</u>)	-	<u>1,285</u>
	<u>\$ 5,913</u>	(<u>\$ 71</u>)	(<u>\$ 920</u>)	<u>\$ 4,922</u>

(V) Items not recognized as deferred income tax assets in the parent-only balance sheet

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Unused loss carryforwards		
Due at the end of 2022	\$ -	\$ 113,468
Due at the end of 2023	205,470	205,470
Due at the end of 2024	34,594	34,594
Due at the end of 2025	36,796	36,796
Due at the end of 2026	28,401	28,401
Due at the end of 2027	22,035	22,035
Due at the end of 2028	12,742	12,742
Due at the end of 2029	17,072	17,072
Due at the end of 2030	21,216	21,216
Due at the end of 2031	20,780	21,301
Due at the end of 2032	<u>20,224</u>	<u>-</u>
	<u>\$ 419,330</u>	<u>\$ 513,095</u>
Deductible temporary difference	<u>\$ 232,310</u>	<u>\$ 198,296</u>

(VI) Income tax examination

The tax authorities have examined the income tax returns filed by the Company through 2020.

XIX. Earnings (loss) per share

The Company may opt to distribute the remunerations of employees in shares or in cash; while cumulative deficit as of December 31, 2022 and 2021; therefore, the remunerations of employees were not estimated, and no diluting effect when calculating diluted earnings (loss) per share. The net income (loss) and weighted average number of ordinary shares used to calculate earnings (loss) per share are as follows:

Net income (loss) for the year

	<u>2022</u>	<u>2021</u>
Earnings (loss) used in the computation of basic earnings (loss) per share	(\$ 92,703)	\$ 1,522

Number of shares

	<u>2022</u>	<u>2021</u>
Weighted average number of ordinary shares in computation of basic earnings (loss) per share	<u>93,042</u>	<u>83,603</u>

Unit: thousand shares

XX. Acquisition of investment in subsidiaries
Obtained the control over a business

In order to cope with the needs of long-term future business development, the Company have the sub-subsidiary, Suzhou Longdeng, to acquire Suzhou Ruideng from its related party, Shisong Investment (SAMOA) Co., Ltd. on September 1, 2021. For other information related to the acquisition of Suzhou Ruideng, please refer to Notes XXIII to consolidated financial statements

XXI. Capital risk management

The Company manages its capital to ensure that all entities in the Corporation will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The overall strategy has not changed materially.

The Company's capital structure is consist of net debt (leases less cash and cash equivalent) and equity attributed to the Company's owner (common stocks, capital surplus, retained earnings and other equity).

The Company is allowed not to follow other external laws or regulations on capital.

The Company' s capital structure is reviewed quarterly by the management team. The review considers the various capital costs and the risks associated with each type of capital. Under the recommendations of the key management personnel, to balance the overall capital structure, the Company may adjust the number of dividends paid to shareholders and the number of new shares issued and repurchased.

XXII. Financial instruments

(I) Fair value of financial instruments not measured at fair value

The management of the Company considers that the carrying amounts of financial assets and financial liabilities that are not measured at fair value are similar to their fair values.

(II) Categories of financial instruments

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial assets</u>		
Amortized cost (Note 1)	\$ 269,800	\$ 244,235
<u>Financial liabilities</u>		
Amortized cost (Note 2)	\$ 103,219	\$ 76,580

Note 1: The balances include cash and cash equivalents, notes receivable, account receivable (related parties included), other receivables (related parties included), and financial assets measured at amortized cost.

Note 2: The balance includes financial liabilities at amortized cost, including short-term borrowings, notes payable, accounts payable (including related parties), and other payables (including related parties).

(III) Financial risk management objectives and policies

The Company's major financial instruments include accounts receivable, other financial assets, notes payable, accounts payable and borrowings. The financial management department provides service for each unit by organizing and coordinating the market operation nationally and internationally, supervising and reporting the internal risks by analyzing risk exposure according to the extent and breadth of risk, and managing financial risks associated with the Company's operation. Such risks include market risk (including exchange rate risk and interest rate risk), credit risk and liquidity risk.

The financial management department reports quarterly to the Audit Committee and board of directors of the Company; such Audit Committee and board of directors are the independent organization responsible for supervising risks and implementing policies to mitigate exposures.

1. Market risk

The Company is exposed to the financial market risks, primarily changes in foreign currency exchange (see (1) following) rates and interest rates (see (2) following), due to its operation.

The Company is exposed to market risk associated with financial instruments and the management and measurement of such exposure have not changed.

(1) Foreign currency risk

The Company's sales and purchase transactions are denominated in foreign currency, which exposes the Company to foreign currency risk.

For the carrying value of the monetary assets and liabilities in non-functional currencies as at the reporting date, please see Note XXVII.

Sensitivity analysis

The Company is mainly affected by the fluctuations in the exchange rates of USD.

The table below details the Company's sensitivity analysis when the functional currency increases and decreases by 5% against related currencies. The rate of 5% is the sensitivity rate used when reporting foreign currency risk internally to the key management and represents the management's assessment of the reasonably likely change in foreign exchange rate. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and the end-of-year exchange rate is adjusted to 5% increase and decrease. When the functional currency appreciates/depreciates by 5% against USD, the resulted change in the amount of net pre-tax profit and loss is as follows:

	Effects of USD	
	2022	2021
Income	\$ 8,579	\$ 9,222

(2) Interest rate risk

The carrying accounts of financial assets and liabilities exposed to interest rate risk at the date of balance sheet are as follows:

	December 31, 2022	December 31, 2021
Fair value interest rate risk		
Financial assets	\$ 139,553	\$ 164,590
Financial liabilities	-	9,320
Cash flow interest rate risk		
Financial assets	45,914	4,381
Financial liabilities	13,867	13,819

Sensitivity analysis

The following sensitivity analysis is determined in accordance with interest rate risk of non-derivative instruments at the date of balance sheet. For the floating rate liabilities, the analysis is to assume that the amount of liabilities outstanding at the date of balance sheet is all outstanding at the reporting period. The sensitivity to a 1% change in interest rate is used when reporting the interest rate risk internally to key management personnel and also represents the management's assessment of the reasonably possible change in interest rates.

If the interest rate increases/decreases by 1%, and all other variables remain unchanged, the pre-tax profit and loss of the consolidated company for 2022 and 2021 will change by NT\$320 thousand and NT\$94 thousand, mainly due to the exposures for the floating-rate demand deposit, and floating-rate long- and short-term borrowings.

2. Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Corporation. As at the end of the reporting period, the Company's maximum exposure to credit risk, which would cause a financial loss to the Company due to the failure of counterparties to discharge an obligation and financial guarantees provided by the Company, could arise from the carrying amounts of the respective recognized financial assets as stated in the balance sheets.

A significant concentration of credit risk occurs when the counterparties to the Company's accounts receivable transactions are significantly concentrated in certain customers who mostly engage in similar business activities with similar business nature, such that their ability to perform contracts is impacted by similar financial or other conditions.

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Company A	\$ 39,820	\$ 25,312
Company B	21,216	4,142
Company E	<u>14,454</u>	<u>12,852</u>
	<u>\$ 75,490</u>	<u>\$ 42,306</u>

The Company's credit risk is mainly concentrated in the top three clients. As of December 31, 2022 and 2021, the percentages of total accounts receivable from the aforementioned clients were 96.50% and 60.30%, respectively.

3. Liquidity risk

The Company manages and maintains a level of cash adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows. The management of the Company supervises the use of the bank's financing facilities to ensure that there are sufficient financing facilities, so there is no liquidity risk due to the inability to raise funds to fulfill the contractual obligations. On December 31, 2022, the consolidated current liabilities of the consolidated company exceeded combined current assets by NT\$ 239,552 thousand, and the insufficient working capital may have liquidity risks that the contractual obligations

may not be fulfilled. Please refer to Note XV of the 2022 consolidated financial reports.

The contract maturity analysis of the non-derivative financial liabilities is conducted based on the earliest date. The Company may be required to repay and the undiscounted cash flow of financial liabilities. Therefore, earliest period when the Company may be required to repay the bank loan immediately, are listed as the following table, regardless of the probability of the bank to immediately execute the right; the maturity analysis of other non-derivative financial liabilities is prepared based on the agreed repayment date.

December 31, 2022

Non-derivative financial liabilities	Repayment on		
	demand or less than 1 month	1–3 months	3 months–1 year
Non-interest bearing liabilities	\$ 11,639	\$ 13,614	\$ 64,099
Floating-rate instruments	2,940	11,155	-
Financial guarantee liabilities	<u>173,200</u>	<u>-</u>	<u>-</u>
	<u>\$ 187,779</u>	<u>\$ 24,769</u>	<u>\$ 64,099</u>

December 31, 2021

Non-derivative financial liabilities	Repayment on		
	demand or less than 1 month	1–3 months	3 months–1 year
Non-interest bearing liabilities	\$ 7,350	\$ 9,152	\$ 36,939
Floating-rate instruments	2,285	7,073	-
Fixed-rate instruments	22	10,040	3,828
Financial guarantee liabilities	<u>83,748</u>	<u>-</u>	<u>-</u>
	<u>\$ 93,405</u>	<u>\$ 26,265</u>	<u>\$ 40,767</u>

4. Transfers of financial assets

The relevant information about factoring the unexpired accounts receivable of the Company at the end of the period is as follows:

December 31, 2022

Related Party	Sales Amount	Transfer to other receivables	Amount may be advanced	Advances Received	Interest Rates on Advances Received (%)
Chang Hwa	<u>\$ 19,318</u>	<u>\$ 1,932</u>	<u>\$ -</u>	<u>\$ 17,386</u>	4.99~5.81

December 31, 2021

Related Party	Sales Amount	Transfer to other receivables	Amount may be advanced	Advances Received	Interest Rates on Advances Received (%)
Chang Hwa	\$ 28,312	\$ 4,841	\$ -	\$ 23,471	1.22~1.35

According to the Company's factoring agreements, losses from commercial disputes (such as sales returns and discounts) were borne by the Company, while losses from credit risk were borne by the banks.

XXIII. Related-Party Transactions

Unless disclosed in other notes, the transactions between the Company and related parties are as follows:

(I) Related party name and categories

Related Party Name	Relationship with the Company
Suzhou Longdeng	Subsidiary
Suzhou Ruideng	Subsidiary

(II) Sales

Related party category/Name	2022	2021
Subsidiary		
Suzhou Longdeng	\$ 26	\$ 704

The transaction between the Company and Suzhou Longdeng is recognized under the operating income at the net amount of cost plus markup. The payment terms are not comparable because no similar product is sold to unrelated parties.

(III) Purchase

Related party category/Name	2022	2021
Subsidiary		
Suzhou Longdeng	\$193,900	\$155,262
Others	-	78
	\$193,900	\$155,340

The Company and Suzhou Longdeng are mainly engaged in the purchase transaction of the triangular trade, and provides sales of goods and services to non-related parties as an agent. For the payment terms, as there is no transaction with any non-related party is similar now, so it is not comparable.

(IV) Receivables from related parties (excluding lending to related parties)

Line Item	Related party category/Name	December 31, 2022	December 31, 2021
Accounts receivable - related parties	Subsidiary		
	Suzhou Longdeng	\$ -	\$ 15,676

The aforesaid receivables from related parties is unguaranteed receivables for sales. The receivables from related parties in 2021 was not provided for the allowance for loss.

(V) Payables to related parties (excluding lending to related parties)

Line Item	Related party category/Name	2022 December 31	2021 December 31
Accounts payable - related parties	Subsidiary		
	Suzhou Longdeng	<u>\$ 81,635</u>	<u>\$ 35,297</u>
Other payables -- related parties	Subsidiary		
	Suzhou Longdeng	<u>\$ 1,062</u>	<u>\$ 2,311</u>

Other payables between the Company and related parties are payments for molds.

(VI) Loans to related parties

Line Item	Related party category/Name	December 31, 2022	December 31, 2021
Other receivables – related parties	Subsidiary		
	Suzhou Longdeng	<u>\$ 127,595</u>	<u>\$ 134,246</u>
Line Item	Related party category/Name	2022	2021
Interest income	Subsidiary		
	Suzhou Longdeng	<u>\$ 1,588</u>	<u>\$ 1,731</u>

The Company provides short-term unsecured loans to subsidiaries, at interest rates per annum of 1.1% to 1.9% and 1.1% as at December 31, 2022 and 2021 respectively.

(VII) Endorsements/guarantees

Endorsements/guarantees provided

	December 31, 2022		December 31, 2021	
	Total amount endorsed	Amount actually drawn	Total amount endorsed	Amount actually drawn
Subsidiary				
Suzhou Longdeng	\$ 130,000	\$ 61,756	\$ 300,000	\$ 83,748
Suzhou Ruideng	<u>255,000</u>	<u>111,444</u>	-	-
	<u>\$ 385,000</u>	<u>\$ 173,200</u>	<u>\$ 300,000</u>	<u>\$ 83,748</u>

The Company provides bank deposits as collateral for the financing borrowings of the subsidiary Suzhou Longdeng, please refer to Note XXIV.

Obtained endorsements/guarantees

Related party category	December 31, 2022	December 31, 2021
Chairman and the substantive related party		
Amount guaranteed	<u>\$ 45,990</u>	<u>\$ 75,260</u>
Amount actually drawn (listed as secured bank borrowings)	<u>\$ 13,867</u>	<u>\$ 23,139</u>

(VIII) Property transaction

The Company purchased equipment on behalf of its subsidiary, Suzhou Longdeng in November 2020. The sale price was NT\$11,334 thousand, resulting in unrealized gain of NT\$3,614 thousand. The balance of unrealized gains as of December 31, 2022 and 2021 were NT\$2,892 thousand and NT\$3,253 thousand, respectively, which were listed in the investment deduction using the equity method for recognition of the realized gains in installments based on the 10- year useful life of the equipment.

As the Company has not sold similar assets to non-related parties, there is no comparable transaction price and payment conditions.

(IX) Remuneration of key management personnel

	2022	2021
Short-term employee benefits	\$ 4,567	\$ 4,616
Pensions	<u>87</u>	<u>87</u>
	<u>\$ 4,654</u>	<u>\$ 4,703</u>

The remuneration of directors and other key management personnel were determined by the Remuneration Committee in accordance with the individual performance and the market trends.

XXIV. Pledged Assets

The following assets have been provided as collateral for the short-term borrowings of the Company and its subsidiaries:

	December 31, 2022	December 31, 2021
Accounts receivable	\$ 19,537	\$ 13,134
Other financial assets -current	<u>12,264</u>	<u>30,535</u>
	<u>\$ 31,801</u>	<u>\$ 43,669</u>

XXV. Significant Contingent Liabilities and Unrecognized Commitments – December 31, 2021

As of December 31, 2021, the amount of Company's opened but yet used L/C was NT\$1,215 thousand.

XXVI. Significant Events

- (I) In order to meet the future working capital needs, on March 23, 2023, the Board of Directors passed a resolution to approve the Company's application to Chailease Finance Co., Ltd. for a penny cash credit facility of 40 million, and authorized the Chairman to handle the relevant contract signing matters with full authority.
- (II) Considering the overall operation of the Company, on March 23, 2023, the Board of Directors passed a resolution to approve the establishment of a 100% reinvested subsidiary in Vietnam with an amount of US\$1 million, and authorized the Chairman to handle the relevant matters with full authority.

XXVII. Information on Foreign-currency-denominated Assets And Liabilities

The following is summarized according to the foreign currencies other than the functional currency of the Company. The exchange rates disclosed are used to translate the foreign currencies into the functional currency. The information regarding assets and liabilities dominated by foreign currency which might arouse material effect:

December 31, 2022	Foreign Currency	Exchange rate		Carrying amount
Foreign currency assets				
Monetary items				
USD	\$ 8,745	30.66	(USD: TWD)	\$ 268,135
Non-monetary items				
Subsidiary using the equity method:				
USD	3,238	30.66	(USD: TWD)	99,268
HKD	6,301	3.908	(HKD: TWD)	24,623
Foreign currency liabilities				
Monetary items				
USD	3,150	30.66	(USD: TWD)	96,565
December 31, 2021				
Foreign currency assets				
Monetary items				
USD	\$ 8,813	27.63	(USD: TWD)	\$ 243,501
Non-monetary items				
Subsidiary using the equity method:				
USD	5,098	27.63	(USD: TWD)	140,856
HKD	6,056	3.519	(HKD: TWD)	21,311
Foreign currency liabilities				
Monetary items				
USD	2,138	27.63	(USD: TWD)	59,067

Unrealized and realized foreign exchange gains and losses with material influence are as follows:

	Foreign Currency	Exchange rate		Net exchange gains (losses)
2022	USD	29.805	(USD: TWD)	<u>\$6,134</u>
2021	USD	28.009	(USD: TWD)	<u>(\$ 539)</u>

XXVIII. Additional Disclosures

(I) Information on Significant Transactions

1. Financing provided to others. (Table 1)
2. Endorsements/guarantees provided. (Table 2)
3. Securities Held at the End of the Period (Excluding Investment in Subsidiaries): None.
4. Marketable securities acquired and disposed at costs or prices at least NT\$300 million or 20% of the paid-in capital: None.

5. Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None.
 6. Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None.
 7. Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 3.
 8. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 4.
 9. Trading in derivative instruments: None.
- (II) Information on Investees: Table 5
- (III) Information on Investment in Mainland China
1. The name of the investee in mainland China, the main businesses, paid-in capital, method of investment, capital remitted in and out, percentage of ownership, income and recognized investment gain (losses) of the period, book value of the investment at the end of period, repatriated investment gain (losses), and the limitation on investee in Mainland China: Table 6.
 2. Significant direct or indirect transactions through a third area with the investee in the Mainland Area, and its prices and terms of payment, unrealized gain or loss are as follows:
 - (1) The amount and percentage of purchases and the balance and percentage of the relevant payables at the end of the period: Table 3.
 - (2) The amount and percentage of sales and the balance and percentage of the relevant receivables at the end of the period: None
 - (3) The amount of property transactions and the amount of the resultant gains or losses: None.
 - (4) Endorsement/guarantee provided: Table 2.
 - (5) Financing provided: Table 1.
 - (6) Other transactions that significantly impacted the current year's profit or loss or financial position: None.
- (IV) Information on major shareholders: names, numbers of shares held, and shareholding percentages of shareholders who hold 5 percent or more of the equity: Table 7.

Logah Technology Corporation and the subsidiaries
Financing provided to others
2022

Table 1

Unit In Thousands of New Taiwan Dollars or Foreign Currency, Unless Stated Otherwise

No.	Lender	Borrower	Financial Statement Account	Whether it is a related party	Amount of maximum limit for the year	Balance of limit at the end of year	Amount actually drawn	Interest Rate (%)	Nature of financing provided	Business Transaction Amounts	Reason for the necessity of short-term financing	Allowance for Impairment Loss	Collateral		Loans limits for individual entities (Note 1)	Total limit of financing (Note 2)	Remarks
													Name	Value			
0	The Company	Suzhou Longdeng	Other receivables – related parties	Yes	\$ 226,655 (USD 7,150)	\$ 193,158 (USD 6,300)	\$ 127,239 (USD 4,150)	1.1~1.9	Short-term financing	\$ -	Funds for operation	\$ -	-	\$ -	\$ 213,920	\$ 213,920	40% of the Company's net worth
1	Le Yang Investment	Suzhou Longdeng	Other receivables – related parties	Yes	213,254 (USD 6,630)	202,663 (USD 6,610)	202,663 (USD 6,610)	-	Short-term financing	-	Funds for operation	-	-	-	102,755 (Note 3)	102,755 (Note 3)	40% of Le Yang Investment's net worth
2	Suzhou Logah	Suzhou Longdeng	Other receivables – related parties	Yes	103,543 (CNY (RMB)23,400)	77,260 (CNY (RMB)17,550)	66,035 (CNY (RMB)15,000)	-	Short-term financing	-	Funds for operation	-	-	-	98,279	98,279	100% of Suzhou Logah's net worth
3	Suzhou Ruideng	Suzhou Longdeng	Other receivables – related parties	Yes	112,533 (CNY (RMB)25,000)	22,012 (CNY (RMB) 5,000)	-	-	Short-term financing	-	Funds for operation	-	-	-	88,442	88,442	100% of Suzhou Ruideng's net worth

Note 1: The cumulative balance of the loaned funds, must not exceed 40% of the loaned company's net worth.

Note 2: Where an inter-company or inter-firm short-term financing facility is necessary, provided that such financing amount shall not exceed 40 percent of the lender's net worth. The limit of loaning of funds to the subsidiaries in which the Company holds, directly or indirectly, more than 50% of equity, is not exceeding 40 percent of the lender's net worth. The limit of loaning of funds to the subsidiaries in which the Company holds, directly or indirectly, more than 100% of equity, is not exceeding 100 percent of the lender's net worth.

Note 3: The funds loan to Suzhou Longdeng by Le Yang Investment has exceeded the defined maximum loan funds; Le Yang Investment has established the improvement plan (please refer to Table 4).

Logah Technology Corporation and the subsidiaries
Endorsements/guarantees provided
2022

Table 2

Unit: NTD thousand
(Not including the noted otherwise)

No.	Endorsement/guarantee provider	Guaranteed party		Limit of endorsement/guarantee for a single enterprise	Maximum balance for the period	Ending balance	Amount actually drawn	Amount of Endorsement/Guarantee Collateralized by Properties	Ratio of accumulated endorsement/guarantee to net equity per latest financial statements(%)	Maximum amount of endorsement/guarantee allowance (Note)	Guarantee provided by parent company	Guarantee provided by subsidiary	Guarantee provided to subsidiaries in Mainland China
		Company name	Relationship										
0	The Company	Suzhou Longdeng	Subsidiary	\$ 427,841 (80% of the Company's net worth)	\$ 600,000	\$ 130,000	\$ 61,756	\$ 12,264	24.31	\$ 427,841 (80% of the Company's net worth)	Y	N	Y
0	The Company	Suzhou Ruideng	Subsidiary	\$ 427,841 (80% of the Company's net worth)	\$ 255,000	\$ 255,000	\$ 111,444	-	47.68	\$ 427,841 (80% of the Company's net worth)	Y	N	Y
1	Suzhou Longdeng	Suzhou Ruideng	Subsidiary	\$ 46,128 (80% of the Suzhou Longdeng's net worth)	\$ 44,818	\$ 44,023	-	-	8.23	\$ 46,129 (80% of the Suzhou Longdeng's net worth)	Y	N	Y

Note: The total endorsement/guarantee provided to the companies in which the Company holds 100% voting rights directly or indirectly shall not exceed 80% of the Company's net worth. The limit of Endorsements/guarantees of funds to the subsidiaries in which the Company holds, directly or indirectly, more than 100% of equity, is not exceeding 80 percent of the Endorser/guarantor's net worth.

Logah Technology Corporation and the subsidiaries
 Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the share capital:
 2022

Table 3

Unit: NTD thousand
 (Not including the noted otherwise)

Companies purchasing from or sell to	Related Party	Relationship	Transaction Details				Differences in transaction terms compared with third party transactions		Note/Accounts Receivable (Payable)		Remarks
			Sales / Purchase	Amount	Ratio to the total sales (purchasing) (%)	Payment Terms	Unit Price	Payment Terms	Balance	Percentage to note/ accounts receivable (payable)	
The Company	Suzhou Longdeng	Consolidated subsidiaries	Purchase	(\$193,900)	(100)	Monthly settlement 180 days	No comparable transaction.	No comparable transaction.	(\$ 81,635)	(100)	Note

Note: The purchases among the Company and Suzhou Longdeng are mainly the transactions for triangular trade.

Logah Technology Corporation and the subsidiaries
 Receivables from related parties amounting to at least NT\$100 million or 20% of the share capital
 December 31, 2022

Table 4

Unit: NTD thousand

Company Name	Related Party	Relationship	Balance of accounts receivable from related parties	Turnover Rate	Overdue		Amount collected subsequent to the balance sheet date	Amount in provision of allowance for bad debt
					Amount	Action taken		
The Company	Suzhou Longdeng	Parent to subsidiary	\$127,595	Note	\$ -	-	\$ -	\$ -
Le Yang Investment	Suzhou Longdeng	Subsidiary	202,663	Note	202,663	The Company expects to develop partial lands of the subsidiary for leasing, in order to increase the cash inflow to repay borrowings	-	-

Note: The funds are loaned to related parties, and listed under the other receivables - related parties, so it is not applicable.

Logah Technology Corporation and the subsidiaries
Information on investees
2022

Table 5

Unit: thousand shares, NTD or foreign currency thousand

Investor	Investor Company	Location	Main business	Initial investment amount		Balance at December 31, 2020			Current income (losses) of the investee	Investment gain (loss) recognized for the year	Remarks
				End of current year	End of last year	Number of shares	Ratio %	Carrying amount			
The Company	Seychelles Logah	No. 24, Lesperance Complex, Providence Industrial Estate, Mahe, Seychelles	Investment in holding companies	\$ 246,186 (USD 7,920)	\$ 246,186 (USD 7,920)	7,920	100	\$ 99,268	(\$ 34,013)	(\$ 34,013)	
The Company	Link Bright Technology	Room 1204, Yu Sung Boon Bldg., 107-111 Des Voeux Road Central, Hong Kong	trading	17,172 (CNY (RMB)4,000)	17,172 (CNY (RMB)4,000)	10	100	24,623	931	931	
The Company	Le Yang Investment	No. 15, Lane 62, Caikong 1st Rd., Kaohsiung City	Investment in holding companies	560,000	560,000	56,000	100	<u>256,887</u>	(<u>42,142</u>)	(<u>42,142</u>)	
								<u>\$ 380,778</u>	(<u>\$ 75,224</u>)	(<u>\$ 75,224</u>)	
Seychelles Logah	Hongkong Logah	Rm 804, Sino Centre,582-592 Nathan Rd., Kln. H. K.	Investment in holding companies	428,922 (USD 14,100)	428,922 (USD 14,100)	14,100	100	<u>\$ 98,280</u> (USD 3,205)	(<u>\$ 33,989</u>) (USD -1,140)	(<u>\$ 33,989</u>) (USD -1,140)	
Le Yang Investment	Legend Investment	Portcullis Trust Net Chambers, P.O. Box 1225, Apia, SAMOA	Investment in holding companies	338,230 (USD 11,000)	338,230 (USD 11,000)	11,000	56.07	<u>\$ 32,648</u> (USD 1,065)	(<u>\$ 77,248</u>) (USD -2,592)	(<u>\$ 43,313</u>) (USD -1,453)	
Suzhou Logah	Legend Investment	Portcullis Trust Net Chambers, P.O. Box 1225, Apia, SAMOA	Investment in holding companies	264,998 (USD 8,619)	264,998 (USD 8,619)	8,619	43.93	<u>\$ 25,579</u> (USD 834)	(<u>\$ 77,248</u>) (USD -2,592)	(<u>\$ 33,935</u>) (USD -1,139)	

Logah Technology Corporation and the subsidiaries
Information on Investment in Mainland China
2022

Table 6

Unit: NTD thousand

Name of Investee in Mainland China	Main business	Paid-in capital	Investment method	Accumulated investment amount of outflow from Taiwan at the beginning of the year	Outward remittance or repatriation of investment amount at beginning of the year		Accumulated investment amount of outflow from Taiwan at the end of the year	Current income (losses) of the investee	Ownership percentage of direct or indirect investment	Investment gain (loss) recognized for the year	Book value of investment at the end of year	Cumulative repatriation of investment income as of the end of the year	Remarks
					Outward remittance	Repatriation							
Suzhou Logah	Processing plastic injection products	\$ 611,442 (USD 20,100)	Reinvestment in Chinese companies via the investments in some existing companies at the third region	\$ 319,160 (USD 10,100)	\$ -	\$ -	\$ 319,160 (USD 10,100)	(\$ 33,989) (USD -1,140)	100	(\$ 33,989) (USD -1,140)	\$ 98,279 (USD 3,205)	\$ -	Note 2
Suzhou Longdeng	Manufacturing, processing, and trading of plastic injection products and dies	623,153 (USD 19,000)	Reinvestment in Chinese companies via the investments in some existing companies at the third region	347,189 (USD 10,987)	-	-	347,189 (USD 10,987)	(77,218) (USD -2,591)	100	(77,218) (USD -2,591)	57,660 (USD 1,881)	-	Note 2
Suzhou Ruideng	Manufacturing and trading of displays and dies	201,913 (USD 6,330)	Reinvestment via investments in existing companies in China	-	-	-	-	(43,066) (CNY (RMB) - 9,711)	100	(43,066) (CNY (RMB) - 9,711)	88,442 (CNY (RMB) 20,090)	-	Note 2

The Company

Accumulated investment amount of outflow in China mainland from Taiwan at the end of the year	Investment amount approved by Investment Commission, MOEA (Note 1)	limitation on investee regulated under Investment Commission, MOEA (Note 3)
\$319,160 (US\$ 10,100)	\$616,266 (US\$ 20,100)	\$320,881

Le Yang Investment

Accumulated investment amount of outflow in China mainland from Taiwan at the end of the year	Investment amount approved by Investment Commission, MOEA (Note 1)	limitation on investee regulated under Investment Commission, MOEA (Note 3)
\$347,189 (US\$ 10,987)	\$582,540 (US\$ 19,000)	\$154,132

Note 1: Calculation is based on the exchange rate on December 31, 2022, US\$1=NT\$30.66

Note 2: Calculation is based on the 2022 financial statements of that company audited by the CPAs.

Note 3: The maximum cumulative amount of the Company's investments in China (60% of the equity net worth): 534,801×60%=320,881; the maximum cumulative amount of the subsidiary, Le Yang's investments in China (60% of the equity net worth): 256,887×60%=154,132.

Logah Technology Corporation
Information on Major Shareholders
December 31, 2022

Table 7

Name of major shareholder	Shares	
	Number of shares held	Percentage (%)
Liyu Technology Co., Ltd.	31,580,492	33.94
Lite-On Technology	7,578,200	8.14
Yu, Hui-Fa	5,665,934	6.08

Note: This table is based on the information provided by the Taiwan Depository & Clearing Corporation for shareholders holding greater than five percent of the shares completed the process of registration and book-entry delivery in dematerialized form, including treasury stocks, at the last business date of current quarter, plus number of privately placed common shares that have completed the commercial and industrial change registration at the last business day at the end of the same quarter. There may be a discrepancy in the number of shares recorded on the parent company only financial statements and its dematerialized securities arising from the difference in basis of preparation.

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Other financial assets -current statement	Statement 3
Schedule of Changes in Investments Accounted for	Statement 4
Under Equity Method	
Statement of Changes in Property, Plant and Equipment	Note X
Real property, plant and equipment accumulated depreciation statement	Note X
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Statements of profit or loss items	
Statement of operating revenue	Statement 7
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Statement of Aggregated Employee Benefits, Depreciation, and Amortization Expenses Incurred in the Current Period by Function	Statement 9

Logah Technology Corporation
Statement of Cash and cash equivalents
December 31, 2022

Statement 1

Unit: In thousands of NTD, unless stated otherwise

Item	Period	Annual interest rate (%)	Amount
Cash on hand and penny cash			<u>\$ 10</u>
Cash in banks			
Demand deposits			1,604
Foreign currency demand deposit (Note 1 and 3)			<u>39,711</u>
			41,315
Cash equivalents			
Foreign currency time deposit (Note 2 and 3)	111.12.22~ 112.01.22	4.1	<u>4,599</u>
			<u>\$45,924</u>

Note1: It is USD 1,295 thousand.

Note2: It is USD 150 thousand.

Note3: The exchange rate is US\$1 = NT\$30.66

Logah Technology Corporation
Statement of accounts receivable
December 31, 2022

Statement 2

Unit: NTD thousand

Customer name	Amount	Overdue for more than a year	Remarks
<u>Non-related Parties</u>			
Company A	\$39,820	\$ -	Sales payment
Company B	21,216	-	Sales payment
Company C	14,454	-	Sales payment
Others (Note)	<u>2,736</u>	-	Sales payment
	78,226		
Less: Allowance for bad debts	<u>-</u>		
	<u>\$78,226</u>		

Note: Each balance did not exceed 5% of the balance of this account.

Logah Technology Corporation
Other financial assets -current statement
December 31, 2022

Statement 3

Unit: NTD thousand
(Not including the noted otherwise)

Item	Annual interest rate (%)	Period	Carrying amount	Accumulated impairment loss
Pledged Bank Deposit - USD (Note)	2.3	111.12.07~ 112.01.09	<u>\$ 12,264</u>	<u>\$ -</u>

Note: It is USD 400 thousand, and the exchange rate of USD is US\$1 = NT\$30.66

Logah Technology Corporation
Schedule of Changes in Investments Accounted for Under Equity Method
2022

Statement 4

Unit: In thousands of NTD/share, unless stated otherwise

Gain (loss) on the	Par value per share	Balance at January 1			Increase for the year		Decrease for the year		Balance at December 31			Market value or equity net value		Guarantee or pledge status	Remarks
		Number of shares	Shareholding %	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Shareholding %	Amount	Unit Price (NT\$)	Total amount		
Equity method - Non TWSE or TPEX listing companies															
Seychelles Logah	US\$ 1	7,920,000	100	\$ 139,428	-	\$ 159	-	(\$ 41,589)	7,920,000	100	\$ 97,998	\$ 12.53	\$ 99,268	-	Note 3
Le Yang Investment	NT\$ 10	56,000,000	100	289,906	-	7,502	-	(42,142)	56,000,000	100	255,266	4.59	256,887	-	Note 3
Link Bright Technology	HKD\$ 1	10,000	100	21,311	-	3,312	-	-	10,000	100	24,623	2,462.30	24,623	-	Note 3
				<u>\$ 450,645</u>		<u>\$ 10,973</u>	(Note 1)	<u>(\$ 83,731)</u>			<u>\$ 377,887</u>		<u>\$ 380,778</u>		

Note 1: The increase in the year includes the investment gain recognized by the equity method for NT\$931 thousand, the equity-related adjustment items for NT\$9,681 thousand and the realized profit of NT\$361 thousand arising from downstream transactions with the subsidiary Suzhou Longdeng.

Note 2: The decrease in the year includes the investment loss recognized by the equity method for NT\$76,155 thousand and the equity-related adjustment items for NT\$7,576 thousand.

Note 3: Calculation is based on the financial statements of that company audited by the CPAs during the same period.

Logah Technology Corporation
Statement of Short-term Borrowings
December 31, 2022

Statement 5

Unit: NTD thousand

<u>Loan type and creditor</u>	<u>Loan period</u>	<u>Annual interest rate (%)</u>	<u>Balance at December 31</u>	<u>Financing facilities</u>	<u>Pledge/ guarantee</u>
Secured borrowings Bank SinoPac	111.11.29~112.03.10	6.08~6.58	<u>\$ 13,867</u>	<u>\$ 45,990</u>	Note

Note: Please refer note XXIV for the pledge or guarantee

Logah Technology Corporation
Statement of accounts payable
December 31, 2022

Statement 6

Unit: NTD thousand

Supplier name	Amount
Related party Suzhou Longdeng	<u>\$ 81,635</u>

Logah Technology Corporation
Statement of operating revenue
2022

Statement 7

Unit: NTD thousand

<u>Item</u>	<u>Quantity</u>	<u>Amount</u>
Net sales revenue of products	10,674 thousand units	\$ 9,368
Net sales revenue of materials	8 thousand kilogram	<u>26</u>
		<u>\$ 9,394</u>

Logah Technology Corporation
Statement of operating expenses
2022

Statement 8

Unit: NTD thousand

Item	Selling expenses	Administrative expenses	Total
Labor expenses	\$ -	\$23,762	\$23,762
Service fee	-	5,006	5,006
Entertainment	374	481	855
Repair expense	58	-	58
Travel expenses	243	11	254
Others (Note)	12	3,227	3,239
	\$ 687	\$32,487	\$33,174

Note: Each amount did not exceed 5% of the amount of this account.

Logah Technology Corporation
The employee benefits, depreciation, and amortization expenses are summarized by
function
2022 and 2021

Statement 9

Unit: NTD thousand

	Operating expenses	
	2022	2021
Employee benefit expense		
Salary expense	\$ 17,295	\$ 16,065
Labor and health insurance expense	1,701	1,711
Pension expense	975	908
Remuneration of Directors	2,938	2,963
Other employee benefit expenses	853	810
	<u>\$ 23,762</u>	<u>\$ 22,457</u>
Depreciation expense	\$ 16	\$ 155

Note 1: The average number of the Company's employees in 2022 and 2021 was 30 and 29, respectively, of which the number of directors who did not serve as employees concurrently was 9, and the calculation basis was the same as that of employee benefit expenses.

Note 2: The additional disclosures are made for the following information:

1. The average benefit expenses for 2022 and 2021 were NT\$992 thousand and NT\$975 thousand, respectively.
2. The average salary and wage expenses for 2022 and 2021 were NT\$824 thousand and NT\$803 thousand, respectively.
3. The average salary adjustment was 2.6%.
4. Since the Company has established an Audit Committee, there is no supervisor's remuneration.
5. The Company's remuneration policy is as below
 - (1) Director

The remuneration of all directors shall be determined by the Remuneration Committee based on their participation in the Company's operations and the value of their contributions, and by taking into account the relevant industry standards; the proposal is and then submitted for the resolution of the board of directors to implement. In addition, if there is a profit in the Company's annual settlement, by the resolution of the board of directors and based on the amount of profit above, not higher than 1.5% of such may be set aside as the director's remuneration; independent directors of the Company are paid with the fixed remuneration no more than NT\$30,000 each, regardless of the company's operating profit or loss.

- (2) Managerial officers

Salary is mainly determined based the position held and by referring to the industry standard. Bonuses and remunerations are determined based on performance contribution. The remuneration shall be proposed by the Remuneration Committee and implemented after discussion and approval by the board of directors.

(3) Employees

The performance evaluation of employees is conducted every six months. The evaluation results are linked to the Company's operating performance, to be reasonably reflected in the individual salaries and bonuses of employees. Moreover, if the Company makes profits in a year, it should set aside the pre-tax profit before deducting the remuneration of employees and directors for the current year, and 1% to 3% of which is the remuneration of employees, which will be distributed in share or cash, upon the resolution of the board of directors; and the recipients of the distribution may include employees of subordinate companies meeting certain conditions.

LOGAH TECHNOLOGY CORPORATION

Chairman : Yu, Hui-Fa

May 31, 2023