

Logah Technology Corporation  
and subsidiary

Consolidated Financial Statements and  
Independent Auditor's Report  
2022 and 2021

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The independent auditors' report and the accompanying consolidated 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' report and consolidated financial statements, the Chinese version shall prevail.

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## 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

## 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	%
	<b>Current Assets</b>				
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>
	<b>Non-current assets</b>				
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>
	<b>Liabilities and Equity</b>				
	<b>Current Liabilities</b>				
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>
	<b>Non-current liabilities</b>				
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>
	<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note XVIII)</b>				
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)	( <u>1,338</u> )	<u>-</u>	<u>1,162</u>	<u>-</u>
6000	Total operating expenses	<u>114,548</u>	<u>13</u>	<u>121,799</u>	<u>10</u>
6900	Net operating loss	( <u>69,605</u> )	( <u>8</u> )	( <u>19,889</u> )	( <u>1</u> )
	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	( <u>24,169</u> )	( <u>2</u> )	( <u>20,861</u> )	( <u>2</u> )
7000	Total non-operating incomes and expenses	( <u>21,829</u> )	( <u>2</u> )	( <u>22,629</u> )	( <u>2</u> )
7900	Net loss before income tax	( 91,434 )	( 9 )	( 42,518 )	( 3 )
7950	Income tax gains (expenses) (Notes IV and XXI)	( <u>1,269</u> )	<u>-</u>	<u>3,278</u>	<u>-</u>
8200	Net loss for the year	( <u>92,703</u> )	( <u>9</u> )	( <u>39,240</u> )	( <u>3</u> )

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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:

	<u>2022</u>	<u>2021</u>
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	<u>240</u>	( <u>92</u> )
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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
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:

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

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
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>

(Continued on next page)

(Continued)

	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.	( <u>11,247</u> )	<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 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 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.