JPP Holding Company Limited and Subsidiaries

Consolidated Financial Statements
for the Years Ended
December 31, 2022 (Restated) and 2021 and
Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
JPP Holding Company Limited

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 (after restatement) 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 Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 4 to the audited financial statements after restatement. The Group is required to purchase certain high-cost semi-finished products designated by specific customers and recognizes the semi-finished products as temporary debits before assembling. The Group should then recognize these temporary debits along with trade payables on a net basis in accordance with IFRS 15. Refer to Note 4 to the audited financial statements after restatement for the effects of the restatement. Our opinion is not modified in respect of this matter.

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 for the year ended December 31, 2022 (audited after restatement). 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.

The key audit matters of the Group's consolidated financial statements for the year ended December 31, 2022 (audited after restatement) are stated as follows:

Accuracy of the Revenue of the Group as Agent to Specific Customer

To generate revenue from specific customers, the Group is required to purchase certain high-cost semi-finished products designated by the specific customers. After the products are assembled, the Group sells them back to the specific customers. Since the role of the Group as an agent in the transaction arrangement involves significant accounting judgment, we considered the accuracy of revenue of the Group to the specific customers as a key audit matter.

The main audit procedures that we performed in response to the accuracy of revenue of the Group as agent the specific customers were as follows:

- We examined the implementation process of the agreement between the Group and its specific customers and confirmed the role of the Group as an agent.

- We analyzed the actual sales conditions based on the agreed terms and evaluated the Group's control over the inventory of semi-finished products during the manufacturing process for the related transactions.

- We reviewed the appropriateness of all relevant transactions recognized.

Responsibilities of Management 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 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, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 (audited after restatement) and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Tza-Li Gung and Chao-Yu Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

July 24, 2023

<u>*Notice to Readers*</u>

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.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

JPP HOLDING COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 (AUDITED AFTER RESTATEMENT) AND 2021
(In Thousands of New Taiwan Dollars)

	2022 (Audited after Restatement)		2021	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash (Notes 4 and 6)	$ 190,596	5	$ 148,834	5
Financial assets at amortized cost - current (Notes 4, 9 and 30)	77,490	2	71,541	3
Trade receivables (Notes 4 and 10)	771,129	22	519,021	18
Trade receivables from related parties (Notes 4, 10 and 29)	1,772	-	1,737	-
Inventories (Notes 4 and 11)	387,706	11	294,781	10
Other current assets (Notes 18 and 29)	40,513	1	36,467	1
Total current assets	1,469,206	41	1,072,381	37
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	24,806	1	35,174	1
Investments accounted for using the equity method (Notes 4 and 13)	38,383	1	23,326	1
Property, plant and equipment (Notes 4, 14, 29 and 30)	1,586,042	44	1,373,781	47
Right-of-use assets (Notes 4 and 15)	56,745	2	66,351	2
Other intangible assets (Notes 4 and 17)	126,321	3	135,384	5
Goodwill (Notes 4 and 16)	65,730	2	63,146	2
Deferred tax assets (Notes 4 and 25)	7,014	-	6,045	-
Other non-current assets (Note 18)	203,144	6	152,799	5
Total non-current assets	2,108,185	59	1,856,006	63
TOTAL	$ 3,577,391	100	$ 2,928,387	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4, 19 and 30)	$ 532,197	15	$ 333,780	11
Financial liabilities at fair value through profit or loss - current (Notes 4, 7 and 20)	-	-	5,133	-
Notes payable	784	-	2,331	-
Trade payables	285,807	8	275,775	9
Trade payables to related parties (Note 29)	7,085	-	7,066	-
Other payables (Notes 21 and 29)	116,338	3	50,134	2
Current tax liabilities (Notes 4 and 25)	21,044	1	13,947	1
Lease liabilities - current (Notes 4 and 15)	7,494	-	12,943	-
Current portion of bonds payable (Notes 4 and 20)	-	-	161,328	6
Current portion of long-term borrowings (Notes 4, 19 and 30)	169,930	5	127,318	4
Other current liabilities	30,793	1	17,901	1
Total current liabilities	1,171,472	33	1,007,656	34
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 4, 19 and 30)	204,316	6	151,902	5
Deferred tax liabilities (Notes 4 and 25)	43,900	1	33,603	1
Lease liabilities - non-current (Notes 4 and 15)	27,156	1	33,421	1
Net defined benefit liabilities - non-current (Notes 4 and 22)	45,519	1	43,285	2
Guarantee deposits received (Note 4)	13	-	13	-
Other non-current liabilities	946	-	1,785	-
Total non-current liabilities	321,850	9	264,009	9
Total liabilities	1,493,322	42	1,271,665	43
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 23)				
Share capital				
Ordinary shares	479,289	13	436,646	15
Capital surplus	1,063,649	30	933,720	32
Retained earnings				
Legal reserve	121,716	3	108,622	4
Special reserve	229,750	7	89,284	3
Unappropriated earnings	286,246	8	296,603	10
Total retained earnings	637,712	18	494,509	17
Other equity	(118,589)	(3)	(229,750)	(8)
Total equity attributable to owners of the Company	2,062,061	58	1,635,125	56
NON-CONTROLLING INTERESTS (Note 23)	22,008	-	21,597	1
Total equity	2,084,069	58	1,656,722	57
TOTAL	$ 3,577,391	100	$ 2,928,387	100

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

(With Deloitte & Touche auditors' report dated July 24, 2023)

JPP HOLDING COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 (AUDITED AFTER RESTATEMENT) AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022 (Audited after Restatement)		2021	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 4 and 29)	$ 1,789,193	100	$ 1,350,982	100
OPERATING COSTS (Notes 11, 24 and 29)	1,141,191	64	903,370	67
GROSS PROFIT	648,002	36	447,612	33
OPERATING EXPENSES (Note 24)				
Selling and marketing expenses	36,826	2	31,583	2
General and administrative expenses	266,942	15	230,518	17
Research and development expenses	21,297	1	20,331	2
Expected credit loss recognized	513	-	93	-
Total operating expenses	325,578	18	282,525	21
PROFIT FROM OPERATIONS	322,424	18	165,087	12
NON-OPERATING INCOME AND EXPENSES (Notes 4, 13, 24 and 29)				
Other gains and losses	3,494	-	18,665	1
Finance costs	(19,623)	(1)	(19,076)	(2)
Share of loss of associates	(4,656)	-	(5,414)	-
Interest income	616	-	450	-
Other income	2,629	-	9,048	1
Total non-operating income and expenses	(17,540)	(1)	3,673	-
PROFIT BEFORE INCOME TAX	304,884	17	168,760	12
INCOME TAX EXPENSE (Notes 4 and 25)	61,704	3	44,024	3
NET PROFIT FOR THE YEAR	243,180	14	124,736	9
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	(16,083)	(1)	13,479	1
Exchange differences on translation to the presentation currency	120,672	7	(237,744)	(17)

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JPP HOLDING COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 (AUDITED AFTER RESTATEMENT) AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022 (Audited after Restatement)		2021	
	Amount	**%**	**Amount**	**%**
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	$ 7,435	-	$ 332	-
Other comprehensive income (loss) for the year, net of income tax	112,024	6	(223,933)	(16)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	$ 355,204	20	$ (99,197)	(7)
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	$ 243,632	14	$ 130,936	10
Non-controlling interests	(452)	-	(6,200)	(1)
	$ 243,180	14	$ 124,736	9
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	$ 354,793	20	$ (90,253)	(7)
Non-controlling interests	411	-	(8,944)	-
	$ 355,204	20	$ (99,197)	(7)
EARNINGS PER SHARE (Note 26)				
Basic	$ 5.45		$ 3.00	
Diluted	$ 5.09		$ 2.94	

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

(With Deloitte & Touche auditors' report dated July 24, 2023) (Concluded)

JPP HOLDING COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 (AUDITED AFTER RESTATEMENT) AND 2021
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company												
	Ordinary Share Capital (Note 23)			Retained Earnings (Note 23)				Other Equity					
	Shares (Thousand)	Amount	Capital Surplus (Note 23)	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Other Equity	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2021	43,664	$ 436,646	$ 933,720	$ 97,814	$ 89,284	$ 268,171	$ 455,269	$ (21,510)	$ 12,949	$ (8,561)	$ 1,817,074	$ 30,541	$ 1,847,615
Appropriation of 2020 earnings													
Legal reserve	-	-	-	10,808	-	(10,808)	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(91,696)	(91,696)	-	-	-	(91,696)	-	(91,696)
	-	-	-	10,808	-	(102,504)	(91,696)	-	-	-	(91,696)	-	(91,696)
Net profit for the year ended December 31, 2021	-	-	-	-	-	130,936	130,936	-	-	-	130,936	(6,200)	124,736
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	-	-	(234,668)	13,479	(221,189)	(221,189)	(2,744)	(223,933)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	130,936	130,936	(234,668)	13,479	(221,189)	(90,253)	(8,944)	(99,197)
BALANCE AT DECEMBER 31, 2021	43,664	436,646	933,720	108,622	89,284	296,603	494,509	(256,178)	26,428	(229,750)	1,635,125	21,597	1,656,722
Appropriation of 2021 earnings													
Legal reserve	-	-	-	13,094	-	(13,094)	-	-	-	-	-	-	-
Special reserve	-	-	-	-	140,466	(140,466)	-	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(100,429)	(100,429)	-	-	-	(100,429)	-	(100,429)
	-	-	-	13,094	140,466	(253,989)	(100,429)	-	-	-	(100,429)	-	(100,429)
Conversion of convertible bonds	4,264	42,643	129,929	-	-	-	-	-	-	-	172,572	-	172,572
Net profit for the year ended December 31, 2022	-	-	-	-	-	243,632	243,632	-	-	-	243,632	(452)	243,180
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	-	-	127,244	(16,083)	111,161	111,161	863	112,024
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	243,632	243,632	127,244	(16,083)	111,161	354,793	411	355,204
BALANCE AT DECEMBER 31, 2022	47,928	$ 479,289	$ 1,063,649	$ 121,716	$ 229,750	$ 286,246	$ 637,712	$ (128,934)	$ 10,345	$ (118,589)	$ 2,062,061	$ 22,008	$ 2,084,069

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

(With Deloitte & Touche auditors' report dated July 24, 2023)

JPP HOLDING COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 (AUDITED AFTER RESTATEMENT) AND 2021
(In Thousands of New Taiwan Dollars)

	2022 (Audited after Restatement)	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 304,884	$ 168,760
Adjustments for:		
Depreciation expense	149,721	148,006
Amortization expense	16,032	17,610
Expected credit loss recognized	513	93
Net (gain) loss on fair value change of financial assets and liabilities designated as at fair value through profit or loss	(1,719)	5,566
Finance costs	19,623	19,076
Interest income	(616)	(450)
Dividend income	(94)	-
Share of loss of associates	4,656	5,414
Gain on disposal of property, plant and equipment	(201)	(2,050)
Allowance for inventory valuation and obsolescence loss (reversed)	1,659	(219)
Unrealized loss on foreign currency exchange	2,349	3,862
Impairment loss on goodwill	-	5,272
Changes in operating assets and liabilities		
Notes receivables	-	8
Trade receivables	(213,740)	(116,855)
Trade receivables from related parties	85	3,161
Inventories	(68,841)	(39,677)
Other current assets	4,790	14,001
Notes payable	(1,547)	1,723
Trade payables	(16,627)	62,764
Trade payables to related parties	(464)	(2,222)
Other payables	61,223	(13,670)
Other current liabilities	11,117	(843)
Net defined benefit liabilities	(639)	2,992
Cash generated from operations	272,164	282,322
Interest received	564	471
Dividends received	94	-
Interest paid	(15,860)	(13,540)
Income tax paid	(48,814)	(32,331)
Net cash generated from operating activities	208,148	236,922
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(2,964)	(4,891)
Acquisition of long-term investments accounted for using the equity method	(17,475)	(19,554)
Payments for property, plant and equipment	(257,292)	(104,565)
Proceeds from disposal of property, plant and equipment	9,000	2,134
Increase in refundable deposits	(315)	(100)

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JPP HOLDING COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 (AUDITED AFTER RESTATEMENT) AND 2021
(In Thousands of New Taiwan Dollars)

	2022 (Audited after Restatement)	2021
Purchase of other intangible assets	$ (760)	$ (3,422)
Increase in other non-current assets	(1,085)	-
Decrease in other non-current assets	-	3,028
Increase in prepayments of equipment	(36,456)	(7,425)
Net cash used in investing activities	(307,347)	(134,795)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	1,047,871	620,203
Repayments of short-term borrowings	(869,038)	(431,956)
Proceeds from long-term borrowings	171,100	-
Repayments of long-term borrowings	(129,190)	(244,637)
Repayment of the principal portion of lease liabilities	(15,099)	(15,569)
(Decrease) increase in other non-current liabilities	(925)	952
Dividends paid to owners of the Company	(100,429)	(91,696)
Net cash generated from (used in) financing activities	104,290	(162,703)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	36,671	5,337
NET INCREASE (DECREASE) IN CASH	41,762	(55,239)
CASH AT THE BEGINNING OF THE YEAR	148,834	204,073
CASH AT THE END OF THE YEAR	$ 190,596	$ 148,834

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

(With Deloitte & Touche auditors' report dated July 24, 2023) (Concluded)

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. ORGANIZATION AND OPERATIONS

JPP Holding Company Limited (the "Company") was incorporated in the Cayman Islands on May 17, 2012, and was set up for the purpose of organizational restructuring. The Company completed organizational restructuring on June 10, 2013, and after restructuring, the Company became the ultimate parent company of the whole group.

The Company was listed on the mainboard of the Taipei Exchange in October 2014 and transferred the listing to the Taiwan Stock Exchange (TWSE) on March 9, 2017.

The functional currency of the Company is the Thai Baht. For greater comparability and consistency of financial reporting, the consolidated financial statements are presented in New Taiwan dollars since the Company's shares are listed on the Taiwan Stock Exchange.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements (audited after restatement) were approved by the Company's board of directors on July 24, 2023.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China (FSC)

   The initial application of the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the accounting policies of the Company and the entities controlled by the Company (collectively, the "Group").

b. The IFRSs endorsed by the FSC for application starting from 2023

New IFRSs	Effective Date Announced by IASB
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 1)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 2)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 3)

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments will be applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that were recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments were applied prospectively to transactions that occurred on or after January 1, 2022.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of above standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	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 "Leases 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 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024

Note 1: Unless stated otherwise, the above IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of above standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed and issued into effect by the FSC.

b. The reason and effects of the restatement

The Group is required to purchase certain high-cost semi-finished products designated by specific customers and recognizes the semi-finished products as temporary debits before assembling. The Group should then recognize these temporary debits along with trade payables on a net basis in accordance with IFRS 15. Therefore, the Group restated the consolidated financial statements for the year ended December 31, 2022.

The effects of assets, liabilities and equity on December 31, 2022 are as follows:

	Amount before Restatement	Effects of Restatement	Amount after Restatement
Assets			
Current assets	$ 1,615,504	$ (146,298)	$ 1,469,206
Non-current assets	2,108,185	-	2,108,185
Total assets	$ 3,723,689	$ (146,298)	$ 3,577,391
Liabilities			
Current liabilities	$ 1,317,770	$ (146,298)	$ 1,171,472
Non-current liabilities	321,850	-	321,850
Total liabilities	$ 1,639,620	$ (146,298)	$ 1,493,322
Equity			
Equity attributable to owners of the Company	$ 2,062,061	$ -	$ 2,062,061
Non-controlling interests	22,008	-	22,008
Total equity	$ 2,084,069	$ -	$ 2,084,069

c. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for the asset or liability.

d. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

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

e. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statements of comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 12 and Table 7 for the detailed information of subsidiaries (including the percentage of ownership and main businesses).

f. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Where the consideration the Group transfers in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and considered as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments being made against goodwill or gains on bargain purchases. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period on facts and circumstances that existed as of the acquisition date. The measurement period does not exceed 1 year from the acquisition date.

g. Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency which are not retranslated.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Company's foreign operations (including the subsidiaries, associates, joint ventures or branch operations in other countries or subsidiaries which use currencies that are different from the Company) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income (attributed to the owners of Company and non-controlling interests as appropriate). The exchange differences accumulated in equity, which resulted from the translation of the assets and liabilities of the entities in the Group from functional currencies to the presentation currency, are not subsequently reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets and liabilities of acquired foreign operation are treated as assets and liabilities of the foreign operation and translated at the rates of exchange prevailing at the end of each reporting period. Exchange differences are recognized in other comprehensive income.

h. Inventories

Inventories consist of finished goods, work-in-process, raw materials and inventories in transit, and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost on the balance sheet date.

i. Investments in associates

An associate is an entity over which the Group has a significant influence and is neither a subsidiary nor an interest in a joint venture. The Group uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of the equity of associates attributable to the Group.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Company subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates and joint ventures accounted for using the equity method. If the Group's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further loss, if any. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method and does not remeasure the retained interest.

j. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost, less accumulated depreciation and accumulated impairment loss.

The depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate 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.

k. Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group’s cash-generating units or groups of cash-generating units (referred to as “cash-generating units”) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the entity disposes of an operation within that unit, the goodwill associated with the operation which is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

l. Intangible assets

1) Intangible assets 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. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Intangible assets acquired in business combinations

Intangible assets that are acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date which is regarded as their cost. Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

3) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

m. Impairment of property, plant and equipment, right-of-use assets and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets, excluding goodwill, 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 Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

n. 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. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at amortized cost and investments in equity instruments at FVTOCI.

i. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and trade receivables at amortized cost, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

ii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group’s right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables, lease receivables and contract assets. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs. For financial instruments and contract assets, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account, except for investments in equity instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income, without diminishing the carrying amounts of such financial assets.

c) Derecognition of financial assets

The Group 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 a financial asset 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. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

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

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Except for financial liabilities at FVTPL that are measured at fair value, all financial liabilities are measured at amortized cost using the effective interest method.

Fair value is determined in the manner described in Note 28.

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4) Convertible bonds

The conversion option component of the convertible bonds issued by the Group, which will be settled other than by the exchange of a fixed amount of cash or other financial assets for a fixed number of the Company's own equity instruments, is classified as a derivative financial liability.

On initial recognition, the derivative financial liability component of the convertible bonds is recognized at fair value, and the initial carrying amount of the non-derivative financial liability component is determined by deducting the amount of the derivative financial liability component from the fair value of the hybrid instrument as a whole. In subsequent periods, the non-derivative financial liability component of the convertible bonds is measured at amortized cost using the effective interest method. The derivative financial liability component is measured at fair value, and the changes in fair value are recognized in profit or loss.

o. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

1) Revenue from the sale of goods

Revenue from the sale of goods comes from sales of precision sheet metal products and is recognized when the goods are delivered to the customer's specific location or when the goods are shipped. Revenue and trade receivables are recognized concurrently.

The Group does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

2) Rendering of services

Service income is recognized when services are provided.

p. Leases

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

1) The Group as lessor

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

2) The Group as lessee

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

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. 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.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's 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 Group 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 in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

q. Borrowing costs

The borrowing costs are recognized in profit or loss in the period in which they are incurred.

r. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service costs, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service costs (including current service costs), and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses, and the return on plan assets (excluding interest), are recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

s. Taxation

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

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Group 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. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred tax for the year

Current and deferred tax 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 tax are also recognized in other comprehensive income or directly in equity respectively.

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

6. CASH

	December 31	
	2022	2021
Cash on hand	$ 679	$ 743
Checking accounts and demand deposits	189,917	148,091
	$ 190,596	$ 148,834

The market rate intervals of cash in bank at the end of the reporting period are as follows:

	December 31	
	2022	2021
Demand deposits	0.01%-0.85%	0.02%-0.20%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2022	2021
Financial liabilities held for trading - current		
Derivative		
Second issuance of convertible bonds in Taiwan (Note 20)	$ -	$ 5,133

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2022	2021
Non-current		
Overseas unlisted ordinary shares	$ 21,708	$ 35,174
Private equity funds	3,098	-
	$ 24,806	$ 35,174

The Group acquired ordinary shares of overseas unlisted companies and private equity funds for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2022	2021
Current		
Domestic investments		
Time deposits with original maturities of more than 3 months	$ 77,490	$ 71,541

a. The ranges of interest rates for time deposits with original maturities of more than 3 months were 0.40%-3.50% and 0.35%-0.45% per annum as of December 31, 2022 and 2021, respectively.

b. Refer to Note 30 for information relating to investments in financial assets at amortized cost pledged as security.

10. TRADE RECEIVABLES

	December 31	
	2022	2021
Trade receivables		
At amortized cost		
Gross carrying amount	$ 773,945	$ 521,243
Less: Allowance for impairment loss	(1,044)	(485)
	$ 772,901	$ 520,758

The average credit period of sales of goods is 30-90 days. No interest was charged on trade receivables.

The Group uses other publicly available financial information or its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, as well as the GDP forecasts and industry outlook. As the Group'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 Group's different customer base. Then, due to historical experience, the Group recognized an allowance for impairment loss of 100% against all receivables aged over 180 days if the receivables had not been recovered before the issuance of the consolidated financial statements.

The Group writes off a trade receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

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

December 31, 2022

	Not Past Due	Up to 30 Days	31 to 90 Days	91 to 180 Days	Over 180 Days	Total
Expected credit loss rate	0%-0.01%	0%-0.30%	0%-8.13%	0%-70.15%	0%-100%	
Gross carrying amount	$ 677,402	$ 62,961	$ 31,336	$ 1,056	$ 1,190	$ 773,945
Loss allowance (Lifetime ECLs)	-	(10)	(602)	(26)	(406)	(1,044)
Amortized cost	$ 677,402	$ 62,951	$ 30,734	$ 1,030	$ 784	$ 772,901

December 31, 2021

	Not Past Due	Up to 30 Days	31 to 90 Days	91 to 180 Days	Over 180 Days	Total
Expected credit loss rate	0%-0.00%	0%-0.05%	0%-0.75%	0%-92.52%	0%-100%	
Gross carrying amount	$ 504,655	$ 7,414	$ 5,019	$ 3,361	$ 794	$ 521,243
Loss allowance (Lifetime ECLs)	-	(82)	-	(14)	(389)	(485)
Amortized cost	$ 504,655	$ 7,332	$ 5,019	$ 3,347	$ 405	$ 520,758

The movements of the loss allowance of trade receivables are as follows:

	2022	2021
Balance at January 1	$ 485	$ 443
Add: Net remeasurement of loss allowance	513	93
Foreign exchange gains and losses	46	(51)
Balance at December 31	$ 1,044	$ 485

11. INVENTORIES

	December 31	
	2022	2021
Finished goods	$ 71,553	$ 55,058
Work in process	152,635	94,905
Raw materials	154,407	142,588
Inventories in transit	9,111	2,230
	$ 387,706	$ 294,781

The nature of the cost of goods sold is as follows:

	For the Year Ended December 31	
	2022	2021
Cost of inventories sold	$ 1,139,532	$ 903,589
Inventory write-downs loss (reversed) (Note)	1,659	(219)
	$ 1,141,191	$ 903,370

Note: The reversals of write-downs resulted from increased selling prices in certain markets or the increase in the sale of the aged inventories.

12. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements:

Investor	Investee	Nature of Activities	Proportion of Ownership (%) December 31 2022	2021	Remark
The Company	Jinpao Precision Industry Co., Ltd. (Jinpao)	Material parts design and manufacturing	99.99	99.99	Note
Jinpao	Jinpao Precision Japan Co., Ltd. (Jinpao Japan)	Processed metal products development and trading	80.00	80.00	Note
Jinpao	Jinpao Europe SAS (Jinpao Europe)	Metal parts manufacturing and milling	76.00	76.00	Note
Jinpao Europe	Atelier De Decolletuge De Bigorre (ADB)	Metal parts manufacturing and milling	100.00	100.00	Note
Jinpao Europe	SAS LUTEC (LUTEC)	Metal parts manufacturing and milling	100.00	100.00	Note
Jinpao Europe	SPEM AERO SAS (SPEM)	Surface treatment	90.00	90.00	Note

Note: The financial statements of the Group and Jinpao were prepared on the basis of their functional currency, the Thai Baht. The financial statements of Jinpao Japan were prepared on the basis of its functional currency, the Japanese Yen. The financial statements of Jinpao Europe, ADB, LUTEC and SPEM were prepared on the basis of their functional currency, the Euro. In the preparation of the consolidated financial statements, the account items were translated into the presentation currency, the New Taiwan dollar, as follows: All balance sheet accounts were translated at their respective functional currencies at the balance sheet dates, equity accounts were translated based on the historical exchange rates, and all income statement accounts were translated at the average exchange rates for the periods. Exchange differences on translation of foreign currencies are recognized as other comprehensive income and classified within the shareholders' equity section. The spot exchange rates of THB to NT$ on December 31, 2022 and 2021 are THB1=NT$0.8941 and THB1=NT$0.8347, respectively. The average exchange rates of THB to NT$ in 2022 and 2021 are THB1=NT$0.8555 and THB1=NT$0.8823, respectively.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31 2022	2021
Associates that are not individually material	$ 38,383	$ 23,326

	For the Year Ended December 31 2022	2021
The Group's share of:		
Net loss for the period	$ (4,656)	$ (5,414)
Other comprehensive income (loss)	-	-
Total comprehensive income (loss) for the year	$ (4,656)	$ (5,414)

The Group acquired 40% of the shares of I motor Holding Co., Ltd. in September 2021.

The Group acquired the shares of I motor Manufacturing Co., Ltd. at a percentage different from its existing ownership percentage in September 2022, then the Group acquired the shares at the same percentage in December 2022.

The Group acquired the shares of I motor Marketing Co., Ltd. at the same percentage as its existing ownership percentage in September 2022.

Refer to Table 7 "Information on Investees" for the nature of activities, principal places of business and country of incorporation of the associate.

14. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machinery and Equipment	Other Equipment	Total
Cost					
Balance at January 1, 2021	$ 576,166	$ 528,938	$ 1,579,509	$ 91,946	$ 2,776,559
Additions	-	9,580	87,567	7,418	104,565
Reclassifications	1,486	-	(1,486)	-	-
Disposals	-	-	(49,024)	(1,387)	(50,411)
Effects of foreign currency exchange differences	(73,032)	(67,020)	(198,236)	(11,959)	(350,247)
Balance at December 31, 2021	$ 504,620	$ 471,498	$ 1,418,330	$ 86,018	$ 2,480,466
Accumulated depreciation and impairment					
Balance at January 1, 2021	$ -	$ 182,623	$ 921,687	$ 66,536	$ 1,170,846
Disposals	-	-	(49,024)	(1,303)	(50,327)
Depreciation expense	-	24,369	103,174	8,402	135,945
Effects of foreign currency exchange differences	-	(24,226)	(116,752)	(8,801)	(149,779)
Balance at December 31, 2021	$ -	$ 182,766	$ 859,085	$ 64,834	$ 1,106,685
Carrying amount at December 31, 2021	$ 504,620	$ 288,732	$ 559,245	$ 21,184	$ 1,373,781
Cost					
Balance at January 1, 2022	$ 504,620	$ 471,498	$ 1,418,330	$ 86,018	$ 2,480,466
Additions	-	116,916	134,210	6,166	257,292
Disposals	-	-	(59,458)	(2,020)	(61,478)
Effects of foreign currency exchange differences	35,853	38,783	100,198	6,311	181,145
Balance at December 31, 2022	$ 540,473	$ 627,197	$ 1,593,280	$ 96,475	$ 2,857,425
Accumulated depreciation and impairment					
Balance at January 1, 2022	$ -	$ 182,766	$ 859,085	$ 64,834	$ 1,106,685
Disposals	-	-	(50,699)	(1,980)	(52,679)
Depreciation expense	-	27,343	103,450	7,535	138,328
Effects of foreign currency exchange differences	-	14,009	60,176	4,864	79,049
Balance at December 31, 2022	$ -	$ 224,118	$ 972,012	$ 75,253	$ 1,271,383
Carrying amount at December 31, 2022	$ 540,473	$ 403,079	$ 621,268	$ 21,222	$ 1,586,042

Except for the recognition of depreciation expense and the additions of buildings and machinery and equipment from non-related parties, the Group did not have significant disposal of property, plant and equipment for the years ended December 31, 2022 and 2021. Furthermore, after assessment, there was no indication of impairment, hence, the Group did not perform any impairment test.

The above items of property, plant and equipment used by the Group are depreciated on a straight-line basis over their estimated useful lives as follows:

Building of factory	20 years
Air-conditioner system	5 years
Machinery and equipment	3-20 years
Other equipment	5 years

Property, plant and equipment used by the Group and pledged as collateral for bank borrowings was set out in Note 30.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2022	**2021**
Carrying amount		
Buildings	$ 56,745	$ 66,351

	For the Year Ended December 31	
	2022	**2021**
Depreciation change for right-of-use assets		
Buildings	$ 11,393	$ 12,061

Except for the recognition of depreciation expense, the Group did not have significant addition, sublease, and impairment of right-of-use assets during the years ended December 31, 2022 and 2021.

b. Lease liabilities

	December 31	
	2022	**2021**
Carrying amount		
Current	$ 7,494	$ 12,943
Non-current	$ 27,156	$ 33,421

Range of discount rates for lease liabilities was as follows:

	December 31	
	2022	**2021**
Buildings	1.75%-3.25%	1.75%-3.25%

c. Material lease-in activities and terms

The Group leases buildings for the use of plants and offices with lease terms of 5 to 10 years. The Group does not have bargain purchase options to acquire the leasehold buildings at the end of the lease terms.

d. Other lease information

	For the Year Ended December 31	
	2022	**2021**
Expenses relating to low-value asset leases	$ 2,547	$ 2,309
Total cash outflow for leases	$ (18,380)	$ (18,692)

The Group's leases of certain office equipment qualify as low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

16. GOODWILL

	For the Year Ended December 31	
	2022	**2021**
Cost		
Balance at January 1	$ 68,134	$ 75,850
Effects of foreign currency exchange differences	2,746	(7,716)
Balance at December 31	$ 70,880	$ 68,134
Accumulated impairment loss		
Balance at January 1	$ 4,988	$ -
Recognition impairment loss during the year	-	5,272
Effects of foreign currency exchange differences	162	(284)
Balance at December 31	$ 5,150	$ 4,988
Net Balance at December 31	$ 65,730	$ 63,146

	ADB & LUTEC		SPEM	
	December 31		December 31	
	2022	**2021**	**2022**	**2021**
Discount rates	16.4%	13.7%	22.0%	20.9%

As of the years ended December 31, 2022 and 2021, the recoverable amount was determined based on a DCF calculation that used cash flow projection in the financial budgets approved by management covering a 5-year period with the aforementioned discount rate, respectively. The cash flows beyond 5 years have been extrapolated, using a 0% per annum growth rate. Other key assumptions included budgeted revenue and budgeted gross margin. Such assumptions were based on the past performance of the cash-generating unit and management's expectations of market development.

Due to the impact of COVID-19 in 2021, the actual sales growth of ADB and LUTEC did not turn out as expected. The recoverable amount of the goodwill was $141,804 thousand, which was lower than the related carrying amount for the years ended December 31, 2021, and an impairment loss of $5,272 thousand was recognized in 2021.

After the impairment assessment in 2022, the recoverable amount was higher than the carrying amount, and no impairment loss was recognized.

17. OTHER INTANGIBLE ASSETS

	Other Intangible Assets	Computer Software	Total
Cost			
Balance at January 1, 2021	$ 127,990	$ 107,086	$ 235,076
Additions	-	3,422	3,422
Effects of foreign currency exchange differences	(13,089)	(13,732)	(26,821)
Balance at December 31, 2021	$ 114,901	$ 96,776	$ 211,677
Accumulated amortization and impairment			
Balance at January 1, 2021	$ 14,345	$ 53,606	$ 67,951
Amortization expense	8,842	8,768	17,610
Effects of foreign currency exchange differences	(2,012)	(7,256)	(9,268)
Balance at December 31, 2021	$ 21,175	$ 55,118	$ 76,293
Carrying amount at December 31, 2021	$ 93,726	$ 41,658	$ 135,384
Cost			
Balance at January 1, 2022	$ 114,901	$ 96,776	$ 211,677
Additions	-	760	760
Disposals	-	(297)	(297)
Effects of foreign currency exchange differences	4,702	6,908	11,610
Balance at December 31, 2022	$ 119,603	$ 104,147	$ 223,750
Accumulated amortization and impairment			
Balance at January 1, 2022	$ 21,175	$ 55,118	$ 76,293
Amortization expense	8,357	7,675	16,032
Disposals	-	(297)	(297)
Effects of foreign currency exchange differences	1,145	4,256	5,401
Balance at December 31, 2022	$ 30,677	$ 66,752	$ 97,429
Carrying amount at December 31, 2022	$ 88,926	$ 37,395	$ 126,321

Except for the recognition of amortization expenses, other intangible assets of the Company did not have significant addition, disposal and impairment in 2022 and 2021.

Other intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Other intangible assets	12.3-18 years
Computer software	10 years

18. OTHER ASSETS

	December 31	
	2022	2021
Current		
Temporary debits	$ -	$ 1,581
Prepaid expenses and others	40,513	34,886
	$ 40,513	$ 36,467
Non-current		
Prepayments for equipment	$ 195,370	$ 146,821
Refundable deposits	1,198	897
Others	6,576	5,081
	$ 203,144	$ 152,799

19. BORROWINGS

a. Short-term borrowings

	December 31	
	2022	2021
Secured borrowings (Note 30)		
Bank loans*	$ 532,197	$ 333,780

* The range of weighted average effective interest rates on bank loans was 2.15%-2.90% and 1.49%-2.22% per annum on December 31, 2022 and 2021, respectively. The part of loans is secured by Jinpao as a guarantee.

b. Long-term borrowings

	December 31	
	2022	2021
Secured borrowings (Note 30)		
Bank loans (1)	$ 44,659	$ 83,344
Bank loans (2)	-	32,545
Bank loans (3)	35,159	59,172
Bank loans (4)	178,506	-
Bank loans	37,880	3,685
	296,204	178,746
Unsecured borrowings		
Bank loans	78,042	100,474
	374,246	279,220
Less: Current portions	(169,930)	(127,318)
Long-term loans	$ 204,316	$ 151,902

1) As of December 31, 2022 and 2021, the annual weighted average effective interest rates of the bank borrowings secured by the Group's freehold land and buildings (see Note 30) were 2.23% both. The loan is due on August 7, 2023.

2) As of December 31, 2021, the annual weighted average effective interest rate of the bank borrowings secured by Jinpao as a guarantee for the bank loan was 1.8%. According to the provisions of the loan contract, the current ratio shall not be lower than 100% (inclusive), the debt ratio shall not be higher than 100% (inclusive), and the net value shall not be lower than NT$1,550,000 thousand (inclusive). The loan is due on December 26, 2022.

3) As of December 31, 2022 and 2021, the annual weighted average effective interest rate of the bank borrowings secured by Jinpao as a guarantee for the bank loan was 1.8% both. According to the provisions of the loan contract, the current ratio shall not be lower than 100% (inclusive), the debt ratio shall not be higher than 100% (inclusive), and the net value shall not be lower than NT$1,550,000 thousand (inclusive). The loan is due on November 30, 2023.

4) As of December 31, 2022, the annual weighted average effective interest rate of the bank borrowings secured by the Group's freehold land, machine and equipment, and buildings (see Note 30) was 2.59%. The loan is due on August 19, 2025.

20. BONDS PAYABLE

	December 31	
	2022	**2021**
Second issuance of unsecured domestic convertible bonds in Taiwan	$ -	$ 161,328

On November 28, 2019, the Group issued 2 thousand units of 0% NTD-denominated unsecured convertible bonds in Taiwan, with an aggregate principal amount of $200,000 thousand. The maturity date of the bonds is on November 28, 2022.

Each bond entitles the holder to convert it into ordinary shares of the Group at a conversion price of $55. In the case of ex-right or ex-dividend, the conversion price should be adjusted according to the adjustment formula. The conversion price was adjusted on December 23, 2019, August 4, 2020, August 15, 2021 and July 30, 2022 from $55 to $54.6, $54.6 to $52.1, $52.1 to $49.6 and $49.6 to $46.9, respectively.

Conversion may occur at any time between February 29, 2020 and November 28, 2022. If the bonds have not been converted and the closing price of the Group's ordinary shares exceeds 30% of the conversion price for at least 30 consecutive trading days consecutively or the value of the outstanding convertible bonds falls lower than 10% of the original total amount issued, they will be redeemed at face value from February 29, 2020 to October 19, 2022.

The liability component includes embedded financial derivatives and non-financial derivative liabilities. On December 31, 2021, the fair value of such embedded financial derivatives was $5,133 thousand, and the amount of liabilities of non-financial derivatives liabilities measured at amortized cost was $161,328 thousand. The effective interest rate for liabilities was 2.2256% per annum on initial recognition.

Liability component at January 1, 2021 (separately recognized as bonds payable of $180,633 thousand and financial assets at FVTPL - current of $152 thousand)	$ 180,481
Interest charged at the effective interest rate	3,750
Loss on valuation of financial assets	5,566
Effects of exchange rate changes	(23,336)
Liability component at December 31, 2021 (separately recognized as bonds payable of $161,328 thousand and financial liability at FVTPL - current of $5,133 thousand)	166,461
Interest charged at the effective interest rate	2,700
Convertible bonds converted into ordinary shares	(172,572)
Gain on valuation of financial assets	(1,719)
Effects of exchange rate changes	5,130
Liability component at December 31, 2022	$ -

As of December 31, 2022, the second issuance of unsecured domestic convertible bonds in Taiwan had been converted to 4,264 thousand ordinary shares in total.

21. OTHER LIABILITIES

	December 31	
	2022	2021
Current		
Other payables		
Payables for equipment	$ 39,542	$ 1,575
Others	76,796	48,559
	$ 116,338	$ 50,134

22. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

The employees of the Company of the Group in Taiwan adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. Then, the "pay as you go" basis adopted by Jinpao Europe, ADB, LUTEC and SPEM of the Group in accordance with the French pension system, which is a state-managed defined contribution plan. Under the basis, the Company makes monthly contributions at a certain percentage of the monthly salaries and wages.

b. Defined benefit plan

The defined benefit plans adopted by Jinpao of the Group in accordance with the Labor Protection Act is operated by the government of Thailand, which is a state-managed defined contribution plan. The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries, basing on years of service and the salaries before the estimated retirement date.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plan are as follows:

	December 31 2022	December 31 2021
Present value of defined benefit obligation	$ 45,519	$ 43,285
Fair value of plan assets	-	-
Net defined benefit liabilities	$ 45,519	$ 43,285

Movements in net defined benefit liabilities are as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2021	$ 46,063	$ -	$ 46,063
Service cost			
Current service cost	2,607	-	2,607
Interest expense	384	-	384
Recognized in profit or loss	2,991	-	2,991
Others	(5,769)	-	(5,769)
Balance at December 31, 2021	43,285	-	43,285
Service cost			
Current service cost	(891)	-	(891)
Interest expense	415	-	415
Recognized in profit or loss	(476)	-	(476)
Benefits paid	(163)	-	(163)
Others	2,873	-	2,873
Balance at December 31, 2022	$ 45,519	$ -	$ 45,519

The significant assumptions used for the purposes of the actuarial valuations are as follows:

	December 31 2022	December 31 2021
Discount rates	0.39%-2.81%	0.39%-2.81%
Expected rates of salary increase	3.00%-6.00%	3.00%-6.00%

If possible reasonable changes in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation will decrease or increase as follows:

	December 31 2022	December 31 2021
Discount rates		
1% increase	$ (3,099)	$ (2,879)
1% decrease	$ 3,415	$ 3,139
Expected rates of salary increase		
1% increase	$ 4,224	$ 3,537
1% decrease	$ (3,746)	$ (3,147)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2022	2021
Expected contributions to the plan for the next year	$ -	$ -
Average duration of the defined benefit obligation	10 years	10 years

23. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2022	2021
Numbers of shares authorized (in thousands)	60,000	60,000
Value of shares authorized	$ 600,000	$ 600,000
Number of shares issued and fully paid (in thousands)	47,928	43,664
Value of shares issued	$ 479,289	$ 436,646

Fully paid ordinary shares, which have a par value of $10, carry one vote per share and a right to dividends.

As of December 31, 2022, the second issuance of unsecured domestic convertible bonds in Taiwan had been converted to 4,264 thousand shares. The number of ordinary shares issued after the conversion was 47,928 thousand, and the value of shares issued was $479,289 thousand.

b. Capital surplus

	December 31	
	2022	2021
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital*		
Premium from issuance of ordinary shares	$ 1,063,649	$ 933,720

* 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 only once a year).

c. Retained earnings and dividends policy

Under the dividends policy as set forth 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 a legal reserve 10% of the remaining profit (except when accumulated legal reserve have already achieved paid-in capital of the Company), 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 the distribution of dividends and bonuses to shareholders.

For the policies on the distribution of compensation of employees and remuneration of directors after the amendment, refer to compensation of employees and remuneration of directors in Note 24(h).

The Group's operations are highly specialized with customized products and are in the growth stage. The board of directors of the Group proposes the distribution plan based on previous years' retained earnings, overall growth, financial planning, capital needs, industry outlook and future development plans, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. When distributing dividends, the Group should first (i) pay the reserved amount for the yearly tax payment; (ii) offset losses of previous years; (iii) set aside as a legal reserve 10% of the remaining profit (legal reserve); and (iv) set aside as special reserve required by Taiwan Stock Exchange by the rules governing the special reserve of public companies. In accordance with the Company Law of the Cayman Islands and rules of public companies, where the Group made a profit in a fiscal year, the Group may combine all or parts of the accumulated undistributed retained earnings after considering the financial, operational and administrative factors, and the board should advise the shareholders that no less than 20% of the undistributed retained earnings should be distributed as dividends to shareholders unless the undistributed retained earnings are less than 20% of the outstanding ordinary shares. The dividends can be distributed in shares or cash, but the cash dividends should not be less than 10% of the total dividends distributed.

An appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2021 and 2020, which were approved in the shareholders' meetings on June 23, 2022 and July 29, 2021, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (NT$)	
	For the Year Ended December 31		For the Year Ended December 31	
	2021	2020	2021	2020
Legal reserve	$ 13,094	$ 10,808		
Special reserve	140,466	-		
Cash dividends	100,429	91,696	$ 2.3	$ 2.1

The appropriation of earnings for 2022 had been proposed by the Company's board of directors on March 28, 2023. The appropriation and dividends per share were as follows:

	Appropriation of Earnings	Dividends Per Share (NT$)
Legal reserve	$ 24,363	
Cash dividends	134,201	$ 2.8

The appropriation of earnings for 2022 is subject to the resolution of the shareholders in the shareholders' meeting to be held on June 20, 2023.

d. Non-controlling interests

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ 21,597	$ 30,541
Net loss for the year	(452)	(6,200)
Other comprehensive income/(loss) during the year		
Exchange differences on translation of the financial statements of foreign entities	863	(2,744)
Balance at December 31	$ 22,008	$ 21,597

e. Other equity items

1) Exchange differences on the translation of the financial statements of foreign operations

	2022	2021
Balance at January 1	$ (256,178)	$ (21,510)
Recognized for the year		
Exchange differences on translation to the presentation currency	120,672	(237,744)
Exchange differences on the translation of the financial statements of foreign operations	6,572	3,076
Other comprehensive income recognized for the year	127,244	(234,668)
Balance at December 31	$ (128,934)	$ (256,178)

2) Unrealized valuation gain/(loss) on financial assets at FVTOCI

	2022	2021
Balance at January 1	$ 26,428	$ 12,949
Other comprehensive income (loss) recognized for the year		
Unrealized (loss) gain - equity instruments	(16,083)	13,479
Balance at December 31	$ 10,345	$ 26,428

24. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest income

	For the Year Ended December 31	
	2022	2021
Bank deposits	$ 616	$ 450

b. Other income

	For the Year Ended December 31	
	2022	2021
Dividends revenue	$ 94	$ -
Others	2,535	9,048
	$ 2,629	$ 9,048

c. Other gains and losses

	For the Year Ended December 31	
	2022	2021
Net foreign exchange gain	$ 2,268	$ 27,453
Impairment loss on goodwill (Note 16)	-	(5,272)
Net gain (loss) on financial assets and liabilities at fair value through profit or loss	1,719	(5,566)
Gain on disposal of property, plant and equipment	201	2,050
Others	(694)	-
	$ 3,494	$ 18,665

d. Finance costs

	For the Year Ended December 31	
	2022	2021
Interest on bank loans	$ 16,189	$ 14,512
Interest on convertible bonds	2,700	3,750
Interest on lease liabilities	734	814
	$ 19,623	$ 19,076

e. Impairment losses recognized on financial assets

	For the Year Ended December 31	
	2022	2021
Trade receivables	$ 513	$ 93

f. Depreciation and amortization

	For the Year Ended December 31	
	2022	2021
Property, plant and equipment	$ 138,328	$ 135,945
Right-of-use assets	11,393	12,061
Other intangible assets	16,032	17,610
	$ 165,753	$ 165,616

(Continued)

	For the Year Ended December 31	
	2022	2021
An analysis of deprecation by function		
Operating costs	$ 130,816	$ 128,121
Operating expenses	18,905	19,885
	$ 149,721	$ 148,006
An analysis of amortization by function		
Operating costs	$ 8,582	$ 9,127
Operating expenses	7,450	8,483
	$ 16,032	$ 17,610

(Concluded)

g. Employee benefits expense

Function / Properties	2022 Operating Costs	2022 Operating Expense	2022 Total	2021 Operating Costs	2021 Operating Expense	2021 Total
Salary expense	$ 248,790	$ 145,429	$ 394,219	$ 217,199	$ 121,751	$ 338,950
Insurance expense	-	484	484	-	599	599
Pension expense						
Defined contribution plans	168,011	44,157	212,168	134,052	38,747	172,799
Defined benefit plans	-	(476)	(476)	-	2,991	2,991
Remuneration of directors and supervisors	-	3,385	3,385	-	3,155	3,155
Other employee benefits	18,084	27,238	45,322	16,596	20,246	36,842
Total employee benefits expense	$ 434,885	$ 220,217	$ 655,102	$ 367,847	$ 187,489	$ 555,336

As of December 31, 2022 and 2021, the Group's monthly average of employees was 1,185 and 1,026 employees, respectively, including 4 directors not concurrently serving as employees for both years. Employee benefits expense of both years is calculated based on the abovementioned number of employees.

The average employee benefits expense for the years ended December 31, 2022 and 2021 was $552 thousand and $540 thousand, respectively.

The average employee salary expense and bonuses for the years ended December 31, 2022 and 2021 was $334 thousand and $332 thousand, respectively. The average employee salary expense has increased by 1% year over year.

The remuneration of managers is decided by the board of directors. Directors, supervisors, and managers' salary remuneration should correspond with the financial performance. If there is a significant decline in profit or long-term loss, the salary remuneration should not be higher than that of last year. If it is higher than that of last year, reasonable description needs to be disclosed and presented in the shareholders' meeting.

h. Compensation of employees and remuneration of directors

The Company accrued compensation of employees at rates between 0.1% and 10%, and accrued remuneration of directors at rates no higher than 2% of the net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and remuneration of directors for the years ended December 31, 2022 and 2021, which have been approved by the Company's board of directors on March 28, 2023 and March 25, 2022, respectively, are as follows:

Amount

	For the Year Ended December 31	
	2022	2021
Compensation of employees	$ 320	$ 240
Remuneration of directors	1,200	1,200

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

The compensation of employees and remuneration of directors which have been approved by the Company's board of directors on March 25, 2022 and March 26, 2021, and the amounts recognized in the consolidated financial statements as follows:

	For the Year Ended December 31			
	2021		2020	
	Compensation of Employees	Remuneration of Directors	Compensation of Employees	Remuneration of Directors
Amounts approved in the board of directors' meeting	$ 240	$ 1,200	$ 160	$ 1,200
Amounts recognized in the annual consolidated financial statements	$ 320	$ 1,200	$ 160	$ 1,200

The aforementioned difference was not significant for the years ended December 31, 2021, it was adjusted to profit and loss for the years ended December 31, 2022.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

i. Gains or losses on foreign currency exchange

	For the Year Ended December 31	
	2022	2021
Foreign exchange gains	$ 58,803	$ 63,861
Foreign exchange losses	(56,535)	(36,408)
Net foreign exchange gains	$ 2,268	$ 27,453

25. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2022	2021
Current tax		
In respect of the current year	$ 39,476	$ 28,831
Deferred tax		
In respect of the current year	22,228	15,193
Income tax expense recognized in profit or loss	$ 61,704	$ 44,024

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

	For the Year Ended December 31	
	2022	2021
Profit before tax	$ 304,884	$ 168,760
Income tax expense calculated at the statutory rate	$ 64,116	$ 30,941
Tax-exempt income	(3,292)	(4,923)
Deferred tax effect of earnings of subsidiaries	(21,864)	3,459
Unrecognized deductible temporary differences	22,744	14,547
Income tax expense recognized in profit or loss	$ 61,704	$ 44,024

The Company was established in the British Cayman Islands and is exempt from paying income tax.

The applicable tax rate used by Jinpao in Thailand was 20%. The applicable tax rate used by Jinpao Japan, Jinpao Europe, ADB, LUTEC and SPEM is operated by the government.

b. Current tax liabilities

	December 31	
	2022	2021
Current tax liabilities		
Income tax payable	$ 21,044	$ 13,947

c. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities are as follows:

For the year ended December 31, 2022

	Opening Balance	Recognized in Profit or Loss	Recognized in Other	Exchange Differences	Closing Balance
Deferred tax assets					
Temporary differences					
Allowance for inventory valuation loss	$ 2,449	$ 187	$ -	$ 183	$ 2,819
Allowance for doubtful accounts	10	52	-	3	65
Defined benefit plans	3,586	277	-	267	4,130
	$ 6,045	$ 516	$ -	$ 453	$ 7,014
Deferred tax liabilities					
Temporary differences					
Retaining earnings of subsidiaries	$ 33,603	$ 22,744	$ (15,180)	$ 2,733	$ 43,900

For the year ended December 31, 2021

	Opening Balance	Recognized in Profit or Loss	Recognized in Other	Exchange Differences	Closing Balance
Deferred tax assets					
Temporary differences					
Allowance for inventory valuation loss	$ 3,044	$ (221)	$ -	$ (374)	$ 2,449
Allowance for doubtful accounts	1	9	-	-	10
Defined benefit plans	3,751	327	-	(492)	3,586
Investment losses	824	(761)	-	(63)	-
	$ 7,620	$ (646)	$ -	$ (929)	$ 6,045
Deferred tax liabilities					
Temporary differences					
Retaining earnings of subsidiaries	$ 38,232	$ 14,547	$ (14,321)	$ (4,855)	$ 33,603

d. Tax Exemption Information

Jinpao has been granted rights and privileges for the production of metal stamping, metal pieces and aircraft conversion under the Investment Promotion Act of B.E. 2520 (1977), summarized as follows:

1) The preferential measures granted under Certificate Number 1050(1)/2555 includes the following:

- Exemption from import duties on machinery as approved by the Board of Investment.

- Exemption from corporate income tax for the period of 8 years from the telecommunication income is first derived from the promoted activities which were on November 15, 2012.

- In case of losses arising from operations during the period during which the Company is granted exemption from corporate income tax, such losses incurred can be deducted from net profit after the corporate income tax exemption period up to 5 years from the expiry date of such period and can be selected to deduct from the net profit of any one year or several years.

- Reduction from corporate income tax at 50% of normal rate for the period of 5 years after that period of 8 years from the date of the Company receiving the respective revenues.

2) The preferential measures granted under Certificate Number 1218(1)/2555 includes the following:

- Exemption from import duties on machinery as approved by the Board of Investment.

- Exemption from corporate income tax for the period of 8 years from the aircraft conversion income is first derived from the promoted activities which were on January 4, 2013.

- In case of losses arising from operations during the period which the Company is granted exemption from corporate income tax, such losses incurred can be deducted from net profit after the corporate income tax exemption period up to 5 years from the expiry date of such period and can be selected to deduct from net profit of any one year or several years.

- Reduction from corporate income tax at 50% of normal rate for the period of 5 years after that period of 8 years from the date of the Company receiving the respective revenues.

3) The preferential measures granted under Certificate Number 61-0665-1-04-1-0 includes the following:

- Exemption from import duties on machinery as approved by the Board of Investment.

- Exemption from corporate income tax for the period of 3 years from the income is first derived from the promotion certificate which were on October 1, 2018. The deduction limit amount is 50% of the investment amount, excluding land price and working capital.

- In case of losses arising from operations during the period which the Company is granted exemption from corporate income tax, such losses incurred can be deducted from net profit after the corporate income tax exemption period up to 5 years from the expiry date of such period and can be selected to deduct from net profit of any one year or several years.

4) The preferential measures granted under Certificate Number 61-0664-1-00-2-0 includes the following:

- Exemption from import duties on machinery as approved by the Board of Investment.

- Exemption from corporate income tax for the period of 8 years from the aircraft conversion income is first derived from the promoted activities which were on April 1, 2021.

- In case of losses arising from operations during the period which the Company is granted exemption from corporate income tax, such losses incurred can be deducted from net profit after the corporate income tax exemption period up to 5 years from the expiry date of such period and can be selected to deduct from net profit of any one year or several years.

- Reduction from corporate income tax at 50% of normal rate for the period of 5 years after that period of 8 years from the date of the Company receiving the respective revenues.

Jinpao has met the requirements stipulated by the Board of Investment.

The Company is exempt from paying tax since it was incorporated in the Cayman Islands. The corporate income tax of Jinpao, Jinpao Japan, ADB, LUTEC and SPEM of the group through 2021 has been assessed by the tax authorities.

26. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share are as follows:

Net Profit for the Year

	For the Year Ended December 31	
	2022	2021
Profit for the year attributable to owners of the Company	$ 243,632	$ 130,936
Effects of potentially dilutive ordinary shares - convertible bonds	981	9,316
Earnings used in the computation of diluted earnings per share	$ 244,613	$ 140,252

Weighted average number of ordinary shares outstanding (in thousands of shares) is as follows:

	For the Year Ended December 31	
	2022	2021
Weighted average number of ordinary shares used in the computation of basic earnings per share	44,734	43,664
Effects of potentially dilutive ordinary shares:		
Convertible bonds	3,326	4,032
Compensation of employees	6	8
Weighted average number of ordinary shares used in the computation of diluted earnings per share	48,066	47,704

The Group may settle the compensation paid to employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

27. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. Key management personnel of the Group reviews the capital structure on an annual basis. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the number of dividends paid to shareholders, the number of new shares issued, and the amount of new debt issued or existing debt redeemed.

28. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

December 31, 2021

	Carrying Amount	Fair Value Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities at amortized cost					
Convertible bonds	$ 161,328	$ 207,900	$ -	$ -	$ 207,900

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2022

	Level 1	Level 2	Level 3	Total
Investments in equity instruments at FVTOCI				
Overseas unlisted ordinary shares	$ -	$ -	$ 21,708	$ 21,708
Private equity fund	-	-	3,098	3,098
	$ -	$ -	$ 24,806	$ 24,806

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 5,133	$ -	$ 5,133
Investments in equity instruments at FVTOCI				
Overseas unlisted ordinary shares	$ -	$ -	$ 35,174	$ 35,174

There were no transfers between Levels 1 and 2 in the current and prior periods.

2) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Derivatives - redemption, repurchase, and conversion rights of convertible bonds.	The valuation of convertible bonds is based on a binary tree valuation model, the inputs include fluctuation of conversion price, risk free interest rate, discount rate, and liquidity risk.

3) Valuation techniques and inputs applied for Level 3 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Overseas unlisted ordinary shares	Market approach
Private equity fund	Discounted cash flow method: to capture the present value of the expected future economic benefits to be derived from the ownership of these investees with long-term revenue growth rates, long-term pre-tax operating margin, WACC and discount for lack of marketability.

c. Categories of financial instruments

	December 31	
	2022	**2021**
Financial assets		
Financial assets at FVTOCI	$ 24,806	$ 35,174
Financial assets at amortized cost (1)	1,040,987	741,133
Financial liabilities		
Financial liabilities at FVTPL	-	5,133
Financial liabilities at amortized cost (2)	1,316,457	1,109,634

1) The balances include loans and receivables measured at amortized cost, which comprise cash, financial assets at amortized cost, trade receivables, and trade receivables from related parties.

2) The balances include financial liabilities measured at amortized cost, which comprise short-term loans, notes payable, trade and other payables, trade payables to related parties, current portion of long-term borrowings, current portion of bonds payable and long-term borrowings.

d. Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, trade payables, lease liabilities, bonds payable, and borrowings. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

There has been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities are set out in Note 33.

The Group has foreign currencies transactions which mainly expose the Group to fluctuations in the USD. Although the amounts of the resultant gains or losses from the financial assets and liabilities denominated in foreign currencies are offsetting, the Group is exposed to foreign currency risk because of the fact that the amount of foreign currency financial assets are greater than liabilities.

Sensitivity analysis

The following table details the Group's sensitivity to a 5% increase and decrease in the Thai Baht (the functional currency) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 5%. The sensitivity analysis included only outstanding foreign currency-denominated monetary items and foreign exchange forward contracts designated as cash flow hedges and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit and other equity associated with the Thai Baht strengthening 5% against the relevant currency. For a 5% weakening of the Thai Baht against the relevant currency, there would be an equal and opposite impact on pre-tax profit and other equity, and the balances below would be negative.

	USD Impact For the Year Ended December 31	
	2022	**2021**
Profit or loss	$ 16,928 *	$ 6,029 *

* This was mainly attributable to the exposure outstanding on USD receivables and payables which were not hedged at the end of the reporting period.

b) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rate risk at the end of the reporting period are as follows:

	December 31	
	2022	**2021**
Fair value interest rate risk		
Financial assets	$ 77,490	$ 71,541
Financial liabilities	331,348	416,267
Cash flow interest rate risk		
Financial assets	189,917	148,091
Financial liabilities	609,745	404,425

Sensitivity analysis

The sensitivity analysis below was determined based on the Group’s exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liabilities outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management’s assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group’s pre-tax profit for the years ended December 31, 2022 and 2021 would have decreased by $4,198 thousand and $2,563 thousand, respectively, which was mainly a result of variable-rate deposits and borrowings.

c) Other price risk

The Group was exposed to equity price risk through its investments in unlisted equity securities (recognized in financial assets at FVTOCI - non-current). Equity investments are held for strategic rather than for trading purposes, the Group does not actively trade these investments.

Sensitivity analysis

The sensitivity analysis below was determined based on the Group’s exposure to equity price risks at the end of the reporting period.

If equity prices had been 1% higher/lower, the Group’s pre-tax other comprehensive income for the years ended December 31, 2022 and 2021 would have increased/decreased by $248 thousand and $352 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. At the end of the reporting period, the Group’s maximum exposure to credit risk, which would cause a financial loss to the Group due to the 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.

The Group adopted a policy of only dealing with creditworthy counterparties, and the Group’s exposure and the credit ratings of its counterparties are continuously monitored. The aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved regularly.

In order to minimize credit risk, management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts. In this regard, management believes the Group’s credit risk was significantly reduced.

The Group’s concentration of credit risk of 70% and 68% of total trade receivables as of December 31, 2022 and 2021, respectively, was due to the Group’s five largest customers.

3) Liquidity risk

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

The Group relies on bank borrowings as a significant source of liquidity. The Group is creditworthy and maintains good relationships with financial institutions. Therefore, the Group has no issues when applying for financing facilities from financial institutions.

a) Liquidity and interest risk rate table for non-derivative financial liabilities

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

To the extent that interest flows are at floating rates, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

December 31, 2022

	On Demand or Less than 1 Month	**1-3 Months**	**3 Months to 1 Year**	**1-5 Years**	**5+ Years**
Non-derivative financial liabilities					
Non-interest bearing liabilities	$ 103,672	$ 253,237	$ 53,105	$ -	$ -
Lease liabilities	596	1,191	5,707	25,999	1,157
Variable interest rate liabilities	44,705	223,525	17,882	37,880	-
Fixed interest rate liabilities	60,620	70,608	208,788	242,435	-
	$ 209,593	$ 548,561	$ 285,482	$ 306,314	$ 1,157

Additional information on the maturity analysis for lease liabilities:

	Less than 1 Year	**1-5 Years**	**5-10 Years**	**10-15 Years**	**15-20 Years**
Lease liabilities	$ 7,494	$ 25,999	$ 1,157	$ -	$ -

December 31, 2021

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities					
Non-interest bearing liabilities	$ 52,185	$ 253,156	$ 29,965	$ -	$ -
Lease liabilities	574	1,149	11,220	21,052	12,369
Variable interest rate liabilities	18,968	83,881	149,674	151,902	-
Fixed interest rate liabilities	-	16,694	391,881	-	-
	$ 71,727	$ 354,880	$ 582,740	$ 172,954	$ 12,369

Additional information on the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years
Lease liabilities	$ 12,943	$ 21,052	$ 12,369	$ -	$ -

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

b) Financing facilities

	December 31 2022	2021
Unsecured bank overdraft facilities:		
Amount used	$ 134,115	$ 125,205
Amount unused	-	-
	$ 134,115	$ 125,205
Secured bank loan facilities which may be extended by mutual agreement:		
Amount used	$ 971,022	$ 640,188
Amount unused	172,407	334,522
	$ 1,143,429	$ 974,710

29. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Group and its subsidiaries, which are related parties of the Company, have been eliminated upon consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below.

a. Related party name and category

Related Party Name	Related Party Category
Hoo Thai Industrial Co., Ltd. (Hoo Thai)	Related party with the same board
Chin I Metal Co., Ltd. (Chin I)	Related party with the same board
Hong Yang Thailand Co., Ltd. (Hong Yang)	Related party with the same board

b. Sales of goods

	For the Year Ended December 31	
Related Party Category	**2022**	**2021**
Related party with the same board	$ 11,650	$ 8,350

The prices of goods sold to related parties were made with reference to the market prices and based on the contracts.

c. Purchases of goods

	For the Year Ended December 31	
Related Party Category	**2022**	**2021**
Related party with the same board	$ 31,288	$ 29,315

Purchases prices were based on markup of cost and calculated after consideration of the market prices.

d. Receivables from related parties (excluding loans to related parties)

		December 31	
Line Item	**Related Party Category**	**2022**	**2021**
Accounts receivable	Related party with the same board		
	Hoo Thai	$ 1,732	$ 1,692
	Chin I	40	45
		$ 1,772	$ 1,737

The outstanding trade receivables from related parties are unsecured. For the years ended December 31, 2022 and 2021, no impairment loss was recognized for trade receivables from related parties.

e. Payables to related parties (excluding loans from related parties)

Line Item	Related Party Category	December 31 2022	2021
Accounts payable	Related party with the same board		
	Hoo Thai	$ 6,981	$ 7,048
	Chin I	104	15
	Hong Yang	-	3
		$ 7,085	$ 7,066

The outstanding trade payables to related parties are unsecured and will be settled in cash.

f. Acquisition of property, plant and equipment

Related Party Category	Purchase Price For the Year Ended December 31 2022	2021
Related party with the same board	$ 6,764	$ -

g. Other transactions with related parties

Line Item	Related Party Category	For the Year Ended December 31 2022	2021
Operating costs - rental and other expenses	Related party with the same board	$ 3,954	$ 3,038
Miscellaneous revenue	Related party with the same board	$ 29	$ 33

Line Item	Related Party Category	December 31 2022	2021
Other receivables (classified under other current assets)	Related party with the same board	$ 9	$ 5
Other payables	Related party with the same board	$ 775	$ 254

Rental amounts of rental agreements with related parties were made with reference to the market prices and based on general payment terms.

Miscellaneous revenue, operating cost, and payment terms from transactions with related parties were based on mutual agreement from both parties.

h. Remuneration of key management personnel

The remuneration of directors and key executives for the years ended December 31, 2022 and 2021 are as follows:

	For the Year Ended December 31 2022	2021
Short-term employee benefits	$ 9,022	$ 9,112
Post-employment benefits	303	332
	$ 9,325	$ 9,444

The remuneration of directors and key executives was determined based on the performance of individuals and market trends.

30. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings:

	December 31	
	2022	2021
Pledged deposits (classified as financial assets at amortized cost)	$ 77,490	$ 71,541
Property, plant and equipment, net amount	377,900	363,026
	$ 455,390	$ 434,567

31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Unrecognized commitments of Jinpao on the balance sheet date are as follows:

As of December 31, 2022 and 2021, the unpaid amounts from Jinpao's purchase of land, construction of new factories and purchase of equipment but whose contracts have been signed were $99,343 thousand and $12,461 thousand, respectively.

32. SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

On January 19, 2023, the Company's board of directors passed a resolution to construct on the factory building acquired from a non-related party for self-use, and the chairman was authorized to supervise the construction, negotiation and signing of documents.

33. SIGNIFICANT FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than the functional currencies of entities in the Group and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 6,641	34.3913 (USD:THB)	$ 355,904
EUR	1,131	36.4494 (EUR:THB)	44,760
			$ 400,664

(Continued)

	Foreign Currency	Exchange Rate	Carrying Amount
Financial liabilities			
Monetary items			
USD	564	34.3913 (USD:THB)	$ 17,335
EUR	72	36.4494 (EUR:THB)	2,340
			$ 19,675

(Concluded)

December 31, 2021

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 4,573	33.2469 (USD:THB)	$ 126,926
EUR	286	37.5083 (EUR:THB)	8,952
			$ 135,878
Financial liabilities			
Monetary items			
USD	229	33.2469 (USD:THB)	$ 6,352
EUR	50	37.5083 (EUR:THB)	1,572
			$ 7,924

The Group is mainly exposed to the USD and EUR. The following information was aggregated by the functional currencies of the entities in the Group, and the exchange rates between the respective functional currencies and the presentation currency are disclosed. The significant realized and unrealized foreign exchange gains (losses) are as follows:

	For the Year Ended December 31			
	2022		2021	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gain	Exchange Rate	Net Foreign Exchange Gain
THB	0.8823 (THB:NTD)	$ 2,268	0.8823 (THB:NTD)	$ 27,453

34. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and investees:

1) Financing provided to others (Table 1)

2) Endorsements/guarantees provided (Table 2)

3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 3)

4) Marketable securities acquired or disposed of at costs or prices of 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 (Table 4)

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 (None)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 5)

9) Trading in derivative instruments (None)

10) Intercompany relationships and significant intercompany transactions (Table 6)

11) Information on investees (Table 7)

b. Information on investments in mainland China (None)

c. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 8)

35. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group's reportable segments under IFRS 8 "Operating Segments" are as follows:

a. Segment revenue and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segments.

	For the Year Ended December 31	
	2022	**2021**
Revenue from external customers	$ 1,789,193	$ 1,350,982
Inter-segment revenue	-	-
Segment revenue	1,789,193	1,350,982
Eliminations	-	-
Consolidated revenue	$ 1,789,193	$ 1,350,982
Segment income	$ 322,424	$ 165,087
Non-operating income and expense	(17,540)	3,673
Income before income tax	$ 304,884	$ 168,760

Segment profit represents the profit before tax earned by each segment without allocation of interest income, gains or losses on disposal of property, plant and equipment, exchange gains or losses, valuation gains or losses on financial instruments, finance costs and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Total segment assets and liabilities

The Group's valuation of assets and liabilities was not provided to the chief operating decision maker.

c. Other segment information

For the year ended December 31, 2021

	Molding and Metal Parts Department	
	For the Year Ended December 31	
	2022	2021
Depreciation and amortization	$ 165,753	$ 165,616

d. Revenue from major products and services

The following is an analysis of the Group's revenue from continuing operations from its major products and services.

	For the Year Ended December 31	
	2022	2021
Founding mold and metal parts	$ 1,789,193	$ 1,350,982

e. Geographical information

The Group operates in the principal geographical areas - Thailand and France. The Group's revenue from continuing operations from external customers by location of operations and information are detailed in a) segment revenue and results.

f. Information on major customers

Included in revenue from the molding and metal parts department of $1,789,193 thousand and $1,350,982 thousand in 2022 and 2021, respectively, is revenue of approximately $246,641 thousand and $224,477 thousand, which arose from sales to the Group's largest customer. Single customers contributing 10% or more to the Group's revenue were as follows:

	For the Year Ended December 31	
	2022	2021
Customer A	$ 246,641	$ 154,239
Customer B	239,714	224,477

JPP HOLDING COMPANY LIMITED AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Note 1)	Ending Balance (Note 1)	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit	Note
													Item	Value			
0	JPP Holding Company Limited	Jinpao Europe	Other receivables - related party	Yes	$ 103,530 (EUR 3,400)	$ - (EUR -)	$ - (EUR -)	Note 4	Short-term financing needs	$ -	Funding needs for short-term investments	$ -	None	$ -	$ 412,412 (20% of net assets of JPP Holding Company Limited)	$ 824,824 (40% of net assets of JPP Holding Company Limited)	Note 2
		Jinpao Europe	Other receivables - related party	Yes	95,010 (EUR 2,970)	- (EUR -)	- (EUR -)	Note 3	Short-term financing needs	-	Funding needs for short-term investments	-	None	-	412,412 (20% of net assets of JPP Holding Company Limited)	824,824 (40% of net assets of JPP Holding Company Limited)	Note 2
		Jinpao Europe	Other receivables - related party	Yes	111,248 (EUR 3,400)	111,248 (EUR 3,400)	111,248 (EUR 3,400)	Note 4	Short-term financing needs	-	Funding needs for short-term investments	-	None	-	412,412 (20% of net assets of JPP Holding Company Limited)	824,824 (40% of net assets of JPP Holding Company Limited)	Note 2
		Jinpao Europe	Other receivables - related party	Yes	97,178 (EUR 2,970)	97,178 (EUR 2,970)	97,178 (EUR 2,970)	Note 3	Short-term financing needs	-	Funding needs for short-term investments	-	None	-	412,412 (20% of net assets of JPP Holding Company Limited)	824,824 (40% of net assets of JPP Holding Company Limited)	Note 2
2	ADB	LUTEC	Other receivables - related party	Yes	2,290 (EUR 70)	2,290 (EUR 70)	2,290 (EUR 70)	Note 5	Short-term financing needs	-	Funding needs for short-term investments	-	None	-	8,431 (20% of net assets of ADB)	16,863 (40% of net assets of ADB)	Note 2
3	Jinpao Europe	LUTEC	Other receivables - related party	Yes	2,290 (EUR 70)	2,290 (EUR 70)	2,290 (EUR 70)	Note 5	Short-term financing needs	-	Funding needs for short-term investments	-	None	-	11,090 (20% of net assets of Jinpao Europe)	22,181 (40% of net assets of Jinpao Europe)	Note 2
		LUTEC	Other receivables - related party	Yes	9,162 (EUR 280)	9,162 (EUR 280)	9,162 (EUR 280)	Note 5	Short-term financing needs	-	Funding needs for short-term investments	-	None	-	11,090 (20% of net assets of Jinpao Europe)	22,181 (40% of net assets of Jinpao Europe)	Note 2
		LUTEC	Other receivables - related party	Yes	1,636 (EUR 50)	1,636 (EUR 50)	1,636 (EUR 50)	Note 5	Short-term financing needs	-	Funding needs for short-term investments	-	None	-	11,090 (20% of net assets of Jinpao Europe)	22,181 (40% of net assets of Jinpao Europe)	Note 2

Note 1: The financing facilities are approved by the board of directors of the Company and converted at the exchange rate on the balance sheet date.

Note 2: The transactions of the related parties have been eliminated in consolidated financial statements as of and for the year ended December 31, 2022.

Note 3: The annual interest rate for other receivables of funding is based on EUR LIBOR 3M plus 1.95%.

Note 4: The annual interest rate for other receivables of funding is based on EUR LIBOR 3M plus 2.00%.

Note 5: The annual interest rate for other receivables of funding is based on EUR LIBOR 3M/6M plus 1.75%.

JPP HOLDING COMPANY LIMITED AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period (Note 1)	Outstanding Endorsement/ Guarantee at the End of the Period (Note 1)	Actual Amount Borrowed (Note)	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship											
1	JINPAO	JPP Holding Company Limited	Note 2	$ 391,580 (20% of net assets of Jinpao)	$ 114,520 (EUR 3,500)	$ - (EUR -)	$ - (EUR -)	$ -	-	$ 978,952 (50% of net assets of Jinpao)	-	Y	-	
		JPP Holding Company Limited	Note 2	391,580 (20% of net assets of Jinpao)	88,344 (EUR 2,700)	35,338 (EUR 1,080)	35,338 (EUR 1,080)	-	1.80	978,952 (50% of net assets of Jinpao)	-	Y	-	
		JPP Holding Company Limited	Note 2	391,580 (20% of net assets of Jinpao)	61,240 (US$ 2,000)	- (US$ -)	- (US$ -)	-	-	978,952 (50% of net assets of Jinpao)	-	Y	-	
		JPP Holding Company Limited	Note 2	391,580 (20% of net assets of Jinpao)	216,230 (US$ 7,000)	- (US$ -)	- (US$ -)	-	-	978,952 (50% of net assets of Jinpao)	-	Y	-	

Note 1: The limit of the guarantee amount has been approved by the board of directors of the Company, and the exchange rates are based on the rates at the end of the reporting period.

Note 2: A company that directly and indirectly holds more than 50 percent of the voting shares in the public company.

JPP HOLDING COMPANY LIMITED AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2022				Note
				Shares (In Thousands)	Carrying Amount	Percentage of Ownership	Fair Value	
JPP Holding Company Limited	Shares							
	Superior Plating Technology Holding (Thailand) Co., Ltd.	None	Financial assets at FVTOCI - non-current	350	$ 21,708	5.62	$ 21,708	
	Private equity funds							
	Golden Asia Fund III, LPA	None	Financial assets at FVTOCI - non-current	-	3,098	-	3,098	

TABLE 4

JPP HOLDING COMPANY LIMITED AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST $300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company That Acquires Real Estate	Property Name	Occurrence Date	Amount	Payment Status	Related Party	Relationship	If the Transaction Object Is A Related Party, the Previous Data Transfer				Reference Basis for Price Determination	Achieve Purpose and Usage	Other Agreed Matters
							Holder	Relationship	Transfer Date	Amount			
Jinpao	Staff restaurant and mold warehouse on the second floor of Lane 11, Bangpu Industrial Zone, factory building 1 and other ancillary facilities and systems	August 25, 2022 (Note 1)	$ 46,827 (THB 55,000)	10% of the contract amount as advance payment, 5% of the contract amount as performance bond shall be provided by the contractor, and the project delay penalty shall not exceed 10% of the contract amount.	Pan Asia Supply Co., Ltd.	Unrelated	-	-	-	$ -	Negotiated price	It is used as a restaurant for employees and a warehouse for machinery and equipment.	(Notes 2 and 3)

Note 1: The date was contract date.

Note 2: The seller shall be responsible for related taxes, fees and transfer service fee.

Note 3: The criteria of the disclosures is used internally regulations for acquisition or disposal of individual real estate, or right-of-use assets at prices of at least THB50 million should be recognized.

JPP HOLDING COMPANY LIMITED AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance (Note)	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
JPP Holding Company Limited	Jinpao Europe	Parent and subsidiary	$ 215,506 (EUR 6,587)	-	$ -	-	$ -	$ -

Note: The transactions of the related parties have been eliminated in the consolidated financial statements as of and for the year ended December 31, 2022.

JPP HOLDING COMPANY LIMITED AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
0	JPP Holding Company Limited	Jinpao Europe	a	Other accounts receivable	$ 208,426	Normal (Note 5)	5.83
		Jinpao Europe	a	Interest receivable	7,080	Normal (Note 5)	0.20
		Jinpao Europe	a	Interest income	3,418	Normal (Note 5)	0.19
1	ADB	LUTEC	c	Other accounts receivable	2,290	Normal (Note 5)	0.06
2	Jinpao Europe	LUTEC	c	Other accounts receivable	13,088	Normal (Note 5)	0.37
		ADB	c	Operating income	3,681	Normal (Note 5)	0.21

Note 1: Business relationships between the parent and subsidiaries are numbered as follows:

a. Parent: 0.
b. Subsidiaries are numbered in order from 1.

Note 2: Relationship between parties is numbered as follows:

a. Parent to subsidiary.
b. Subsidiary to parent.
c. One subsidiary to another subsidiary.

Note 3: The percentage of consolidated operating revenue or consolidated total assets: For balance sheet accounts, the percentage is calculated by dividing the ending balance of the account by consolidated total assets; for income statement accounts, the percentage is calculated by dividing the interim accumulated amount of the account by the consolidated operating revenue.

Note 4: The disclosure of the significant transactions is determined by the materiality.

Note 5: The transactions of the related parties have been eliminated in the consolidated financial statements as of and for the year ended December 31, 2022.

JPP HOLDING COMPANY LIMITED AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2022	December 31, 2021	Shares	%	Carrying Amount			
JPP Holding Company Limited	Jinpao Precision Industry Co., Ltd.	631 Soi 12 Moo 4 Bangpoo Industrial Estate T. Phraksa, A. Muang, Samutprakarn 10280	Material parts design and manufacturing	$ 1,429,475 (THB 1,538,437 thousand)	$ 1,429,475 (THB 1,538,437 thousand)	70,974,998	99.99	$ 1,957,904	$ 284,557	$ 284,557	Note 1
Jinpao Precision Industry Co., Ltd.	Jinpao Precision Japan Co., Ltd.	Vision Center Nihonbashi Fukushima Bldg. 2F, 1-5-3 Nihonbashimuromachi, Chuo-ku, Tokyo, 103-0022, Japan	Developing and selling metal processed products	6,489 (¥ 24,000 thousand)	6,489 (¥ 24,000 thousand)	480	80.00	331	35	28	Note 1
	Jinpao Europe SAS	Zone Industrielle Pyrène Aéropôle, 65290 Louey	Metal parts manufacturing and milling	68,278 (EUR 1,900 thousand)	68,278 (EUR 1,900 thousand)	1,900,000	76.00	41,977	(2,432)	(1,848)	Note 1
	Wefly Aero Co., Ltd	647 Moo 4 Soi 11 Phraska, A. Muang Samutprakan, 10280 Thailand	Aviation training	4,808 (THB 5,000 thousand)	4,808 (THB 5,000 thousand)	500,000	25.00	-	(8,573)	(1,318)	-
	I motor manufacturing Co., Ltd.	No. 13/43, MOO 3, T. Samet, A. Chonburi, Chonburi 20000, Thailand	Mobility vehicles manufacturing	26,401 (THB 29,585 thousand)	11,883 (THB 12,983 thousand)	295,848	24.86	21,690	(9,202)	(2,288)	-
	I motor marketing Co., Ltd.	No. 13/43, MOO 3, T. Samet, A. Chonburi, Chonburi 20000, Thailand	Mobility vehicles marketing and selling	5,717 (THB 6,375 thousand)	2,437 (THB 2,550 thousand)	63,748	25.50	2,327	(4,100)	(1,046)	-
	I motor holding Co., Ltd.	No. 13/43, MOO 3, T. Samet, A. Chonburi, Chonburi 20000, Thailand	Holding company	13,322 (THB 16,080 thousand)	13,322 (THB 16,080 thousand)	160,799	40.00	14,366	(9)	(4)	-
Jinpao Europe SAS	Atelier de decolletage de Bigorre	Zone Industrielle Pyrène Aéropôle, 65290 Louey	Metal parts manufacturing and milling	151,770 (EUR 4,300 thousand)	151,770 (EUR 4,300 thousand)	5,776	100.00	105,722	(2,399)	(2,399)	Note 1
	SAS LUTEC	27 Chemin Lou Tribail Zone Artisanale de Toctoucau CESTAS, 33610	Metal parts manufacturing and milling	52,943 (EUR 1,500 thousand)	52,943 (EUR 1,500 thousand)	417,933	100.00	34,606	3,840	3,840	Note 1
	SPEM AERO SAS	6 Rue du Castelmouly, 65200 Bagnères-de-Bigorre	Surface treatment	112,934 (EUR 3,351 thousand)	112,934 (EUR 3,351 thousand)	2,835	90.00	98,177	4,991	4,492	Note 1

Note 1: Calculated based on the investees' audited financial statements for the same period and the Company's shareholding proportion.

Note 2: Except for Wefly, I motor manufacturing Co., Ltd., I motor marketing Co., Ltd. and I motor Holding Co., Ltd., the investment gain (loss) of the investee companies, investments accounted for using the equity method and net asset values between investee companies have been fully eliminated upon the preparation of the consolidated financial statements.

JPP HOLDING COMPANY LIMITED AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2022

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Ho Sheng Holdings Co., Ltd.	6,698,599	13.97
Powell Group Co., Ltd.	5,195,408	10.83
Believing Power Co., Ltd.	4,105,747	8.56
Happy Forever International Ltd.	3,936,390	8.21
KC Billion Investment Co., Ltd.	2,678,920	5.58
Luckace Investments Limited	2,418,362	5.04

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.