Stock code: 3060

MIN AIK

MIN AIK TECHNOLOGY CO., LTD.

2022

Annual Report

The Annual Report may be accessed on MOPS at http://mops.twse.com.tw

Dated: May 4, 2022

I. (1) Spokesperson
Name: Sun Te Wen
Title: Financial Management Division, Director
Tel: (02)8200-1008
E-mail: investor@minaik.com.tw

(2) Deputy Spokesperson
Name: Chiu Yi Yu
Title: Manager of Service Dept.
Tel: (02)8200-1008
E-mail: investor@minaik.com.tw

II. Address and telephone number of the Company’s head office and factory
Head Office: 10F.-1, No. 492-1, Sec. 1, Wanshou Rd., Guishan Dist., Taoyuan City
Tel: (02) 8200-1008
Guang Chong 2nd Plant: 10F.-1 & -2, No. 492-1, Sec. 1, Wanshou Rd., Guishan Dist., Taoyuan City
Tel: (02) 8200-1008
MIN AIK 1st Plant: 1F. No. 490 & 1F. No. 492, Sec. 1, Wanshou Rd., Guishan Dist., Taoyuan City
Tel: (02) 8200-1008
MIN AIK 6th Plant: 2F.-1 & 2F.-2, No. 492-1, Sec. 1, Wanshou Rd., Guishan Dist., Taoyuan City
Tel: (02) 8200-1008
Medical Device Plant: 8F.-1, No. 490, Sec. 1, Wanshou Rd., Guishan Dist., Taoyuan City
Tel: (02) 8200-1008

III. Institution for stock transfer
Name: Yuanta Securities Co., Ltd., Shareholders Service Dept., to process shareholders’ meetings on behalf of it.
Address: B1, No. 210, Sec. 3, Chengde Rd., Datong Dist., Taipei City
Websites: http://www.yuanta.com.tw
Tel: (02)2586-5859

IV. External auditor certifying the latest financial statements
CPA Office: KPMG International
Names of CPAs: Yu Sheng-Ho, CPA & Cheng An-Chih, CPA
Address: 68F., No. 7, Sec. 5, Xinyi Rd., Xinyi Dist., Taipei City
Websites: http://www.kpmg.com.tw
Tel: (02)8101-6666

V. Overseas Listings and Access to the Listing Information: None

VI. The Company’s website: http://www.minaik.com.tw

Content

Ch1. Letter to Shareholders

Thank you to all of the Group's employees for their everlasting contribution over the years, and also to all shareholders for their long-term care and support.

Given the inflation and lift rates in the post-epidemic era, the demand for non-essential products has been suppressed, and enterprises have tended to be more and more conservative toward their investment in information storage equipment. As a result, the Company needed to deal with the shrinking market demand as of 2H of 2022. Due to the external negative factors, such as high inventory of the midstream and downstream segments in the supply chain, the Company's consolidated operating revenue was NT$3.223 billion in 2022, decreasing by 23% from 2021, and gross profit and operating profit decreased by 45% and 153%, respectively, and net profit after tax decreased by 79%, from 2021.

Unit: NT$ thousand

Item	2022		2021		Change in proportion
Operating Income	3,223,080	100%	4,158,812	100%	(23)%
Operating Cost	2,848,232	88%	3,473,472	84%	(18)%
Gross Operating Profit	374,848	12%	685,340	16%	(45)%
Operating Expenses	471,009	15%	502,688	12%	(6)%
Operating Profit	(96,161)	(3)%	182,652	4%	(153)%
Non-operating Income and Expenses	139,970	4%	56,445	1%	148%
Net Profit Before Tax	43,809	1%	239,097	5%	(82)%
Income Tax Expenses	23,244	1%	57,593	1%	(60)%
Net Profit this Term	20,565	0%	181,504	4%	(89)%
Net Profit Attributable to the Owner of the Parent	39,758	1%	186,906	4%	(79)%

In 2023, the Company will continue to promote the adjustment of the production and sales portfolio and development of diversified business lines, as summarized as following:

1. Data storage business: In recent years, the data storage industry has accelerated its business development toward server applications. The Company has analyzed the technical strengths and feasibility of investment of various HDD product lines several years ago, and then invested capital in the development of HDD spare parts of servers and equivalents. In 2H of 2022, the Company has received the certification from customers. Then, it proceeded with the trial production and mass production in steps in 2023. The Company will merge the product lines that are not transferred to advanced

HDD spare parts and optimize of resources thereof, in order to continue improving the data storage business's profitability.

2. Optical components: Upon mass production of the optical galvanometer researched and developed by the Company in 2H of 2019, it has become one of the main sources of the Company's operating revenue in 2021. For the time being, the optical galvanometer for projectors and laser TVs is identified as the main product of the Company The Company will continue to work with customers to develop new models and expand product lines in 2023, so as to improve market share and profitability of the product line.
3. Technology in the field of biomedicine: The characteristics of products in the field of biomedicine include long-term development period and stable demand. The Company has developed the field for several years. In 2022, certain product lines have entered the low-volume trial production stage. The Company will continue to expand the development of molds for medical consumables, and manufacturing and assembly of components, in order to increase the stable operating revenue and improve the rate of production capacity utilization effectively.
4. Smart manufacturing business: The Company's Automation Div. has undertaken multiple smart manufacturing projects contracted by the Ministry of Economic Affairs in recent years. In 2023, the Company will continue to assist the improvement of internal process, increase the involvement in the customized machine business with long-term customers, and focus on the development and promotion of standardized machines, hoping to add momentum into the promotion of the Company's diversified business lines.

It is impossible to successfully carry out transformation and business diversification immediately. Therefore, the Company will aim to achieve business sustainability, continue to optimize cost structure, exercise its core competence satisfactorily, and create higher value for all shareholders.

Chairman	Chia Kin Heng
Manager	Chia Kin Heng
Accounting Manager	Chen Yu Jhen

Ch2. Company Profile

I.Date of Establishment : October 3, 1979

II.Company Profile

1979 / 10	- Official incorporation of Min Aik Enterprise Ltd., based on capital amounting to NT$2 million, to engage in general import and export business.
1986 / 09	- Capital increase by NT$8 million.
	- Obtained the agency to purchase machine tools and small household appliances on behalf of BLACK & DECKER in the territories of Taiwan.
1991 / 08	- Capital increase by NT$2.5 million.
	- Min Aik Enterprise Ltd. renamed as Min Aik Enterprise Co., Ltd.
	- Allowance of the Company's employees to subscribe for the Company's shares.
1994 / 02	- Capital increase by NT$12.5 million.
	- Engagement in the trade of hard disk drive components.
1994 / 10	- Obtained the agency to purchase camera molds and components on behalf of MINOLTA in the territories of Taiwan.
1996 / 12	- Termination of the agency to purchase tools and appliances on behalf of BLACK & DECKER (as BLACK & DECKER established its own branch company in Taiwan).
1997 / 03	- Capital increase by NT$55 million.
1997 / 05	- Incorporation of Min Aik Precision Industry Co., Ltd. to engage in production of HDD and molds.
1997 / 06	- Capital contribution to EXCEL INDUSTRIAL CO., LTD., NT$9.96 million, namely, 99.6% of the equity.
1997 / 09	- Passed the ISO9001 quality certification for HDD.
1997 / 11	- Capital increase by NT$104.5 million.
	- Purchase of the production equipment and raw materials and supplies from the three companies Guang Chong Technology Co., Ltd., Cheng Sung Precision Industry Co., Ltd., and Min Aik Precision Industry Co., Ltd. to expand the production scale and engage in the production of HDD independently.
1998 / 07	- Capital increase by NT$165.5 million, with the paid-in capital increase to NT$350 million. Completion of public offering.
1999 / 02	- Set up a subsidiary in the USA for better customer service.

2000 / 05 - Capital reduction by NT$100 million and cash capital increase by NT$250 million. Paid-in capital increase by NT$500 million.

2000 / 08 - Min Aik Enterprise Ltd. renamed as Min Aik Technology Co., Ltd.

2001 / 01 - Investment in Min Aik Precision Industrial (MAP) with NT$38.5 million to launch into business diversity.

2001 / 02 - 11 - Investment in MIN AIK INTERNATIONAL DEVELOPMENT PTE. LTD. with US$5 million in order to invest in the factory engaged in assembly of HDD in Malaysia, thus reducing the production cost.

2001 / 06 - Recapitalization of capital surplus to increase paid-in capital by NT$550 million.

2002 / 06 - Recapitalization of earnings and capital surplus to increase paid-in capital by NT$679.5 million.

2002 / 07 - Investment in MIN AIK INTERNATIONAL DEVELOPMENT PTE. LTD. with US$300,000.

2002 / 08 - Capital increase by NT$100 million, with the paid-in capital increase to NT$779.5 million.

2002 / 08 - Increase in investment in Min Aik Precision Industrial (MAP) with NT$63.8 million.

2002 / 11 - Investment in MIN AIK INTERNATIONAL DEVELOPMENT PTE. LTD. with US$250,000.

2003 / 01 - Investment in Min Aik Precision Industrial (MAP) with NT$14,175,000.

2003 / 04 - Listed on the TWSE on April 21, 2003.

2003 / 06 - Investment in MIN AIK PRECISION INDUSTRIAL CO., LTD. with NT$140 million. (Min Aik Precision Industrial (MAP) renamed as MIN AIK PRECISION INDUSTRIAL CO., LTD.)

2003 / 07 - Investment in MIN AIK INTERNATIONAL DEVELOPMENT PTE. LTD. with US$730,000.

2004 / 04 - Investment in MIN AIK INTERNATIONAL DEVELOPMENT PTE. LTD. with US$3.3 million.

2004 / 05 - Investment in INTERNATIONAL PRECISION INDUSTRIAL CO., LTD. and indirect investment in MIN AIK TECHNOLOGY (SUZHOU) CO., LTD. with US$1.8 million.

2004 / 11 - Investment in INTERNATIONAL CAPITAL HOLDING CO., LTD. and indirect investment in MIN AIK TECHNOLOGY (DONG GUAN) CO., LTD. with US$200,000.

2004 / 12 - Investment in SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. and indirect investment in Min Aik Industrial Suzhou (MAC) with US$1.15 million.

2005 / 01 - Investment in M&J TECHNOLOGY CO., LTD. with US$250,000.

2005 / 01 - Investment in INTERNATIONAL CAPITAL HOLDING CO., LTD. and indirect investment in MIN AIK TECHNOLOGY (DONG GUAN) CO., LTD. with US$290,000.

2005 / 02 - Investment in M&J TECHNOLOGY CO., LTD. with US$400,000.

2005 / 03 - Investment in SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. and indirect investment in Min Aik Industrial Suzhou (MAC) with US$1.4 million.

2005 / 03 - Investment in SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. and indirect investment in Min Aik Industrial Suzhou (MAC) with US$375,000.

2005 / 04 - Investment in MIN AIK INTERNATIONAL DEVELOPMENT PTE. LTD. with US$1 million.

2005 / 05 - Investment in INTERNATIONAL CAPITAL HOLDING CO., LTD. and indirect investment in MIN AIK TECHNOLOGY (DONG GUAN) CO., LTD. with US$180,000.

2005 / 05 - Investment in M&J TECHNOLOGY CO., LTD. with US$650,000.

2005 / 10 - Investment in SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. and indirect investment in Min Aik Industrial Suzhou (MAC) with US$1 million.

2005 / 11 - Investment in INTERNATIONAL CAPITAL HOLDING CO., LTD. and indirect investment in MIN AIK TECHNOLOGY (DONG GUAN) CO., LTD. with US$1 million.

2005 / 12 - Investment in MIN AIK TECHNOLOGY (THAILAND) CO., LTD. with US$250,000.

2006 / 01 - Investment in INTERNATIONAL CAPITAL HOLDING CO., LTD. and indirect investment in MIN AIK TECHNOLOGY (DONG GUAN) CO., LTD. with US$575,000.

2006 / 01 - Investment in MIN AIK TECHNOLOGY (THAILAND) CO., LTD. with US$1.5 million.

2006 / 02 - Investment in MIN AIK TECHNOLOGY (THAILAND) CO., LTD. with US$500,000.

2006 / 03 - Investment in SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. and indirect investment in MIN AIK TECHNOLOGY (SUZHOU) CO., LTD. with US$1 million.

2006 / 03 - Investment in MIN AIK TECHNOLOGY (THAILAND) CO., LTD. with US$600,000.

2006 / 03 - Investment in MIN AIK TECHNOLOGY (THAILAND) CO., LTD. with US$1.3 million.

2006 / 05 - Investment in MIN AIK TECHNOLOGY (THAILAND) CO., LTD. with US$850,000.

2006 / 11 - Investment in MIN AIK TECHNOLOGY (THAILAND) CO., LTD. with US$1 million.

2006 / 12 - Approved by the Securities and Futures Bureau to issue convertible corporate bonds amounting to NT$650 million.

2006 / 12 - Investment in MIN AIK TECHNOLOGY (THAILAND) CO., LTD. with US$1.5 million.

2007 / 01 - Investment in MIN AIK TECHNOLOGY (THAILAND) CO., LTD. with US$2 million.

2007 / 02 - Investment in MIN AIK TECHNOLOGY (THAILAND) CO., LTD. with US$2.5 million.

2007 / 03 - Investment in SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. and indirect investment in MIN AIK TECHNOLOGY (SUZHOU) CO., LTD. with US$2 million.

2007 / 03 - The subsidiary, MIN AIK PRECISION INDUSTRIAL CO., LTD., and MAP TECHNOLOGY HOLDINGS LTD. swapped common shares at 1:0.52486528117.

2007 / 03 - Disposal of INTERNATIONAL CAPITAL HOLDING CO., LTD. and indirect investment in MIN AIK TECHNOLOGY (DONG GUAN) CO., LTD. with US$800,000.

2007 / 03 - Investment in ERGOTRON, INC. with US$800,000.

2007 / 06 - Investment in SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. and indirect investment in MIN AIK TECHNOLOGY (SUZHOU) CO., LTD. with US$1 million.

2007 / 07 - The subsidiary, M&J TECHNOLOGY CO., LTD., and MAP TECHNOLOGY HOLDINGS LTD. swapped common shares at 1:7.727380.

2007 / 07 - The subsidiary, ART CRAFT TECHNOLOGY PTE. LTD., and MAP TECHNOLOGY HOLDINGS LTD. swapped common shares at 1:3.83961111.

2007 / 10 - Investment in SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. and indirect investment in MIN AIK TECHNOLOGY (SUZHOU) CO., LTD. with US$1 million.

2007 / 10 - Investment in MIN AIK TECHNOLOGY (THAILAND) CO., LTD. with US$800,000.

2007 / 10 - Investment in HDDisk Flix with US$250,000.

2007 / 11 - Investment in SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. and indirect investment in MATC TECHNOLOGY MALAYSIA SDN. BHD. with US$2.75 million.

2007 / 12 - Investment in HDDisk Flix with US$250,000.

2007 / 12 - Disposal of INTERNATIONAL CAPITAL HOLDING CO., LTD. and indirect investment in MIN AIK TECHNOLOGY (DONG GUAN) CO., LTD. with US$3 million.

2008 / 01 - Investment in SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. and indirect investment in MATC TECHNOLOGY MALAYSIA SDN. BHD. with US$1 million.

2008 / 01 - Investment in SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. and indirect investment in MIN AIK TECHNOLOGY (SUZHOU) CO., LTD. with US$1 million.

2008 / 01 - Investment in MIN AIK TECHNOLOGY (THAILAND) CO., LTD. with US$1,496,865.

2008 / 02 - Investment in SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. and indirect investment in MATC TECHNOLOGY MALAYSIA SDN. BHD. with US$1 million.

2008 / 03 - Investment in SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. and indirect investment in MATC TECHNOLOGY MALAYSIA SDN. BHD. with US$1 million.

2008 / 05 - Investment in SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. and indirect investment in MIN AIK TECHNOLOGY (SUZHOU) CO., LTD. with US$1 million.

2008 / 05 - Investment in SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. and indirect investment in MATC TECHNOLOGY MALAYSIA SDN. BHD. with US$1 million.

2008 / 06 - Investment in SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. and indirect investment in MIN AIK TECHNOLOGY (SUZHOU) CO., LTD. with US$1 million.

2008 / 06 - Investment in SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. and indirect investment in MATC TECHNOLOGY MALAYSIA SDN. BHD. with US$1.25 million.

2008 / 06 - Investment in SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. and indirect investment in MIN AIK TECHNOLOGY (SUZHOU) CO., LTD. with US$1 million.

2008 / 07 - The Company's subsidiary, MAP TECHNOLOGY HOLDINGS LTD., and the Company's investee in Singapore, Jurong Technologies Industrial Corporation Ltd., swapped shares. The shareholdings decreased by 40%. Since Q3 of 2008, MAP TECHNOLOGY HOLDINGS LTD. has been changed from a subsidiary to an investee and, therefore, was excluded from the entities included in the Company's consolidated financial statements.

2008 / 08 - Investment in SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. and indirect investment in MIN AIK TECHNOLOGY (SUZHOU) CO., LTD. with US$1 million.

2008 / 09 - Investment in SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. and indirect investment in MIN AIK TECHNOLOGY (SUZHOU) CO., LTD. with US$1.2 million.

2009 / 02 - Investment in SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. and indirect investment in Min Aik Industrial Suzhou (MAC) with US$1.5 million.

2009 / 03 - Investment in MIN AIK TECHNOLOGY (THAILAND) CO., LTD. and indirect investment in MU-TECHNOLOGY PTE. LTD. with US$500,000.

2009 / 04 - Investment in SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. and indirect investment in Min Aik Industrial Suzhou (MAC) with US$1,823,530.

2009 / 04 - Investment in MIN AIK TECHNOLOGY (THAILAND) CO., LTD. and indirect investment in MU-TECHNOLOGY PTE. LTD. with US$500,000.

2009 / 05 - Investment in MIN AIK TECHNOLOGY (THAILAND) CO., LTD. and indirect investment in MU-TECHNOLOGY PTE. LTD. with US$1 million.

2009 / 06 - Investment in MIN AIK TECHNOLOGY (THAILAND) CO., LTD. and indirect investment in MU-TECHNOLOGY PTE. LTD. with US$1 million.

2009 / 07 - Investment in MIN AIK TECHNOLOGY (THAILAND) CO., LTD. and indirect investment in MU-TECHNOLOGY PTE. LTD. with US$1 million.

2009 / 08 - Investment in MIN AIK TECHNOLOGY (THAILAND) CO., LTD. and indirect investment in MU-TECHNOLOGY PTE. LTD. with US$1 million.

2009 / 10 - Investment in MIN AIK TECHNOLOGY (THAILAND) CO., LTD. and indirect investment in MU-TECHNOLOGY PTE. LTD. with US$500,000.

2009 / 10 - Approved by the Securities and Futures Bureau to issue convertible corporate bonds amounting to NT$750 million.

2009 / 10 - Investment in MIN AIK TECHNOLOGY (THAILAND) CO., LTD. and indirect investment in MU-TECHNOLOGY PTE. LTD. with US$1.5 million.

2009 / 11 - Investment in MIN AIK TECHNOLOGY (THAILAND) CO., LTD. and indirect investment in MU-TECHNOLOGY PTE. LTD. with US$750,000.

2009 / 12 - Investment in SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. and indirect investment in MATC TECHNOLOGY MALAYSIA SDN. BHD. with US$4.8 million.

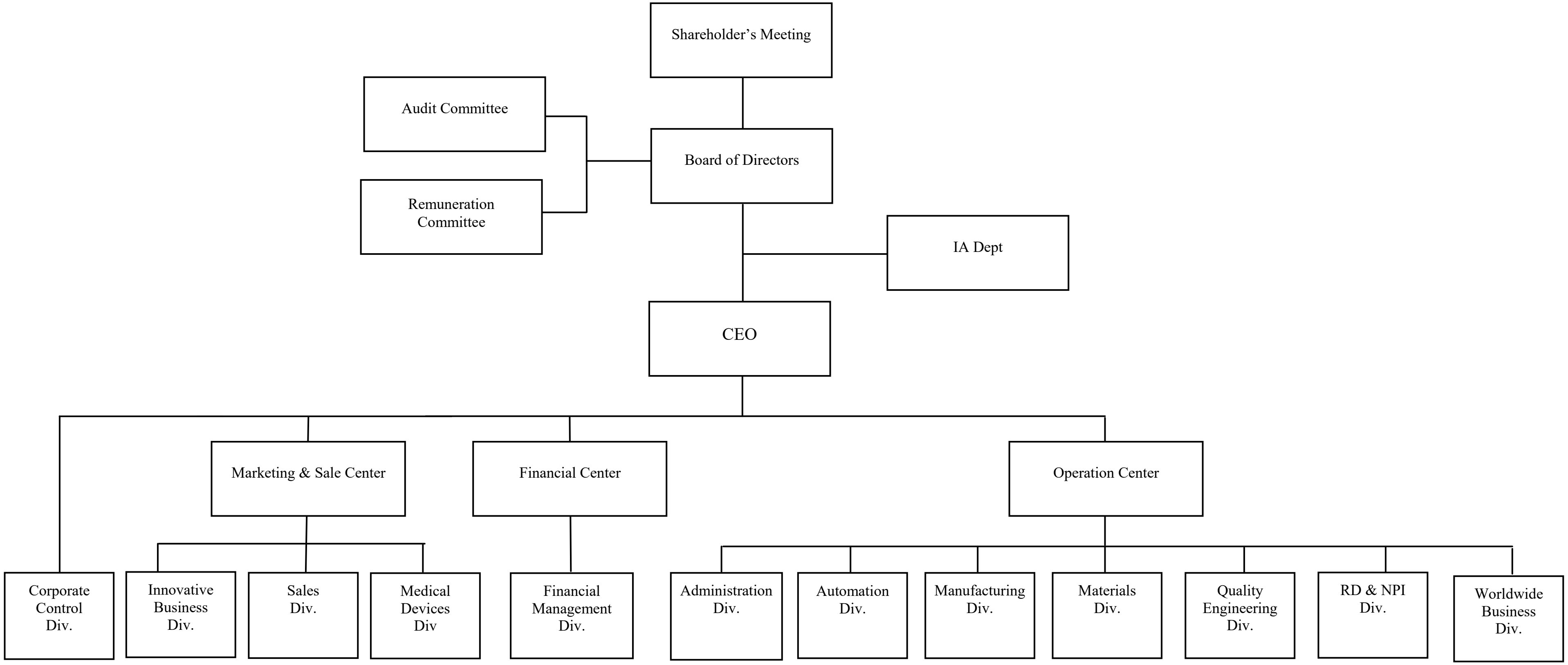
2009 / 12	- Investment in MIN AIK TECHNOLOGY (THAILAND) CO., LTD. and indirect investment in MU-TECHNOLOGY PTE. LTD. with US$1 million.
2010 / 02	- Investment in MIN AIK TECHNOLOGY (THAILAND) CO., LTD. and indirect investment in MU-TECHNOLOGY PTE. LTD. with US$750,000.
2010 / 07	- Investment in ARCHERS INC. with US$2 million to launch into the thin-film solar cells equipment industry.
2010 / 10	- Investment in DAS TECHNOLOGY CO., LTD. with NT$62,628,880.
2010 / 12	- The Company disposed of all of its shares in ERGOTRON, INC. due to the merger and acquisition of ERGOTRON, INC. by NORTEK, INC.
2011 / 01	- Investment in ARCHERS INC. with US$1.5 million.
2011 / 01	- Investment in LIGHT BLUE OPTICS LTD. with US$3,000,001.17 to launch into the micro-projector industry.
2011 / 02	- Investment in ABLYTEK CO., LTD. with NT$52 million to launch into the solar energy industry.
2011 / 05	- Investment in LIGHT BLUE OPTICS LTD. with US$1,133,006.19.
2011 / 05	- Investment in MIN AIK TECHNOLOGY (THAILAND) CO., LTD. and indirect investment in MU-TECHNOLOGY PTE. LTD. with US$1.8 million.
2011 / 05	- Investment in MAP TECHNOLOGY HOLDINGS LTD. with NT$5,154,593.9.
2011 / 07	- Investment in ABLYTEK CO., LTD. with NT$168,727,000.
2011 / 09	- Approved by the Securities and Futures Bureau to issue convertible corporate bonds amounting to NT$647 million.
2011 / 10	- Investment in LIGHT BLUE OPTICS LTD. with US$867,004.74.
2011 / 10	- MAP TECHNOLOGY HOLDINGS PTE. LTD. decreased its capital, and refunded to shareholders the stock payment in the form of 40,900,000 shares it held in MIN AIK PRECISION INDUSTRIAL CO., LTD.. As a result, the Company acquired 19,058,510 shares of MIN AIK PRECISION INDUSTRIAL CO., LTD., i.e., 46.6% shareholding.
2012 / 03	- Investment in GOOD MASTER HOLDING CO., LTD. with US$765,000 and indirect investment in Ming Hung Technology Co., Ltd.
2012 / 05	- Investment in GREEN FAR COMPANY LTD. with NT$1.8 million to engage in solar photovoltaic energy generation systems.
2012 / 07	- Investment in ARCHERS INC. with US$1 million.
2012 / 12	- Investment in Ying Shiang Technology Co., Ltd. in private placement amounting to NT$96 million to plan a strategic alliance.

2013 / 04	- Investment in DAS TECHNOLOGY CO., LTD. with NT$72.24 million, increasing the shareholding ratio to 47.57%.
2013 / 05	- Investment in GREEN FAR COMPANY LTD. with NT$200,000 to engage in solar photovoltaic energy generation systems, increasing the shareholding ratio to 100%.
2014 / 06	- Set up the Audit Committee to act professionally and objectively, exercise its powers pursuant to laws, and propose recommendations to the Board of Directors as the reference for decision making.
2017 / 01	- The Group’s organizational framework was adjusted. Accordingly, MU-TECHNOLOGY PTE. LTD. was invested in by GOOD MASTER HOLDING CO., LTD., replacing MIN AIK TECHNOLOGY (THAILAND) CO., LTD.
2017 / 02	- Investment in GREEN FAR COMPANY LTD. with NT$10 million to engage in solar photovoltaic energy generation systems.
2017 / 08	- Cash capital decrease by NT$348,403,970 and paid-in capital decrease as NT$1,393,615,900.
2017 / 08	- Cash capital decrease of SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. by US$8 million.
2018 / 06 - 11	- Investment in NEW PRESTIGE GLOBAL LIMITED with US$2,010,000 and indirect investment in MIN AIK AUTOMATION (SUZHOU) CO., LTD. with US$2 million to develop the automated equipment business in the territories of mainland China.
2018 / 07	- Investment in GEMINNOVATIVE TECHNOLOGY CO., LTD. with NT$5 million to develop non-HDD business.
2018 / 08	- Investment in TASCENT, INC. with US$4.5 million to launch into the biometric industry as a strategic alliance.
2019 / 04	- Investment in NEW PRESTIGE GLOBAL LIMITED and indirect investment in MIN AIK AUTOMATION (SUZHOU) CO., LTD. with US$1 million to develop automated equipment business in the territories of mainland China.
2020 / 03	- Cancelled repurchased shares decreasing paid-in capital to NT$1,375,631,900.
2021 / 09	- Upon consolidation of the Group’s organizational framework, SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. issued new shares amounting to US$3,010,000, as consideration for the consolidation of NEW PRESTIGE GLOBAL LIMITED.
2022 / 11	- SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD. reduced the capital to cover the accumulated deficit amounting to US$5,265,000.

Ch 3. Corporate Governance Report

I.Organization

(I) Organizational Structure



(II) Business Operations by Major Departments

Main Departments	Principal Business
IA Dept	Assistance in the establishment and implementation of the Company's internal control system and operation procedures. Audit on whether the internal control and operating procedure continue to operate effectively.
Corporate Control Div.	Assistance in the planning and adoption of the Company's systems and procedures. Compilation of information regarding the Company's business performance for reference by the management, and suggestions about improvement. Participation in planning, promotion, and execution of the Company's strategies and policies.
Innovative Business Div.	Responsible for the planning and marketing of forward-looking and innovative products.
Sales Div.	Forecast and control over business goals. Arrangement of shipment and delivery. Development of new customers and provision of services to existing customers.
Medical Devices Div	Responsible for the medical device business development.
Financial Management Div.	Control and allocation of funds. Business reports and financial analysis. Preparation of accounting and financial reports. Report on tax information. Direction and review on preparation and execution of the budget. Shareholders services.
Administration Div.	Responsible for HR planning, educational training, and performance appraisal. Management of general affairs, public relations, and maintenance of assets. Execution labor, safety, and health planning. Execution of the information system development goals and strategies, and consolidation of system development and management.

Main Departments	Principal Business
Automation Div.	Responsible for the automated business development. Development, design, and manufacturing of automated equipment.
Manufacturing Div.	Improvement of process capability, planning, execution of the production capacity improvement, and reduction of the defective rate. Control over production costs. Production management and process control. Implementation, manufacturing, maintenance, and care of molds.
Materials Div.	Coordination of production plans and orders, and control and follow-up on production progress. Procurement operations, such as price inquiry, comparison, and negotiation on raw materials and supplies.
Quality Engineering Div.	Establishment and promotion of the Company's internal quality operating system. IQC, QQC, and supplier quality system audit on process and products.
RD & NPI Div.	Execution of new product R&D goals and plans. Responsible for new product structure design and sample presentation, and establishment of basic consumption and changes of design.
Worldwide Business Div.	Responsible for monitoring and managing various investees' operations and achievement of production goals.

II.Background information of the Director, President, Vice Presidents, Assistant Vice Presidents, and heads of departments and branch offices

(I) Information About Directors

Baseline date: April 17, 2023 ; Unit: Shares

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected	Office Term	Date first Elected	Shareholding when Elected		Current shareholding		Shareholdings of spouse and underage children		Shares held in the name of others		Major Work Experience (educational background)	Concurrent positions at the Company and other companies	Managers, directors or supervisors who are spouses or relatives within the second degree of kinship			Remarks
							Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding			Title	Name	Relationship	
Chairman	Singapore	Chia Kin Heng	M 69	2020.06.10	3 years	2000.07.22	1,937,572	1.41%	2,092,572	1.52%	325,000	0.24%	0	0	Nanyang Business School, Nanyang Technological University Senior Procurement Deputy Manager of BLACK & DECKER, Singapore Senior Manager of Materials Department, MINISCRIBE CO., LTD. Senior Materials Manager of LEICA INSTRUMENT PTE. LTD. Senior Assistant Vice President of Materials Department, WESTERN DIGITAL (S)PTE. LTD. Vice President of Far East Region, CORNER CO. LTD. Materials and Production Planning Vice President of MAXTOR PERIPHERALS (S) PTE. LTD.	Director, MIN AIK TECHNOLOGY USA INC. Director, MIN AIK INTERNATIONAL DEVELOPMENT PTE. LTD. Director, MIN AIK TECHNOLOGY (M) SDN. BHD. Chairman, GEMINNOVATIVE TECHNOLOGY CO., LTD. Chairman, GREEN FAR COMPANY LTD. Director, MIN AIK TECHNOLOGY (SUZHOU) CO., LTD. Director, MATC TECHNOLOGY MALAYSIA SDN. BHD. Director, MAP TECHNOLOGY HOLDINGS PTE. LTD. Director, Map Plastics Pte. Ltd.(Singapore) Director, M&J TECHNOLOGIES CO., LTD. Chairman, MIN AIK PRECISION INDUSTRIAL CO., LTD. Director, Archers(Shanghai)Systems Limited. Director, Archers(Suzhou)Systems Limited.	None	None	None	There are few peers in the industry which the Company engages in. In consideration of the industrial characteristics, the Company's Chairman and President roles are assumed by the same person. The Company appoints three independent directors, more than the quota required by law.
Director	Singapore	Koh Soe Khon	M 72	2020.06.10	3 years	2017.06.16	2,000,000	1.45%	2,000,000	1.45%	0	0	0	0	Swiss Cottage Secondary School Chairman, Brilliant Manufacturing Limited	Chairman, H-Treatment (M) Sdn. Bhd. Director, Peridot Management Pte. Ltd.	None	None	None	None
Director	R.O.C.	Yang Chun Yi	M 41	2020.06.10	3 years	2020.06.10	2,808,000	2.04%	2,208,000	1.61%	0	0	0	0	LL.B., Chinese Culture University Assistant, CHENG & ASSOCIATES ATTORNEYS AT LAW	Chairman, Yon Yun Investment Co., Ltd. Chairman, Hui Yi Investment & Consulting Company Chairman, GUOWEITANG BIOTECHNOLOGY CO., LTD. Chairman, THE DIAMOND EYES ENTERTAINMENT CO., LTD. Director, Bo Ju Marketing Co., Ltd.	None	None	None	None

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected	Office Term	Date first Elected	Shareholding when Elected		Current shareholding		Shareholdings of spouse and underage children		Shares held in the name of others		Major Work Experience (educational background)	Concurrent positions at the Company and other companies	Managers, directors or supervisors who are spouses or relatives within the second degree of kinship			Remarks
							Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding			Title	Name	Relationship	
Juridical Person Director	R.O.C.	Zhen-Long Investment Co., Ltd.	-	2020.06.10	3 years	2017.06.16	2,852,800	2.07%	2,028,800	1.47%	0	0	0	0	-	-	None	None	None	None
Representative of Juridical Person Director	R.O.C.	Chang Lung Ken	M 63	2020.06.10	3 years	2017.06.16	1,800	0.001%	1,800	0.001%	0	0	0	0	Department of Mechanical Engineering, Lunghwa University of Science and Technology	Chairman, Zhen-Long Investment Co., Ltd. Chairman, RAINBOW TAPE CORPORATION Chairman, Zhengtai Asset Management Co., Ltd. Chairman, HOSA INTERNATIONAL CO. Representative of Director, MIN AIK PRECISION INDUSTRIAL CO., LTD.	None	None	None	None
Independent Director	R.O.C.	Chen Yung Lin	M 70	2020.06.10	3 years	2002.05.28	0	0	0	0	0	0	0	0	MBA, Baylor University Auditor, Deloitte Taiwan Senior Auditor, PricewaterhouseCoopers Taiwan (PwC Taiwan) Partner, Guangxin CPA Office Director and Supervisor, Taipei City CPA Association Supervisor, MetaTech (AP) Inc. Supervisor, CPA Associations, R.O.C. (Taiwan)	Partner, RSM Taiwan	None	None	None	None
Independent Director	R.O.C.	Li Chih Feng	M 48	2020.06.10	3 years	2014.06.18	0	0	0	0	0	0	0	0	PhD in Law, Department of Risk Management and Insurance of National Chengchi University Attorney-at-Law, Hongsheng Maritime and Business Law Office Attorney-at-Law, AON Legal Manager, HSBC Life (International) Limited Associate Professor, Department of Financial and Economic Law of Fu Jen Catholic University	Professor, Department of Law of Soochow University Independent Director, Mortech Corporation;;Member, Audit Committee ; Member, Remuneration Committee Arbitrator, Chinese Arbitration Association, Taipei Member, Financial Ombudsman Institution	None	None	None	None
Independent Director	R.O.C.	Lu Yeh Senms	F 63	2020.06.10	3 years	2014.06.18	308,000	0.22%	308,000	0.22%	0	0	0	0	PhD in Business, Graduate Institute of International Business Administration of Chinese Culture University Manager, Ming Yuan Certified Public Accountants Financial Manager, Ming Yuan Business Management Consulting Co., Ltd. Lecturer, Department of International Business Administration of Chinese Culture University	Assistant Professor, Department of International Business Administration of Chinese Culture University	None	None	None	None

1. Major Shareholders of Institutional Shareholders

Baseline date: April 17, 2023

Institutional Shareholders	Major Shareholders of Institutional Shareholders
Zhen-Long Investment Co., Ltd.	Chang Lung Ken (90%)

2. Disclosure of Information Regarding Directors’ Expertise and Independent Directors’ Independence:

Criteria Name	Professional qualifications and experience	Independence Criteria	Name of other Taiwanese Companies currently Serves as an independent Director
Chia Kin Heng Chairman	● Graduate of the Nanyang Business School, Nanyang Technological University. ● Former Positions: Senior Procurement Deputy Manager of BLACK & DECKER, Singapore; Senior Manager of the Materials Department, MINISCRIBE CO., LTD.; Senior Materials Manager of LEICA INSTRUMENT PTE. LTD.; Senior Assistant Vice President, of the Materials Department, WESTERN DIGITAL (S)PTE. LTD.; Vice President of Far East Region, CORNER CO. LTD.; Materials and Production Planning Vice President of MAXTOR PERIPHERALS (S) PTE. LTD. ● Current Positions: Chairman and CEO of the Company, Chairman of the Company’s Group, and Representative of Director of MIN AIK PRECISION INDUSTRIAL CO., LTD.	Not been a person of any conditions defined in Article 30 of the Company Act.	0
Koh Soe Khon Director	● Graduate of Swiss Cottage Secondary School. ● Former Chairman of Brilliant Manufacturing Limited ● Current Chairman of H-Treatment (M) Sdn. Bhd., and Director of Peridot Management Pte. Ltd.		0
Yang Chun Yi Director	● Graduate of the Department of Law, Chinese Culture University. ● Former Position: Assistant, CHENG & ASSOCIATES ATTORNEYS AT LAW ● Current Positions: Chairman, Yon Yun Investment Co., Ltd.; Chairman, Hui Yi Investment & Consulting Company; Chairman, GUOWEITANG BIOTECHNOLOGY CO., LTD.; Chairman, THE DIAMOND EYES ENTERTAINMENT CO., LTD.; Director, Bo Ju Marketing Co., Ltd.		0
Chang Lung Ken Director	● Graduate of the Department of Mechanical Engineering, Lunghwa University of Science and Technology ● Current Positions: Chairman, Zhen-Long Investment Co., Ltd.; Chairman, RAINBOW TAPE CORPORATION; Chairman, Zhengtai Asset Management Co., Ltd.; Chairman, HOSA INTERNATIONAL CO.; Representative of Director, MIN AIK PRECISION INDUSTRIAL CO., LTD.		0

Criteria / Name	Professional qualifications and experience	Independence Criteria	Name of other Taiwanese Companies currently Serves as an independent Director
Chen Yung Lin Independent Director	● Graduate of Baylor University, Texas, MBA ● Former Positions: Auditor, Deloitte Taiwan; Senior Auditor, PricewaterhouseCoopers Taiwan (PwC Taiwan); Partner, Guangxin CPA Office; Director and Supervisor, Taipei City CPA Association; Supervisor, MetaTech (AP) Inc.; Supervisor, CPA Associations, R.O.C. (Taiwan) ● Current Position: Partner, RSM Taiwan	1. None of them or their spouses or relatives within the second degree of kinship is an employee of the Company or any of the Company's affiliates. 2. None of them or their spouses or relatives within the second degree of kinship is a director or supervisor of the Company or any of the Company's affiliates. 3. None of them or their spouses or underage children, and those holding shares in the name of a third party holds more than 1% of the Company's shares or is one of the Company's top 10 natural-person shareholders. Independent Director Lu Yeh Senms, who holds 0.22% of the Company's shares, is not one of the Company's top 10 natural-person shareholders. The other two independent directors do not hold any shares of the Company. 4. Not a director, supervisor, or employee of any institutional shareholder that: 1. holds 5% or more of the Company's outstanding shares; 2. is a top-5 shareholder; or 3. appoints director/supervisor representative in the Company according to Paragraph 1 or 2, Article 27 of The Company Act. 5. Not a director, supervisor, or employee of any other company that controls directorship in the company or where more than half of total voting rights are controlled by a single party. 6. Does not assume concurrent duty as Chairman, President, or equivalent role, and is not a director, supervisor, or employee of another company or institution owned by a spouse. 7. Not a director, supervisor, officer, or shareholder holding 5% or more of the total outstanding shares of a specified company or institution that has a financial or business relationship with the Company. 8. Professional individual or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that provides auditing services to the Company or any affiliated company of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliated company of the Company for which the provider in the most recent two years receiving cumulative compensation not exceeding NT$500,000, or a spouse thereof; none of the three independent directors has provided auditing services or received compensation for said services exceeding NT$0 in the most recent two years. 9. Not a relative within the second degree of kinship to any other director of the company. 10. Not been a person of any conditions defined in Article 30 of the Company Act. 11. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.	0
Li Chih Feng Independent Director	● Graduate of the Department of Risk Management and Insurance Law Group of National Chengchi University, Ph.D. ● Former Positions: Attorney-at-Law, Hongsheng Maritime and Business Law Office; Attorney-at-Law, AON; Legal Manager, HSBC Life (International) Limited; Associate Professor, Department of Financial and Economic Law of Fu Jen Catholic University ● Current Positions: Professor, Department of Law of Soochow University; Independent Director, Mortech Corporation, Member, Audit Committee , Member Remuneration Committee; Arbitrator, Chinese Arbitration Association, Taipei ; Member, Financial Ombudsman Institution		1
Lu Yeh Senms Independent Director	● Graduate of the Graduate Institute of International Business Administration of Chinese Culture University, Ph.D. ● Former Positions: Manager, Ming Yuan Certified Public Accountants; Financial Manager, Ming Yuan Business Management Consulting Co., Ltd. ● Current Position: Assistant Professor, Department of International Business Administration of Chinese Culture University		0

3. Diversity and Independence of Board of Directors:

The Company's "Procedure for Election of Directors" sets forth the Board member diversity policy to strengthen the Board of Directors' functions. The current Board of Directors consists of seven directors (including four directors and three independent directors) with expertise in the fields such as commerce, financial accounting, law, and the Company's industry. The Board members include R.O.C. and Singapore nationals, and none of them is a spouse or relative within the second degree of kinship of each other. The directors with an employee ID account for 14% and female directors for 14%. Two independent directors have held the position for 9 years, one for 21 years. Three directors are 65-75 years old, two directors are 55-65 years old, one director is 45-55 years old, and one director is 35-45 years old. The average age of all directors is 61 years old.

Diversity Policy and Management Goals Enforced by the Company's Board Members are Stated as Following:

Diversity Items / Name of Directors	Gender / Age	Nationality	Tenure of Independent Director	Business judgment.	Accounting and financial analysis.	Business management	Crisis management	Industry knowledge	International market perspective	Leadership	Decision-making	Industrial Experience/ Professional Abilities
Chia Kin Heng Chairman	M 69	Singapore	-	✓	✓	✓	✓	✓	✓	✓	✓	HDD and peripheral industry
Koh Soe Khon Director	M 72	Singapore	-	✓		✓	✓	✓	✓	✓	✓	
Yang Chun Yi Director	M 41	R.O.C.	-	✓		✓	✓	✓	✓	✓	✓	Electronics industry
Chang Lung Ken Director	M 63	R.O.C.	-	✓		✓	✓	✓	✓	✓	✓	
Chen Yung Lin Independent Director	M 70	R.O.C.	21	✓	✓	✓	✓		✓	✓	✓	Financial accounting
Li Chih Feng Independent Director	M 48	R.O.C.	9	✓		✓	✓		✓	✓	✓	Law
Lu Yeh Senms Independent Director	F 63	R.O.C.	9	✓	✓	✓	✓		✓	✓	✓	Financial accounting

Diversity items	Specific management objectives	Current Status
Nationality	At least two nationalities	✓
Gender	Include at least one female director	✓
Expertise or Background	At least two of them have an industrial background.	✓
	At least one of them is qualified as a CPA.	✓
	At least one of them is qualified as an attorney-at-law.	✓

(II) President, Vice Presidents, Assistant Vice Presidents, and Heads of Departments and Branch Offices

Baseline date: April 17, 2023 ; Unit: Shares

Title	Nationality	Name	Gender	Date of Appointment (election)	Number of shares held		Shares Currently Held by Spouse & Minors		Shares held in the name of others		Major work experience (educational background)	Concurrent positions at other companies	Managers who are spouses or relatives within the second degree of kinship			Remarks
					Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding			Title	Name	Relationship	
CEO	Singapore	Chia Kin Heng	M	1998.02.12	2,092,572	1.52%	325,000	0.24%	0	0	Nanyang Business School, Nanyang Technological University Senior Procurement Deputy Manager of BLACK & DECKER, Singapore Senior Manager of Materials Department, MINISCRIBE CO., LTD. Senior Materials Manager of LEICA INSTRUMENT PTE. LTD. Senior Assistant Vice President of Materials Department, WESTERN DIGITAL (S)PTE. LTD. Vice President of Far East Region, CORNER CO. LTD. Materials and Production Planning Vice President of MAXTOR PERIPHERALS (S) PTE. LTD.	Director, MIN AIK TECHNOLOGY USA INC. Director, MIN AIK INTERNATIONAL DEVELOPMENT PTE. LTD. Director, MIN AIK TECHNOLOGY (M) SDN. BHD. Chairman, GEMINNOVATIVE TECHNOLOGY CO., LTD. Chairman, GREEN FAR COMPANY LTD. Director, MIN AIK TECHNOLOGY (SUZHOU) CO., LTD. Director, MATC TECHNOLOGY MALAYSIA SDN. BHD. Director, MAP TECHNOLOGY HOLDINGS PTE. LTD. Director, Map Plastics Pte. Ltd.(Singapore) Director, M&J TECHNOLOGIES CO., LTD. Chairman, MIN AIK PRECISION INDUSTRIAL CO., LTD. Director, Archers (Shanghai) Systems Limited. Director, Archers (Suzhou) Systems Limited.	None	None	None	There are few peers in the industry which the Company engages in. In consideration of the industrial characteristics, the Company's Chairman and President roles are assumed by the same person. The Company appoints three independent directors, more than the quota required by law.
Chief Operating Officer	R.O.C.	Yang Hung Jen	M	2013.07.01	286,000	0.21%	0	0	0	0	Graduate Institute of Technology Management, Fu Jen Catholic University Biotechnology Engineer, EVERLIGHT ELECTRONICS Assistant Vice President of the Quality Engineering Division, MIN AIK TECHNOLOGY CO., LTD. R&D Chief Engineering Senior Assistant Vice President of MIN AIK TECHNOLOGY CO., LTD.	Director, MIN AIK TECHNOLOGY (M) SDN. BHD. Director, MIN AIK TECHNOLOGY (THAILAND) CO., LTD. Director, MU-TECHNOLOGY PTE. LTD. Director, MU TECHNOLOGY SDN. BHD. Representative of Director, GREEN FAR COMPANY LTD. Supervisor, MIN AIK TECHNOLOGY (SUZHOU) CO., LTD.	None	None	None	None

Title	Nationality	Name	Gender	Date of Appointment (election)	Number of shares held		Shares Currently Held by Spouse & Minors		Shares held in the name of others		Major work experience (educational background)	Concurrent positions at other companies	Managers who are spouses or relatives within the second degree of kinship			Remarks
					Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding			Title	Name	Relationship	
Deputy Chief Operating Officer	R.O.C.	Sung Tsan Yung	M	2013.07.01	80,762	0.06%	492	0.0004%	0	0	Department of Mechanical Engineering, National Lotung Industrial Vocational High School Production Supervisor, Songhai Mold & Plastic Co., Ltd. Section Chief, Hongjun Precision Industry Co., Ltd. Assistant Vice President of the Manufacturing Department, MIN AIK TECHNOLOGY CO., LTD.	Director, MIN AIK TECHNOLOGY (SUZHOU) CO., LTD. Director, MIN AIK AUTOMATION (SUZHOU) CO., LTD.	None	None	None	None
NPI Director	R.O.C.	Tsai Chen Shan	M	2014.09.01	0	0	0	0	0	0	Department of Power Vehicles and Systems Engineering, CCIT, NDU Senior NPI Director, MIN AIK TECHNOLOGY CO., LTD.	Director, MIN AIK TECHNOLOGY (SUZHOU) CO., LTD.	None	None	None	None
Manufacturing Division, Director	R.O.C.	Wu Chun Cheng	M	2014.09.01	30,419	0.02%	0	0	0	0	Master in Business Administration (University of Southern California MBA) Manager, MIN AIK TECHNOLOGY (M) SDN. BHD.	None	None	None	None	None
RD Director	R.O.C.	Lin Ying Huang	M	2015.02.01	9,706	0.007%	0	0	0	0	Department of Electrical and Control Engineering, National Yang Ming Chiao Tung University Manager of the R&D Department, Argosy Research Inc. Senior RD Director, MIN AIK TECHNOLOGY CO., LTD.	None	None	None	None	None
China Plant, Managing Director	R.O.C.	Wang Yao Hung	M	2017.07.01	12,423	0.009%	0	0	0	0	Department of Electrical Engineering, Lunghwa University of Science and Technology QA Section Chief, Guang Chong Technology Co., Ltd. QA Manager, MIN AIK TECHNOLOGY CO., LTD. Factory Manager, MIN AIK TECHNOLOGY (M) SDN. BHD. Assistant Vice President, MIN AIK (DONGGUAN) TECHNOLOGY CO., LTD. Factory Manager, Amould Plastic Technologies (Suzhou) Co., Ltd.	Factory Manager, MIN AIK TECHNOLOGY (SUZHOU) CO., LTD. Director, MIN AIK AUTOMATION (SUZHOU) CO., LTD.	None	None	None	None

Title	Nationality	Name	Gender	Date of Appointment (election)	Number of shares held		Shares Currently Held by Spouse & Minors		Shares held in the name of others		Major work experience (educational background)	Concurrent positions at other companies	Managers who are spouses or relatives within the second degree of kinship			Remarks
					Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding			Title	Name	Relationship	
Innovative Business Director	R.O.C.	Yeh Wei Ting	M	2020.04.01	0	0	0	0	0	0	University of North Texas MBA-Marketing MS-Finance Project Manager, HANK CONNECTION INDUSTRIAL CO., LTD. Senior Manager, MIN AIK TECHNOLOGY CO., LTD.	None	None	None	None	None
Financial Management Division, Director	R.O.C.	Sun Te Wen	M	2019.02.01	81,000	0.06%	0	0	0	0	Department of Accounting, National Taiwan University Senior Specialist, Tax Department, PricewaterhouseCoopers Taiwan (PwC Taiwan) Accountant, SYNOPSYS Senior Specialist, Compal Communications, Inc. Manager, Accounting Department, BUWON PRECISION SCIENCES CO., LTD. Manager, Accounting Department, MIN AIK TECHNOLOGY CO., LTD.	Representative of Director, GREEN FAR COMPANY LTD. Representative of Director, GEMINNOVATIVE TECHNOLOGY CO., LTD. Director, MIN AIK AUTOMATION (SUZHOU) CO., LTD. Representative of Director, ADVANCED METER INC.	None	None	None	None
Accounting Director	R.O.C.	Chen Yu Jhen	F	2014.09.01	12,848	0.009%	0	0	0	0	Department of Accounting, Ming Chuan University Auditor, LB ACCOUNTING & TAX SERVICE Senior Manager, Accounting Department, MIN AIK TECHNOLOGY CO., LTD.	Representative of Supervisor, GREEN FAR COMPANY LTD. Representative of Supervisor, GEMINNOVATIVE TECHNOLOGY CO., LTD. Supervisor, MIN AIK AUTOMATION (SUZHOU) CO., LTD.	None	None	None	None

III.Compensation to Directors, President, and Vice Presidents in the Most Recent Year

(I) Compensation Paid to Directors

Compensation to Directors (including independent directors)

Unit: NT$ thousand

Title	Name	Remuneration Paid to Directors								Sum of A, B, C and D as percentage of after-tax net income		Relevant Remuneration Received by Directors Who are Also Employees								Sum of A, B, C ,D, E, F and G as percentage of after-tax net income		Compensation From Investees Other Than Subsidiaries
		Compensation (A)		Pension upon retirement (B)		Director remuneration (C)		Service Expenses (D)				Base Compensation, Bonuses, and Allowances (E) (Note)		Pension upon retirement (F)		Employee remuneration (G)						
		The Company	Consolidated subsidiaries	The Company	Consolidated subsidiaries	The Company	Consolidated subsidiaries	The Company	Consolidated subsidiaries	The Company	Consolidated subsidiaries	The Company	Consolidated subsidiaries	The Company	Consolidated subsidiaries	The Company		Consolidated subsidiaries		The Company	Consolidated subsidiaries	
																Cash Amount	Stock Amount	Cash Amount	Stock Amount			
Chairman	Chia Kin Heng	960	960	0	0	68	68	3	3	1,031 2.59%	1,031 2.59%	14,424	14,424	0	0	0	0	0	0	15,455 38.87%	15,455 38.87%	1,860
Director	Koh Soe Khon	720	720	0	0	43	43	0	0	763 1.92%	763 1.92%	0	0	0	0	0	0	0	0	763 1.92%	763 1.92%	None
Director	Yang Chun Yi	720	720	0	0	43	43	3	3	766 1.93%	766 1.93%	0	0	0	0	0	0	0	0	766 1.93%	766 1.93%	None
Juridical Person Director	Zhen-Long Investment Co., Ltd.	720	720	0	0	43	43	0	0	763 1.92%	763 1.92%	0	0	0	0	0	0	0	0	763 1.92%	763 1.92%	None
Representative of Juridical Person Director	Chang Lung Ken	0	0	0	0	0	0	3	3	3 0.01%	3 0.01%	0	0	0	0	0	0	0	0	3 0.01%	3 0.01%	880
Independent Director	Chen Yung Lin	840	840	0	0	55	55	3	3	898 2.26%	898 2.26%	0	0	0	0	0	0	0	0	898 2.26%	898 2.26%	None
Independent Director	Li Chih Feng	840	840	0	0	51	51	3	3	894 2.25%	894 2.25%	0	0	0	0	0	0	0	0	894 2.25%	894 2.25%	None
Independent Director	Lu Yeh Senms	840	840	0	0	51	51	3	3	894 2.25%	894 2.25%	0	0	0	0	0	0	0	0	894 2.25%	894 2.25%	None

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

(1)The compensation to independent directors is paid in accordance with the Company's "Regulations Governing Payment of Compensation to Directors and Functional Committee Members".

(2)The remuneration to independent directors is paid subject to their attendance rate and contribution to the Company's business.

(3)Monthly remuneration to independent directors.

2.Compensation received by directors for providing services (e.g., consultancy services without the title of an employee in the parent company/all companies included in the financial statements/investees) in the most recent year except those disclosed in the above table: None.

Note: Including salary, bonus, company car, fuel expenses. And other benefits.

(II) Compensation Paid to the President and Vice Presidents

Remuneration Paid to Presidents and Vice Presidents

Unit: NT$ thousand

Title	Name	Salary (A)		Pension upon retirement (B)		Bonuses & Allowance Paid (C) Note		Amount of Employee remuneration (D)				Sum of A, B, C and D as percentage of after-tax net income		Compensation from investees other than subsidiaries
		The Company	Consolidated subsidiaries	The Company	Consolidated subsidiaries	The Company	Consolidated subsidiaries	The Company		Consolidated subsidiaries		The Company	Consolidated subsidiaries	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
CEO	Chia Kin Heng	11,998	11,998	0	0	2,426	2,426	0	0	0	0	14,424 36.28%	14,424 36.28%	1,860
Chief Operating Officer	Yang Hung Jen	3,574	5,500	0	0	1,100	1,260	0	0	0	0	4,674 11.76%	6,760 17.00%	None

Note: Bonus, company car, fuel expenses, and other benefits.

(III) Employee Remuneration Distributed to Managers and Distribution Situation

Unit: NT$ thousand

	Title	Name	Stock Amount	Cash Amount	Total	Total Amount in Proportion to Net Income
Manager	CEO	Chia Kin Heng	0	0	0	0%
	Chief Operating Officer	Yang Hung Jen				
	Deputy Chief Operating Officer	Sung Tsan Yung				
	NPI Director	Tsai Chen Shan				
	Manufacturing Division, Director	Wu Chun Cheng				
	RD Director	Lin Ying Huang				
	China Plant, Managing Director	Wang Yao Hung				
	Innovative Business Director	Yeh Wei Ting				
	Financial Management Division, Director	Sun Te Wen				
	Accounting Director	Chen Yu Jhen				

(IV) Please compare and explain the amounts of compensation paid in the most recent two years by the Company and all companies included in the consolidated financial statements to the Company's directors, president, and vice presidents, and their respective proportions to the net income stated in the parent company only financial reports or individual financial reports, as well as the policies, standards, and packages by which they were paid, the procedures through which compensation was determined, and their association with business performance and future risks separately.

Title	2021		2022	
	Ratio of Total Compensation Paid by the Company to the Company's Directors, President, and Vice Presidents to the Net Income (%)	Ratio of Total Compensation Paid by all Companies Included in the Consolidated Financial Statements to the Company's Directors, President, and Vice Presidents to the Net Income	Ratio of Total Compensation Paid by the Company to the Company's Directors, President, and Vice Presidents to the Net Income (%)	Ratio of Total Compensation Paid by all Companies Included in the Consolidated Financial Statements to the Company's Directors, President, and Vice Presidents to the Net Income (%)
Director	16.63%	17.42%	63.16%	68.40%
President & Vice President Name				

1. Policies, Standards, and Packages by Which They Were Paid, the procedures through which compensations were determined: The total compensation paid to directors is decided in accordance with the Company's "Articles of Incorporation". The compensation to individual directors is paid in accordance with the Company's "Regulations Governing Payment of Compensation to Directors and Functional Committee Members" and by taking into consideration the term of office, attendance rate, and contribution to the Company's business. The compensation paid to the president and vice presidents is paid subject to performance and the Company's salary system.

2. Association With Business Performance and Future Risks: The compensation to the directors, president, and vice presidents is paid in accordance with the Company's related rules, as amended subject to the Company's business performance and future risk factors.

IV.Implementation of Corporate Governance

(I) Directors’ participation in the functionality of board of directors

Directors’ participation in the functionality of the Board of Directors

A total of 8 meetings (A) were held in the most recent year (from 2022 to May 4, 2023). Below are directors’ attendance records:

Title	Name	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) (B/A)	Remarks
Chairman	Chia Kin Heng	8	0	100	
Director	Koh Soe Khon	0	8	0	
Director	Yang Chun Yi	8	0	100	
Director	Zhen-Long Investment Co., Ltd. Representative : Chang Lung Ken	8	0	100	
Independent Director	Chen Yung Lin	8	0	100	
Independent Director	Li Chih Feng	8	0	100	
Independent Director	Lu Yeh Senms	8	0	100	

Other items to be stated:

I. Where the operation of the Board of Directors meets any of the following circumstances, the minutes concerned shall clearly state the meeting date, term, contents of motions, opinions of all independent directors and the Company’s resolution of said opinions:

(I) Conditions described in Article 14-3 of the Securities and Exchange Act: The Company has established the Audit Committee and, therefore, Article 14-5 of the Securities and Exchange Act applies to the Company.

(II) Any other resolution(s) passed but with independent directors voicing opposing or qualified opinions on the record or in writing: None.

II. Attendance of Independent Directors at Board of Directors Meetings: ⊙: In person Δ: By proxy

Date of Board of Directors Meeting	Chen Yung Lin	Li Chih Feng	Lu Yeh Senms
1st meeting of board of directors in 2022 2022.01.28	⊙	⊙	⊙
2nd meeting of board of directors in 2022 2022.03.17	⊙	⊙	⊙
3rd meeting of board of directors in 2022 2022.05.11	⊙	⊙	⊙
4th meeting of board of directors in 2022 2022.08.10	⊙	⊙	⊙
5th meeting of board of directors in2022 2022.11.09	⊙	⊙	⊙
1st meeting of board of directors in 2023 2023.01.19	⊙	⊙	⊙
2nd meeting of board of directors in 2023 2023.03.22	⊙	⊙	⊙
3rd meeting of board of directors in 2023 2023.05.04	⊙	⊙	⊙

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

Date of Board of Directors Meeting	Motion	Reasons for avoiding conflict of interest	Participation in voting process
1st meeting of board of directors in 2022 2022.01.28	1. Payment of the 2021 year-end bonus to managers. 2. Adjustment on monthly salary to the Company's managers.	1. Director Chia Kin Heng recused himself for a conflict of interest, as he served as a manager of the Company. 2. Director Chia Kin Heng recused himself for a conflict of interest, as he served as a manager of the Company.	Director Chen Yung Lin acted as the chairperson on this proposal temporarily. The motion was approved unanimously upon inquiry with the other present directors.
2nd meeting of board of directors in 2022 2022.03.17	Distribution of 2021 remuneration to employees and directors.	Director Chia Kin Heng recused himself for a conflict of interest, as he served as a manager of the Company.	Director Chen Yung Lin acted as the chairperson on this proposal temporarily. The motion was approved unanimously upon inquiry with the other present directors.
1st meeting of board of directors in 2023 2023.1.19	Payment of the 2022 year-end bonus to managers.	Director Chia Kin Heng recused himself from the discussion and voting on the motion, as he served as a manager of the Company.	The motion was approved unanimously upon inquiry with the other present directors.

IV. Evaluation Cycle and Period, Scope of Evaluation, Method and Contents of Evaluation Regarding the Board of Directors' Self (or peer) Performance Evaluation: The evaluation will be conducted based on the criteria in 2022.

Status of Evaluation Conducted by the Board of Directors

Assessment cycle	Assessment duration	Scope of assessment	Assessment method	Assessment details
Once a year	Performance Evaluation From January 1, 2022 - December 31, 2022	Performance Evaluation of the Board of Directors, Board Members, and Functional Committees	Internal Performance Evaluation of the Board of Directors, Board Members' Self-Evaluation, and Functional Committees' Self-Evaluation	Note1
Once per three years	Performance evaluation from January 1, 2022 ~ December 31, 2022	Board of Directors' performance evaluation	The external professional and independent organization, Taiwan Corporate Governance Association (TCGA), was appointed to perform the Board of Directors' performance evaluation.	Note2

Note1: Assessment details

(I) Performance Evaluation of the Board of Directors: The five general standards, namely engagement in the Company's operations, improvement of the Board's decision-making quality, composition and structure of the Board, election and continuing education of directors, and internal controls, etc., consisting of a total of 45 indicators.

(II) Performance Evaluation of Individual Board Members: The six general standards, namely alignment with the goals and mission of the Company, knowledge of directors' duties, engagement in the Company's operations, management of internal relationship and communication, professionalism and continuing education of directors, and internal controls, etc., consisting of a total of 23 indicators.

(III) Performance Evaluation of the Audit Committee: The five general standards, namely engagement in the Company's operations, knowledge of the Committee's duties, improvement of the Audit Committee's decision-making quality, composition of the Audit Committee and election of the Committee members, and internal controls, etc., consisting of a total of 22 indicators.

(IV) Performance Evaluation of the Remuneration Committee: The four general standards, namely engagement in the Company's operations, knowledge of the Committee's duties, improvement of the Committee's decision-making quality, composition of the Remuneration Committee and election of the Committee members, etc., consisting of a total of 18 indicators.

(V) The average scores of the evaluation results under various standards range from "Good" to "Excellent", reflecting that the Company's entire operation is considered sound and satisfying the corporate governance requirements (average total scores of the evaluations are 5; for reference, average scores ranging from 1 to 2 stands for “to be improved”, average scores ranging from 2.1 to 3 stands for “OK”, average scores ranging from 3.1 to 4 stands for “Good”, and average scores ranging from 4.1 to 5 stands for “Excellent”.)

Note 2: Evaluate the Board of Directors’ performance based on eight major indicators, including composition, direction, authorization, supervision, communication, self-discipline, internal control, risk management, and others (such as Board meetings and supporting systems), in the form of open-ended questionnaires, information provided by the Company, public information and on-site interview, and issue the evaluation report.

V. Enhancements to the Functionality of the Board of Directors in the Current and the Most Recent Year, and the Progress of Such Enhancements:

(I) Established the Audit Committee and Remuneration Committee, enhanced the Board of Directors’ functionality, and implemented corporate governance.

(II) Adopted the “Standard Operating Procedure for Handling Directors’ Requirements” on May 10, 2019 to establish fair corporate governance, and helped directors perform their job duties and improve the Board of Directors’ performance.

(III) Adopted the “Regulations Governing Performance Evaluation of the Board of Directors” on January 17, 2020, in order to implement corporate governance, improve the Board of Directors’ function, and set forth performance targets to strengthen the Board of Directors’ operating efficiency.

(IV) Proposed the Board of Directors’ performance evaluation results at the second Board of Directors meeting each year.

(II) Operation of the Audit Committee

Operation of the Audit Committee

A total of 8 meetings (A) were held in the most recent year (from 2022 to May 4, 2023). Below are independent directors' attendance records:

Title	Name	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) (B/A)	Remarks
Independent Director	Chen Yung Lin	8	0	100	
Independent Director	Li Chih Feng	8	0	100	
Independent Director	Lu Yeh Senms	8	0	100	

Other items to be stated:

I. For the Audit Committee meetings that meet any of the following descriptions, state the date, session, contents of motions, independent directors' dissenting opinions, qualified opinions or important suggestions, Audit Committee meeting resolution, and how the Company has responded to the Audit Committee's opinions:

(I) The circumstances referred to in Article 14-5 of the Securities and Exchange Act.:

Date of Audit Committee Meeting	Motion	Resolution	How the Company Has Responded to the Audit Committee's Opinions:
Eleventh Meeting of the Third Audit Committee 2022.01.28	Report Matters: Report on acquisition of certain shares of the investee, MIN AIK PRECISION INDUSTRIAL CO., LTD. Discussion Matters: Re-appointment of and remuneration to external auditors for 2022.	Approved by all members of the Audit Committee unanimously.	Audit Committee resolution is agreed.
Twelfth Meeting of the Third Audit Committee 2022.03.17	Report Matters: Report on acquisition of certain shares of the investee, MIN AIK PRECISION INDUSTRIAL CO., LTD. Discussion Matters:	Approved by all members of the Audit Committee unanimously.	Audit Committee resolution is agreed.

		1. The Company’s 2021 business report, parent company only financial statements, and consolidated financial statements. 2. The Company’s 2021 earnings distribution plan. 3. Payment of cash from capital surplus. 4. The Company’s 2021 “Declaration for Statement of Internal Control System”. 5. Amendments to certain provisions of the Company’s “Procedure for Acquisition or Disposal of Assets” 6. Replacement of the Company’s external auditors.			
	Thirteenth Meeting of the Third Audit Committee 2022.05.11	Report Matters: 1. Report on the progress of the criminal/civil actions involving ABLYTEK CO., LTD. and sale of the project sites to GREEN FAR COMPANY LTD. 2. Report on management of the subsidiary’s financial derivatives. 3. Report on acquisition of certain shares of the investee, MIN AIK PRECISION INDUSTRIAL CO., LTD. Discussion Matters: 1. The Company’s 2022 Q1 consolidated financial statements. 2. Making of endorsements/guarantees, NT$35 million, for the subsidiary, GREEN FAR COMPANY LTD.	Approved by all members of the Audit Committee unanimously.	Audit Committee resolution is agreed.	

	Fourteenth Meeting of the Third Audit Committee 2022.08.11	Report Matters: 1.Report on management of the subsidiary’s financial derivatives. 2. Report on acquisition of certain shares of the investee, MIN AIK PRECISION INDUSTRIAL CO., LTD. Discussion Matters: The Company’s 2022 Q2 consolidated financial statements.	Approved by all members of the Audit Committee unanimously.	Audit Committee resolution is agreed.	
	Fifteenth Meeting of the Third Audit Committee 2022.11.09	Report Matters: 1.Report on management of the subsidiary’s financial derivatives. 2. Report on acquisition of certain shares of the investee, MIN AIK PRECISION INDUSTRIAL CO., LTD. Discussion Matters: 1. The Company’s 2022 Q3 consolidated financial statements. 2. The Company’s “2023 Audit Plan”. 3. Amendments to the Company’s “Internal Control System” and “Internal Audit System”. 4. Amendments to the Company’s “Procedures for Handling Material Inside Information.” 5. Amendments to the Company’s “Rules of Procedure for Board of Directors Meetings.” 6. Replacement of the Company's external auditors. 7. The general principles for enactment of the Company’s pre-approved non-assurance service policy.	Approved by all members of the Audit Committee unanimously.	Audit Committee resolution is agreed.	
	Sixteenth Meeting of the Third Audit Committee 2023.01.19	Report Matters: 1.Report on management of the subsidiary’s financial derivatives. 2. Report on acquisition of certain shares of the investee, MIN AIK PRECISION INDUSTRIAL CO.,	Approved by all members of the Audit Committee unanimously.	Audit Committee resolution is agreed.	

		LTD. Discussion Matters: Re-appointment of and remuneration to external auditors for 2023.			
	Seventeenth Meeting of the Third Audit Committee 2023.03.22	Report Matters: 1.Report on management of the subsidiary’s financial derivatives. 2. Report on acquisition of certain shares of the investee, MIN AIK PRECISION INDUSTRIAL CO., LTD. Discussion Matters: 1. Supplemental information about evaluation of the external auditors in 2023. 2. The Company’s 2022 business report, parent company only financial statements, and consolidated financial statements. 3. The Company’s 2022 earnings distribution plan. 4. Payment of cash from capital surplus. 5. Amendments to Certain Provisions of the “Articles of Incorporation”. 6. Amendments to Certain Provisions of the “Procedure for Election of Directors”. 7. The Company’s 2022 “Declaration for Statement of Internal Control System”	Approved by all members of the Audit Committee unanimously.	Audit Committee resolution is agreed.	
	Eighteenth Meeting of the Third Audit Committee 2023.05.04	Report Matters: 1.Report on management of the subsidiary’s financial derivatives. 2. Report on acquisition of certain shares of the investee, MIN AIK PRECISION INDUSTRIAL CO., LTD. Discussion Matters: The Company’s 2023 Q1 consolidated financial statements.	Approved by all members of the Audit Committee unanimously.	Audit Committee resolution is agreed.	

(II) Other than those described above, any resolutions unapproved by the Audit Committee but passed by more than two-third of directors: None.

II. For independent directors' avoidance of motions which involves a conflict of interest, the names of the independent directors, contents of the motions, reasons of the recusal for a conflict of interest, and participation in voting must be disclosed: None.

III. Communication between the Independent Director and internal audit officer and external auditors:

(I) The internal audit officer shall submit the audit report to the independent directors in the month following completion of the audit indicators. The independent directors may communicate with the internal audit officer directly at any time. All three independent directors of the Company are Audit Committee members. The internal audit officer shall attend the Audit Committee meeting to report on audit operations.

Date	Communication channels	Communication matters	Communication results
2022.01.28	Audit Committee	Audit report from November to December 2022	Acknowledged.
2022.03.17	Audit Committee	1. The review report on the declaration for statement of internal control system was issued in accordance with the internal control system design and execution result in 2021. 2. Audit report from January to February 2022	The same shall be submitted to the Board of Directors for resolution after it is approved. Acknowledged.
2022.05.11	Audit Committee	Audit report from March to April 2022	Acknowledged.
2022.08.10	Audit Committee	Audit report from May to July 2022	Acknowledged.
2022.11.09	Audit Committee	1. Audit report from August to October 2022 2. 2023 Audit Plan	Acknowledged. The same shall be submitted to the Board of Directors for resolution after it is approved.
2023.01.19	Audit Committee	Audit report from November to December 2022	Acknowledged.
2023.03.22	Audit Committee	1. The review report on the declaration for statement of internal control system was issued in accordance with the internal control system design and execution result	The same shall be submitted to the Board of Directors for resolution after it is approved

		in 2022. 2. Audit report from January to February 2023	Acknowledged.
2023.05.04	Audit Committee	Audit report March 2023	Acknowledged.

(II) The external auditors shall report the audit and results to the independent directors after auditing the Annual Report. After auditing the Annual Report, the external auditors shall explain the key audit matters to the independent directors on March 22, 2023.

IV. Main Annual Work and Operations of the Audit Committee:

(I) The Company's Audit Committee operates pursuant to its Articles of Association and primarily supervises the following matters:

1. Adequate presentation of the Company's financial statements.
2. Appointment (discharge), independence, and performance of the external auditors.
3. Effective implementation of the Company's internal controls.
4. Compliance with laws and regulations.
5. Control over the Company's existing or potential risks.

(II) The Company's Audit Committee convened a total of five meetings in 2022. Attendance rate of all members was 100%. The matters primarily audited in the current year include:

1. Appraisal on effectiveness of the internal control system and related policies and procedures.
2. Significant asset or derivatives transactions.
3. Significant loaning of funds and making of endorsements/guarantees.
4. Appointment and remuneration of external auditors.
5. Annual financial report and quarterly financial reports.
6. Any other material matter so required by the Company or the competent authority.

(III) Status of corporate governance, departures from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons for such departures.

<table>
<tr><th rowspan="2">Scope of assessment</th><th colspan="3">Implementation Status</th><th rowspan="2">The deviation and causes of Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>I. Has the Company established and disclosed corporate governance principles based on “Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies”?</td><td></td><td>V</td><td>The Company has not yet adopted its own “Corporate Governance Best Practice Principles”, but it follows its internal control system and related regulations. Nevertheless, it will strive towards a Corporate Governance Best Practice Principles.</td><td>The Company has not yet adopted its own “Corporate Governance Best Practice Principles”.</td></tr>
<tr><td>II. Equity structure and shareholders’ rights of the company
(I) Whether the company has defined some internal operating procedure to deal with suggestions, questions, disputes and legal actions from shareholders, and implemented the procedure?</td><td>V</td><td></td><td>(I) In order to ensure shareholders’ equity, the Company has the spokesperson and deputy spokesperson process shareholders’ suggestions and disputes.</td><td>No material deviation was found.</td></tr>
</table>

Scope of assessment	Implementation Status			The deviation and causes of Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
(II) Whether the company controls the financial holding company's major shareholders and who are their ultimate owners?	V		(II) The Company can control the information about shareholdings by directors, managers, and major shareholders with a stake of more than 10 percent, and report and file related information as required.	No material deviation was found.
(III) Whether the company establishes or implements some risk control and firewall mechanisms between the Company and its affiliates?	V		(III) The Company defines the responsibilities of personnel and asset and financial management of the affiliated companies expressly, and conducts the risk assessment and builds adequate firewalls. The Company has adopted its own "Operation Method for Financial and Business Matters Between This Corporation and its Affiliated Enterprises", "Rules Governing Financial and Business Matters Between This Corporation and its Affiliated Enterprises", and "Regulations Governing Management of Subsidiaries' Operations". Meanwhile, the internal auditors will audit the execution thereof regularly.	No material deviation was found.
(IV) Whether the company has established internal regulations to prohibit securities trading by use of the company's internal undisclosed information?	V		(IV) The Company adopts its own "Procedures for Handling Material Inside Information" to prevent insider trading.	No material deviation was found.

Scope of assessment	Implementation Status			The deviation and causes of Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
III. Composition and responsibilities of board of directors				
(I) Does the Board of Directors have a diversity policy and management goals that are duly enforced?	V		(I) The Company's Board of Directors members are elected in accordance with the Company's "Procedure for Election of Directors". The Board member diversity policy is adopted subject to the Company's operations, business type, and development needs, in consideration of the Board of Directors' overall structure. The current Board members include R.O.C. and Singapore nationals. Director Chia Kin Heng and Director Koh Soe Khon have expertise in HDD. Director Yang Chun Yi and Representative of Zhen-Long Investment Co., Ltd., Director Chang Lung Ken, have experience in the electronics industry. Director Chen Yung Lin and Director Lu Yeh Senms have an accounting and financial background. Director Li Chih Feng has expertise in law. According to the roster of the current Board members, the directors with an employee ID account for 14% of total members, independent directors for 43%, and female directors for 14%. Two independent directors have served a term of office for 9 years, who are teaching in domestic universities. One independent director has served a term of office for 21 years, who is working for a domestic CPA office.	No material deviation was found.
(II) Is the company, in addition to establishing the remuneration committee and audit committee, pursuant to laws, willing to voluntarily establish any other functional committees?		V	(II) The Company has not yet established these committees.	No material deviation was found.

Scope of assessment	Implementation Status			The deviation and causes of Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
(III) Has the Company established a set of policies and assessment tools for evaluating board performance, and conducted performance evaluation on a yearly basis? Are performance evaluation results reported to the board of directors and used as reference for compensation, remuneration and nomination decisions?	V		(III) The Company has adopted its own "Regulations Governing Performance Evaluation on the Board of Directors and Functional Committees." Meanwhile, the Company will conduct the performance evaluation on the Board of Directors once per year. The method of evaluation includes internal self-evaluation by the Board Meeting, self-evaluation by the Board members and self-evaluation by functional committees. The Company will appoint an external professional and independent organization or team consisting of experts and scholars to perform the evaluation every three years. The Company appointed the external professional and independent organization, Taiwan Corporate Governance Association (TCGA), conducted the performance evaluation on the Board of Directors in 2022. The external performance evaluation result has been reported to the Remuneration Committee (on March 14) in 2023 and Board of Directors (on March 22) in 2023, as the reference to help continue improving the Board of Directors' functions.	No material deviation was found.
(IV) Does the company conduct regular assessments regarding the independence of its financial statement auditors?	V		(IV) The Company evaluates the CPA firm and external auditors' independence (financial interest, financing guarantee and employment relationship), business relationship, external auditors' transfer system and AQIs at 1st meeting of the Board of Directors each year and then appoints the external auditors certifying the Company's finance and tax.	No material deviation was found.

Scope of assessment	Implementation Status			The deviation and causes of Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
IV. Has the TWSE/TPEX listed company allocated adequate number of competent corporate governance staff and appointed a Chief Corporate Governance Officer to oversee corporate governance affairs (including but not limited to providing directors/supervisors with the information needed to perform their duties, assisting directors/supervisors with compliance issues, convention of board meetings and shareholders' meetings, and preparation of board/shareholders' meeting minutes)?	V		The Company's Financial Management Division provides the information needed by directors for performance of their job duties and also by the shareholders' meetings within the statutory time limit. (I) It is necessary to notify all directors to attend the meeting at least seven days before a Board of Directors meeting is convened, in order to help directors verify the related motions. A prior notice shall be given to any stakeholders of the motions to remind them that they shall recuse themselves from any circumstances they shall avoid. Meanwhile, the Company shall prepare the Board of Directors meeting minutes after the meeting. (II) The Company shall register the date of shareholders' meetings by the due date prescribed by law, produce the meeting notice and report the notice, meeting handbook and minutes by the due date, and complete the registration of changes upon amendments to the Articles of Incorporation or re-election of directors. (III) The Company shall ensure the accuracy and validity of the important messages released per the important resolutions of the Board of Directors meetings and shareholders' meetings, in order to prevent trading information asymmetry for investors. (IV) The Company appointed the chief corporate governance officer to take charge of the corporate governance practices on March 22, 2023.	No material deviation was found.

Scope of assessment	Implementation Status			The deviation and causes of Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
V. Does the company have any means to communicate with stakeholders (including but not limited to shareholders, employees, customers, and suppliers etc.), and set up an area for stakeholders on the official website for adequate response to major CSR issues concerned by stakeholders?	V		The Company has set up external and internal communication channels and disclosed the same in the Annual Report or the Company's information. Any stakeholder who receives any information may communicate with the management via the email or phone number disclosed to the public.	No material deviation was found.
VI. Does the Company appoint a stock agency to be responsible for affairs related to the shareholders' meeting.	V		The Company appoints Yuanta Securities Co., Ltd., Shareholders Service Department to process shareholders' meetings on its behalf.	No material deviation was found.
VII. Information Disclosure				
(I) Establishment of a corporate website to disclose information concerning financial affairs and corporate governance?	V		(I) The Company has assigned personnel dedicated to maintaining and updating the Company's website and also to establish the Company's financial and business information, in order to help shareholders and the public refer to and implement corporate governance information.	No material deviation was found.

Scope of assessment	Implementation Status			The deviation and causes of Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
(II) Has the company adopted other means to disclose information (e.g. English website, assignment of specific personnel to collect and disclose corporate information, implementation of a spokesperson system, broadcasting of investor conferences via the company website)?	V		(II) Other Means Adopted by the Company to Disclose Information: 1. Designate dedicated personnel to report financial and business information on the MOPS pursuant to laws, regularly or irregularly. 2. Establish the spokesperson system. 3. Post the files related to investor conferences in the investors section on the Company's website for reference by shareholders and the public.	No material deviation was found.
(III) Does the company publish and make official filing of annual financial reports within two months after the end of an accounting period, and publish/file Q1, Q2, and Q3 financial reports plus monthly business performance before the specified due dates?		V	(III) The Company has not yet published or made official filing of annual financial reports within two months after the end of an accounting period, but will publish/file the financial reports plus monthly business performance before the specified due dates.	No material deviation was found.
VIII. Other important information enabling a better understanding of the company's corporate governance (including but	V		(I) Employees' Interests and Rights: The Company already set up the opinion mailbox and grievance hotline for employees to allow employees to express their opinions toward the Company and also protect employees' interests and rights pursuant to the Labor Standards Act.	No material deviation was found.

Scope of assessment	Implementation Status			The deviation and causes of Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	
not limited to employee rights and interests, employee care, investor relations, stakeholders' rights and interests, continuing education of directors and supervisors, implementation of risk management policies and risk measurement criteria, implementation of customer policy, purchase of liability insurance by the company for directors and supervisors, and donations to political parties, interested parties and public welfare groups)?			(II) Employee Care: Establish a relationship of mutual trust and reliance with employees through the welfare system and fair educational training intended to solidify and stabilize employees' life. (III) Investors' Relationship: 1. Designate dedicated personnel to report financial and business information on the MOPS pursuant to laws, regularly or irregularly. 2. Establish the spokesperson system. (IV) Suppliers' Relationship: The Company is used to maintaining a fair relationship with suppliers, and maintaining both parties' reasonable interests and rights on the basis of mutual trust and benefit. (V) Stakeholders: Stakeholders may communicate with the Company and also present any suggestions to the Company. (VI) Continuing Education of Directors and Supervisors: Continuing education follows the "Template of Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies". The information regarding continuing education of the Company's directors is disclosed on the MOPS. Continuing Education of Director Chia Kin Heng:	

Course date		Exam Administrator	Course name	Course hours
From	Until			
2022/10/19	2022/10/19	Securities and Futures Institute	2022 Insider Equity Transaction Compliance Announcement Meeting	3
2022/10/28	2022/10/28	Securities and	2022 Insider Trading	3

Scope of assessment	Implementation Status			The deviation and causes of Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	

		Futures Institute	Prevention Presentation Conference	

Continuing Education of Director Chang Lung Ken:

Course date		Exam Administrator	Course name	Course hours
From	Until			
2022/10/19	2022/10/19	Securities and Futures Institute	2022 Insider Equity Transaction Compliance Announcement Meeting	3
2022/10/28	2022/10/28	Securities and Futures Institute	2022 Insider Trading Prevention Presentation Conference	3

Continuing Education of Director Chen Yung Lin:

Course date		Exam Administrator	Course name	Course hours
From	Until			
2022/09/14	2022/09/14	CPA ASSOCIATIONS R.O.C (TAIWAN)	Assessment on the CPA firm's audit practices	3

<table>
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<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>

2022/09/29	2022/09/29	Taiwan Stock Exchange Corporation (TWSE) / Taipei Exchange (TPEx)	2022 Presentation Conference for Promulgation of Reference Guidelines for Exercise of Powers by TWSE-Listed Company-Independent Directors and Audit Committee, and Promotion to Directors/Supervisors	3
2022/09/30	2022/09/30	CPA ASSOCIATIONS R.O.C (TAIWAN)	Right to Distribution of Residual Property	3
2022/10/05	2022/10/05	CPA ASSOCIATIONS R.O.C (TAIWAN)	Adult Guardianship and Property Trusts	3
2022/10/25	2022/10/25	CPA ASSOCIATIONS R.O.C (TAIWAN)	Planning of Legal Functions in Insurance Policy	3
2022/11/30	2022/11/30	CPA ASSOCIATIONS R.O.C (TAIWAN)	Identification of Risk Over Money Laundering Through Emerging Technology	3

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Scope of assessment	Implementation Status			The deviation and causes of Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary	

2022/12/14	2022/12/14	CPA ASSOCIATIONS R.O.C (TAIWAN)	Sharing of Court's Case Assignment Practices	3
2022/12/27	2022/12/27	CPA ASSOCIATIONS R.O.C (TAIWAN)	Conference on Problems of Tax Practices	6

Continuing Education of Director Lu Yeh Senms:

Course date		Exam Administrator	Course name	Course hours
From	Until			
2022/03/10	2022/03/10	Taiwan Stock Exchange Corporation (TWSE), Quantum International Corp (QIC), Georgeson	Discussion on Supervision by Independent Directors and Board of Director from International Point of View	1
2022/05/04	2022/05/04	Taiwan Stock Exchange Corporation (TWSE),	International Twin Summit Forum	2

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<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
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<tr><td></td><td></td><td>Alliance Advisors, Taiwan Corporate Governance Association (TCGA)</td><td></td><td></td></tr>
<tr><td>2022/05/20</td><td>2022/05/20</td><td>Securities and Futures Institute</td><td>2022 Insider Trading Prevention Presentation Conference</td><td>3</td></tr>
</table>
(VII) Implementation of Risk Management Policies and Risk Measurement Criteria: The Company adopts internal regulations pursuant to laws to conduct various risk assessments.
(VIII)Implementation of Customer Policy: The Company convenes a business review meeting with customers regularly, in order to verify customers’ opinions and questions about products, maintain a stable and fair relationship, and create profit for the Company.
(IX) Purchase of Liability Insurance by the Company for Directors and Supervisors: The Company has purchased “liability insurance for directors, supervisors, and managers”.</td><td></td></tr>
<tr><td colspan="5">IX. Please specify the status of the corrections based on the Corporate Governance Assessment Report released by the Corporate Governance Center of the TWSE in the most recent year, and the priority corrective actions and measures against the remaining deficiencies: The Company continues to take related actions and measures in accordance with the Company’s internal regulations, subject to the corporate governance evaluation result, in order to practice corporate governance.</td></tr>
</table>

(IV) Composition, Responsibilities, and Functionality of the Remuneration Committee:

Information About Remuneration Committee Members

May 4, 2023

ID	Criteria Name	Professional qualifications and experience	Independence Criteria	Number of other public companies in which the member concurrently serves as a remuneration committee member:
Independent Director (Convener)	Chen Yung Lin	● Graduate of Baylor University, Texas, MBA ● Former Positions: Auditor, Deloitte Taiwan; Senior Auditor, PricewaterhouseCoopers Taiwan (PwC Taiwan); Partner, Guangxin CPA Office; Director and Supervisor, Taipei City CPA Association; Supervisor, MetaTech (AP) Inc.; Supervisor, CPA Associations, R.O.C. (Taiwan) ● Current position: Partner, RSM Taiwan	1. None of them or their spouses or relatives within the second degree of kinship is an employee of the Company or any of the Company's affiliates. 2. None of them or their spouses or relatives within the second degree of kinship is a director or supervisor of the Company or any of the Company's affiliates. 3. None of them or their spouses or underage children, and those holding shares in the name of a third party holds more than 1% of the Company's shares or is one of the Company's top 10 natural-person shareholders. Independent Director Lu Yeh Senms, who holds 0.22% of the Company's shares, is not one of the Company's top 10 natural-person shareholders. The other two independent directors do not hold any shares of the Company. 4. Not a director, supervisor, or employee of any institutional shareholder that: 1. holds 5% or more of the Company's outstanding shares; 2. is a top-5 shareholder; or 3. appoints director/supervisor representative in the Company according to Paragraph 1 or 2, Article 27 of The Company Act. 5. Not a director, supervisor, or employee of any other company that controls directorship in the company or where more than half of total voting rights are controlled by a single party. 6. Does not assume concurrent duty as Chairman, President, or equivalent role, and is not a director, supervisor, or employee of another company or institution owned by a spouse. 7. Not a director, supervisor, officer, or shareholder holding 5% or more of the total outstanding shares of a specified company or institution that has a financial or business relationship with the Company. 8. Professional individual or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that provides auditing services to the Company or any affiliated company of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliated company of the Company for which the provider in the most recent two years receiving cumulative compensation not exceeding NT$500,000, or a spouse thereof; none of the three independent directors has provided auditing services or received compensation for said services exceeding NT$0 in the most recent two years. 9. Not a relative within the second degree of kinship to any other director of the company. 10. Not been a person of any conditions defined in Article 30 of the Company Act. 11. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Act.	0
Independent Director	Li Chih Feng	● Graduate of the Department of Risk Management and Insurance Law Group of National Chengchi University, Ph.D. ● Former positions: Attorney-at-Law, Hongsheng Maritime and Business Law Office; Attorney-at-Law, AON; Legal Manager, HSBC Life (International) Limited; Associate Professor, Department of Financial and Economic Law of Fu Jen Catholic University ● Current positions: Professor, Department of Law of Soochow University; Independent Director, Mortech Corporation, Member, Audit Committee , Member Remuneration Committee; Arbitrator, Chinese Arbitration Association, Taipei Member, Financial Ombudsman Institution; Member, Financial Ombudsman Institution		1
Independent Director	Lu Yeh Senms	● Graduate of the Graduate Institute of International Business Administration of Chinese Culture University, Ph.D. ● Former positions: Manager, Ming Yuan Certified Public Accountants; Financial Manager, Ming Yuan Business Management Consulting Co., Ltd. ● Current position: Assistant Professor, Department of International Business Administration of Chinese Culture University		0

Criteria Name	Independence Criteria				
	Whether them or their spouses or relatives within the second degree of kinship are directors or supervisors of the Company or any of the Company's affiliates?	Number and percentage of the Company's shares held in their own names or names of the spouses or relatives within the second degree of kinship (or proxy shareholder):		Whether they serve as directors, supervisors, or employees in any entity that has a certain relationship with the Company?	Amount of remuneration received in the most recent two years for providing commercial, legal, financial, accounting, or other professional services to the Company and its affiliates:
		Shares	Percentage		
Chen Yung Lin	No	0	0%	No	0
Li Chih Feng	No	0	0%	No	0
Lu Yeh Senms	No	308,000	0.22%	No	0

Information concerning the remuneration committee

1. The Company's Remuneration Committee consists of three members.
2. Current Members' Term of Office: The term of office commenced from June 18, 2020 until June 9, 2023. A total of four (A) Remuneration Committee meetings were convened in the most recent year (from 2022 to May 4, 2023). Below are the members' qualifications and attendance records:

Title	Name	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) (B/A)	Remarks
Convener	Chen Yung Lin	4	0	100	
Member	Li Chih Feng	4	0	100	
Member	Lu Yeh Senms	4	0	100	

Other items to be stated:

(1) Where the Board of Directors rejects or modifies suggestions from the Remuneration Committee, please disclose the date and session of the meeting, contents of the motions, resolution made by the Board of Directors' meeting, and how the Company has responded to Remuneration Committee's opinions: None.

(2) Where any resolution(s) by the Remuneration Committee is passed but with a member voicing opposing or qualified opinions on the record or in writing, please disclose the date and session of the meeting, contents of the motion, the entire members' opinions, and how their opinions are addressed: None.

(3)

Date of Remuneration Committee Meeting	Motion	Resolution	How has the Company responded to the Remuneration Committee's opinions?
Fourth Meeting of the Fourth Remuneration Committee 2022.01.20	1. Review of payment of the 2021 year-end bonus to managers. 2. Review of adjustment on monthly salary to the Company's managers. 3. Review of the promotion of the Company's colleagues.	The Remuneration Committee members agreed to pass the motion unanimously.	Remuneration Committee resolution is agreed.
Fifth Meeting of Fourth Remuneration Committee 2022.03.09	1. Reported on the Board of Directors' performance evaluation result. 2. Review of payment of 2021 remuneration to employees and directors.	Acknowledged. The Remuneration Committee members agreed to pass the motion unanimously.	Remuneration Committee resolution is agreed.
Sixth Meeting of Fourth Remuneration Committee 2023.01.11	Review of payment of the 2022 year-end bonus to managers.	The Remuneration Committee members agreed to pass the motion unanimously.	Remuneration Committee resolution is agreed.
Seventh Meeting of Fourth Remuneration Committee 2023.03.14	1.Reported on the Board of Directors' performance evaluation result. 2.Review of payment of 2022 remuneration to employees and directors.	Acknowledged. The Remuneration Committee members agreed to pass the motion unanimously.	Remuneration Committee resolution is agreed.

(V) Implementation Status of Sustainable Development Practices, and Deviation From the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Causes Thereof

Items	Implementation Status			Deviation From the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Causes Thereof
	Yes	No	Summary	
I. Does the Company implement a governance framework that supports sustainable development, and designate a unit that specializes (or is involved) in the promotion of sustainable development? Is the unit empowered by the Board of Directors and run by senior management, and how does the Board supervise progress?	V		In order to create the maximum interest for shareholders and employees and fulfill the social responsibility based on the philosophy of sustainability and enhanced corporate value, the Company established the "Corporate Social Responsibility Steering Committee" in 2014, in order to supervise and review the affairs related to compliance with the Code of Conduct. The Committee was renamed the "Sustainable Development Promotion Team" in 2022. Meanwhile, the Company established the Sustainable Development Best Practice Principles. The Team convenes meetings regularly and reports to the Board of Directors at least once per year on the Company's promotion of the sustainable development, including the sustainable development policy, target and management policy, risk management, climate change risk and opportunity, and GHG and energy management. The Administration Div. is also responsible for the overall planning about the effective operation of each department's sustainable development policy.	No material deviation was found.
II. Has the company conducted risk assessment on environmental, social and corporate governance issues that are relevant to its operations, and implemented risk management policies or strategies based on principles of materiality?	V		1. The Company insists on that it is a corporate citizens. While pursuing corporate business development, it shall also take into account the issues, such as social welfare, natural environment protection, attention to stakeholders' interests and rights, corporate governance, and implementation	No material deviation was found.

Items	Implementation Status			Deviation From the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Causes Thereof
	Yes	No	Summary	
			of corporate social responsibility, hoping to balance corporate growth and environmental protection to achieve the goal of sustainable business. 2. According to the "Operating Procedure for Organization Panoramic Evaluation Management" and principles of materiality, the Company conducts risk assessment on the issues, such as environment, society, and corporate governance, and verifies stakeholders' needs and expectation, in order to control potential significant risks reasonably. 3. In 2022, information security, GHG emissions, market supply risk and environmental security were identified as the main issues of concern.	
III. Environmental issues				
(I) Has the Company established environmental policies suitable for the Company's industrial characteristics?	V		No harmful waste has been generated from the Company's production process. Industrial waste disposal is contracted to qualified service providers. Each factory premises has passed the ISO 14001 International Environmental Protection Certification and IECQ QC080000 Product Free From Hazardous Substance Management System Certification, and will also conduct internal and external audits regularly.	No material deviation was found.
(II) Does the Company endeavor to utilize all resources more efficiently, and use renewable materials which have a low impact on the environment?	V		Each factory premises of the Group uses their best effort to implement energy conservation, recycling, and adoption of green products, hoping to save expenditures and reduce product costs, create profit advantages, and improve the Group's overall operating performance.	No material deviation was found.

<table>
<tr><th rowspan="2">Items</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviation From the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Causes Thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>(III) Does the company assess potential risks and opportunities associated with climate change, and undertake measures in response to climate issues?</td><td>V</td><td></td><td>The Company passed ISO14064-1 GHG Accounting Standard Certification in 2011, and also conducts the internal and external audits regularly. Meanwhile, the Company pays attention to potential risks and opportunities to enterprises which may be caused by climate changes, and takes corresponding measures based on the evaluation of materiality of the issues.</td><td>No material deviation was found.</td></tr>
<tr><td>(IV) Does the company maintain statistics on greenhouse gas emission, water usage and total waste volume in the last two years, and implement policies aimed at reducing energy, carbon, greenhouse gas, water, and waste?</td><td>V</td><td></td><td>In response to the climate change and in order to promote the Company’s sustainability, the Company conducted the GHG accounting.
Statistics gathered in the most recent two years: (Factory premises in Taiwan)
<table>
<tr><th>Item</th><th>2021</th><th>2022</th></tr>
<tr><td>GHG emission Scope 1</td><td>109.79 (Metric tons of CO2-e)</td><td>91.83 (Metric tons of CO2-e)</td></tr>
<tr><td>GHG emission Scope 2</td><td>5380.14 (Metric tons of CO2-e)</td><td>4198.56 (Metric tons of CO2-e)</td></tr>
<tr><td>Water consumption</td><td>87,931 (tons)</td><td>81.342 (tons)</td></tr>
<tr><td>Gross weight of waste</td><td>6.94 (tons)</td><td>10.6 (tons)</td></tr>
</table>
Note: The total GHG emissions in 2022 decreased by 21% from 2021, primarily as a result of the eco-friendly refrigerant and adjustment of production capacity.</td><td>No material deviation was found.</td></tr>
</table>

Items	Implementation Status			Deviation From the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Causes Thereof
	Yes	No	Summary	
IV. Social issues				
(I) Whether the Company establishes the related management policies and procedures in accordance with the relevant laws and international human right conventions?	V		The Company complies with the Labor Standards Act and RBA rules, adopts related policies, and posts them on the Company's website (www.minaik.com.tw). In addition to the labor/national health insurance, the Company also enrolls each employee into the group accidental insurance program. The Company has also established the Employee Welfare Committee, and convenes labor-management meetings periodically to maintain employees' interests and rights.	No material deviation was found.
(II) Has the company developed and implemented reasonable employee welfare measures (including compensation, leave of absence and other benefits), and appropriately reflected business performance or outcome in employees' compensations?	V		The Company has adopted work rules and related HR management regulations covering the requirements under the Labor Standards Act, such as the base pay, working hours, leave, pension, labor/national health insurance benefits, and occupational accident compensation of the Company's employees. The Company established the Employee Welfare Committee which operates through the Welfare Committee formed upon election by the employees and takes charge of various welfare affairs. The Company's compensation policy is subject to the positive correlation between personal ability, contribution to the Company, performance, and relationship with business performance.	No material deviation was found.

Items	Implementation Status			Deviation From the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Causes Thereof
	Yes	No	Summary	
(III) Whether the Company provides the existence of a safe and healthy work environment; regular safety and health training to company employees?	V		In order to provide a healthy and safe working environment, the Company adopts environmental and occupational health and safety policies, and organizes employees' safety promotion, conducts employees' health checkups, and complies with related laws and regulations.	No material deviation was found.
(IV) Has the Company established some effective career development training plan for employees?	V		The Company values employees' career planning and potential development. The Company invests massive educational training resources each year, hoping to strengthen the enterprise's overall competition through employees' skills and quality.	No material deviation was found.
(V) Has the company complied with laws and international standards with respect to customers' health, safety and privacy, marketing and labeling in all products and services offered, and implemented consumer protection policies and complaint procedures?	V		The Company's marketing and labeling of products and services comply with the relevant laws and regulations and international standards. With respect to the sold products, the Company will issue a Declaration of Conformity under international laws and regulations including CE, FCC, VCCI, UL, REACH, RoSH, WEEE, EuP, and halogen-free requirements, per customers' needs. Meanwhile, in order to protect customers' privacy, the Company complies with the Non-disclosure Agreement and Personal Data Protection Act, established a customer service unit and stakeholder section to protect consumers' interest policy, and also provide grievance channels.	No material deviation was found.

Items	Implementation Status			Deviation From the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Causes Thereof
	Yes	No	Summary	
(VI) Has the company implemented a supplier management policy that regulates suppliers' conducts with respect to environmental protection, occupational safety and health or work rights/human rights issues, and tracked suppliers' performance on a regular basis?	V		The Company performs supplier evaluations regularly, and also asks suppliers to sign the "Commitment of Suppliers for Corporate Social Responsibility" according to the RBA requirements, in order to work with each other to improve corporate social responsibility. Most of the Company's domestic/foreign suppliers have worked with the Company permanently. If any of them is suspected of violating its corporate social responsibility policies or renders remarkable effect to the environment and society adversely, the Company may terminate or rescind the contract with it at any time.	No material deviation was found.
V. Does the Company prepare the sustainable development report or any report on non-financial information based on international reporting standards or guidelines? Are the above mentioned reports supported by assurance or opinion of a third-party certifier?		V	The Company is not required by laws to prepare the corporate social responsibility report for the time being. Therefore, the Company has not prepared any ESG report.	No material deviation was found.
VI. If the Company has established its own sustainable development policies in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies", please describe the current practices and any deviations thereof from such principles: The Company has established its own "Sustainable Development Best Practice Principles." Its internal operations and products all seek to satisfy the corporate sustainable development requirements.				
VII. Other information useful to the understanding of sustainable practices: 1. In order to fulfill social responsibility for protecting the environment on the earth, the Company has received ISO9001, ISO45001, ISO14001, ISO13485, and IECQ QC080000 system certifications. Meanwhile, per the systems' regulations, the Company demands that related suppliers should comply with the same, and urges all employees to participate in health and safety and routine operations and educational training, in order to work with each other to improve corporate social responsibility.				

<table>
<tr><th rowspan="2">Items</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviation From the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Causes Thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td colspan="5">2. The Company established the corporate volunteer service club, in order to strengthen mutual assistance among employees internally, train employees' awareness toward public welfare, and encourage employees to participate in social volunteer service after work to make certain contribution to society.
3. The Company and employees uphold the philosophy of feeding back to society. In 2022, the Company participated in the following multiple public welfare activities:
(1) Charity donation of funds to the Eden Social Welfare Foundation's disadvantaged children service program to extend the care and heartwarming greetings to society.
(2) The Company ordered the Mid-Autumn Festival moon cake from Syin-Lu Social Welfare Foundation, in order to extend the care for the disadvantaged group by supporting the public welfare activity. The Company was awarded a certificate of gratitude accordingly.
(3) The Company organized the "Mountain Cleaning Activity in Jingguo Plum Garden of Taoyuan Hutou Mountain" to gather the enterprise and its employees to work together for charity and achieve the purpose for "protecting the environment and caring Taiwan's forests."
4. More information useful to understanding corporate social responsibility is disclosed on the Company's website (www.minaik.com.tw).</td></tr>
</table>

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

Enforcement of Business Integrity

Scope of assessment	Implementation Status			The deviation and causes of Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary	
I. Enactment of ethical management policy and program				
(I) Has the company established a set of board-approved business integrity policy, and stated in its Memorandum or external correspondence about the policies and practices it implements to maintain business integrity? Are the board of directors and the senior management committed to fulfilling this commitment?	V		(I) The Company's Board of Directors passed the "Ethical Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct". The Board members and senior management all promise to uphold and practice ethical management, and fulfill the liability and obligation as a good administrator in internal management and business activities.	No material deviation was found.
(II) Has the company developed systematic practices for assessing integrity risks? Does the company perform regular analyses and assessments on business activities that are prone to higher risk of dishonesty, and implement preventions against dishonest conducts that include at least the measures mentioned in Paragraph 2, Article 7 of "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies"?	V		(II) In order to strictly prevent any conduct against ethical management, the Company established the "Ethical Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct", which expressly state that when performing business, the Company's personnel are not allowed to offer or accept bribes or accept gifts that exceed normal social etiquette standards, and shall designate a unit responsible for supervising and executing the related operations.	No material deviation was found.

Scope of assessment	Implementation Status			The deviation and causes of Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary	
(III) Has the company defined and enforced operating procedures, behavioral guidelines, penalties and grievance systems as part of its preventive measures against dishonest conducts? Are the above measures reviewed and revised on a regular basis?	V		(III) The Company established the “Ethical Management Best Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct”. Where any violation of laws or ethical management policy and rules is proven, the Company will apply its reward and punishment management regulations immediately. Meanwhile, the Company also established the “Procedures for Grievance, Whistleblowing, and Participation in Management” to provide multiple grievance channels, and keeps whistleblowers’ identities and reports in confidence.	No material deviation was found.
II. Implementation of ethical management				
(I) Has the Company assessed a trading counterpart’s ethical management record, and expressly states the ethical management clause in the contract to be signed with the trading counterpart?	V		(I) Before engaging in any business transactions, the Company demands that it should be necessary to consider the legality of suppliers and other business trading counterparts and whether they have any unethical management records, in order to avoid trading with those with unethical management records. When executing any contract, the Company demands that a stakeholder who has business transactions with the Company should execute the “Letter of Undertaking of Integrity”.	No material deviation was found.

Scope of assessment	Implementation Status			The deviation and causes of Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary	
(II) Does the company have a unit that enforces business integrity directly under the board of directors? Does this unit report its progress (regarding implementation of business integrity policy and prevention against dishonest conducts) to the board of directors on a regular basis (at least once a year)?	V		(II) The Company has designated the Administration Division to serve as the unit dedicated to promoting corporate ethical management and reporting execution progress to the Board of Directors once per year. Execution progress in 2022 was reported to the Board of Directors on March 22, 2023.	No material deviation was found.
(III) Has the Company defined any policy against conflict of interest, provides adequate channel thereof, and fulfills the same precisely?	V		(III) In addition to the "Ethical Management Best Practice Principles", the Company also established the ethical code, such as "Procedure for Ethical Management Free From Unjust Enrichment", to expressly defines the conflict-of-interest prevention policy and channel. Meanwhile, the Company provides an external grievance channel on its official website, in order to maintain the Company's goodwill and interest.	No material deviation was found.
(IV) Has the company implemented an effective accounting policy and internal control system to maintain business integrity? Has an internal or external audit unit been assigned to devise audit plans based on the outcome of integrity risk assessment, and to audit employees' compliance with various preventions against dishonest conduct?	V		(IV) The Company established its accounting system and internal control system pursuant to related laws and regulations. The internal auditors audit the compliance thereof regularly. As a result, none of the employees or management have been found violating ethical management requirements.	No material deviation was found.

Scope of assessment	Implementation Status			The deviation and causes of Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary	
(V) Has the Company organized internal/external education training program for ethical management periodically?	V		(V) The Company has organized or attended internal/external education training programs on the ethical management issue (including courses related to compliance with ethical management laws, safety and health management and inspection, prevention of insider transactions, accounting system and internal control) in 2022. There were a total of 63 attendees, and the courses took 148 hours in total. The Company would also promote the Company's management philosophy via the internal meeting irregularly.	No material deviation was found.
III. Status of the Company's complaint system (I) Has the Company defined a specific complaints and rewards system, and established some convenient complaint channel, and assigned competent dedicated personnel to deal with the situation?	V		(I) The Company expressly sets forth grievance channels and the reward and punishment system in the "Procedures for Grievance, Whistleblowing, and Participation in Management", in order to set up a fair and unimpeded tangible opinion mailbox, opinion mailbox on the employee portal site, hotline and email box, and expand the communication channels. RBA management representatives are responsible for the investigation and resolution on behalf of the Company.	No material deviation was found.

Scope of assessment	Implementation Status			The deviation and causes of Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary	
(II) Has the company implemented any standard procedures for handling reported misconducts, and subsequent actions and confidentiality measures to be undertaken upon completion of an investigation?	V		(II) The Company has established the "Procedures for Grievance, Whistleblowing, and Participation in Management", in order to expressly state the grievance channels, grievance procedures, and time required, and also state that the significant violations or disputes which cannot be resolved amicably should be referred to the "Grievance Evaluation Committee" for resolution. In the meantime, the whistleblower's identity and report will be kept in confidence strictly.	No material deviation was found.
(III) Has the Company adopted any measures to prevent the complainants from being abused after filing complaints?	V		(III) The Company's "Procedures for Grievance, Whistleblowing, and Participation in Management" expressly states that no discrimination, threat, or other unfavorable treatment may be imposed with respect to the complainant, burden of proof, and investigation personnel. The job duty to be performed by the complainant shall remain unaffected by the grievance. The complainant should not need to worry about attacks or retaliation. Adequate channels shall be in place, so that employees or suppliers may file grievances or feedback in their own names, or anonymously, when finding any defects in management or suffering inadequate punishment, discrimination, or infringement.	No material deviation was found.

Scope of assessment	Implementation Status			The deviation and causes of Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary	
IV. Enhancing Information Disclosure Has the Company has disclosed the Ethical Management Principles and effect of implementation thereof on its website and Market Observation Post System?	V		Information about the ethical management policy is disclosed on the Company's website at (www.minaik.com.tw).	No material deviation was found.
V. If the Company has established ethical management principles based on "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies", please describe any discrepancy between the principles and their implementation: None				
VI. Other information material to the understanding of ethical management operation: (e.g. discussion of an amendment to the ethical management best practice principles defined by the Bank) The Company has established the "Ethical Management Best Practice Principles" and the employees' ethical codes. All of the Company's colleagues and managers, and the Board members shall comply with the Principles and related procedures, uphold the ethical management, execute the "Letter of Undertaking of Integrity" with the Company's trading counterparts, care about stakeholders' needs, and win recognition from customers and suppliers, in order to ensure sustainable business.				

(VII)If the Company has established corporate governance principles and other relevant guidelines, references to such principles must be disclosed: The principles and guidelines are disclosed in the corporate governance section on the MOPS and "Investors - Corporate Governance Section" on the Company's website, which also provides the access to downloading of related regulations.

(VIII)Other important information about implementation of corporate governance:

(1) The Company established the Remuneration Committee on November 18, 2011. The Committee acts professionally and objectively, exercises its powers pursuant to laws, and proposes recommendations to the Board of Directors as the reference for determination of salary and performance appraisal.

(2) The Company established the Audit Committee on June 18, 2014. The Committee acts professionally and objectively, exercises its powers pursuant to laws, and proposed recommendations to the Board of Directors as the reference for decision making.

(3) The Company appointed the chief corporate governance officer to take charge of the corporate governance practices on March 22, 2023.

(4) The Company's members shall comply with laws and the Company's internal rules to practice the ethical management.

(IX) Implementation of internal control system

1. Declaration of Internal Control System

MIN AIK TECHNOLOGY CO., LTD.

Declaration of Internal Control System

Date: March 22, 2023

The following declaration is made based on the 2022 self-inspection of the Company's internal control system:

I. The Company acknowledges and understands that establishment, implementation, and maintenance of the internal control system are the responsibility of the Board and managerial officers, and that such a system has already been established throughout the Company. The purpose of this system is to provide reasonable assurance in terms of business performance & efficiency (including profitability, performance, asset security, etc.), reliable, timely and transparent financial reporting, and regulatory compliance.

II. There are inherent limitations to even the most well-designed internal control system. As such, an effective internal control system can only reasonably assure achievement of the three goals mentioned above. Furthermore, changes in the environment and circumstances may all affect the effectiveness of the internal control system. However, the company's internal control system has a self-monitoring mechanism which will take corrective actions in a timely manner once the deficiencies are identified.

III. The Company evaluates the effectiveness of its internal control system design and execution based on the criteria specified in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The criteria introduced by the "Regulations" consisted of five major elements, each representing a different stage of the internal control system: 1. Control environment, 2. Risk evaluation, 3. Procedural control, 4. Information and communication, and 5. Supervision. Each element further encompasses several sub-elements. Please refer to the "Regulations" for details.

IV. The Company has adopted the above-mentioned criteria to evaluate the effectiveness of its internal control design and execution.

V. Based on the evaluation results described above, the Company considers the design and execution of its internal control policies to be effective as of December 31, 2022. This system (including the supervision and management of subsidiaries) has provided assurance with regards to the Company's business results, target accomplishments, reliability, timeliness and transparency of reported financial information, and its compliance with relevant laws.

VI. The Statement forms an integral part of the Company's Annual Report and prospectus. Any illegal misrepresentation or non-disclosure in the public statement above are subject to legal consequences described in Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

VII. The Statement was approved at the Company's Board of Directors meeting held on March 22, 2023. None of the seven directors present at the meeting held any objections, and unanimously agreed to the contents of this declaration.

MIN AIK TECHNOLOGY CO., LTD.
Chairman:
Chia Kin Heng
President:

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

(X) Punishments received by the Company and its internal personnel pursuant to laws and punitive actions issued by the Company against its internal employees in violation of the internal control system provisions in the most recent year up to the date of publication of the Annual Report that may significantly impact shareholders' interest or security price, and major deficiency and correction status: None.

(XI) Shareholders' meeting(s) and significant board resolutions during the most recent year and up to the date of publication of this annual report

1. Major Resolutions of the 2022 Annual General Meeting, and Execution Status Thereof:

Motion	Resolution	Implementation Status
Acknowledgment of the 2021 business report and financial statements.	The voting results on the motion showed that the number of votes in favor accounted for 93.42% of the votes by the total shareholders at the meeting. Therefore, the motion was passed as proposed by the Board of Directors.	The public announcement and filing of the financial statements have been completed as required.
Ratification of 2021 Earnings Distribution Plan.	The voting results on the motion showed that the number of votes in favor accounted for 93.59% of the votes by the total shareholders at the meeting. Therefore, the motion was passed as proposed by the Board of Directors.	Already executed the earnings distribution per the resolution of the shareholders' meeting and through statutory procedures as follows: 1. Record date of cash dividends: July 16, 2022 2. Date of payment of cash dividends: July 29, 2022

Motion	Resolution	Implementation Status
Passed the payment of cash from capital surplus.	The voting results on the motion showed that the number of votes in favor accounted for 93.59% of the votes by the total shareholders at the meeting. Therefore, the motion was passed as proposed by the Board of Directors.	Already executed the payment of cash from capital surplus per the resolution of the shareholders' meeting and through statutory procedures as follows: 1. Record date of payment of cash from capital surplus: July 16, 2022 2. Date of payment of cash from capital surplus: July 29, 2022
Passed the amendments to certain provisions of the "Procedure for Acquisition or Disposal of Assets."	The voting results on the motion showed that the number of votes in favor accounted for 93.58% of the votes by the total shareholders at the meeting. Therefore, the motion was passed as proposed by the Board of Directors.	Already executed the related business per the amended procedures.

2. Significant Board of Directors' Resolutions During the Most Recent Year and up to the Date of Publication of the Annual Report

Date	Major resolutions
1st meeting of board of directors in 2022 2022.01.28	Report Matters: Report on acquisition of certain shares of the investee, MIN AIK PRECISION INDUSTRIAL CO., LTD. Discussion Matters: 1. Passed the Company's 2022 business plan. 2. Passed the re-appointment of and remuneration to external auditors for 2022. 3. Passed the payment of the 2021 year-end bonus to managers. 4. Passed the adjustment on monthly salaries to the Company's managers. 5. Passed the promotion of the Company's colleagues. 6. Passed the application for the increase in the credit line by NT$120 million with CTBC Bank Co., Ltd.
2nd meeting of board of directors in 2022 2022.03.17	Report Matters: 1. Report on the progress of legal proceedings against ABLYTEK CO., LTD. 2. Report on acquisition of certain shares of the investee, MIN AIK PRECISION INDUSTRIAL CO., LTD. 3. Reported on the Board of Directors' performance evaluation result. 4. Report on promotion of the implementation of corporate ethical management. Discussion Matters: 1. Passed the distribution of 2021 remuneration to employees and directors. 2. Passed the Company's 2021 business report, parent company only financial statements, and consolidated financial statements. 3. Passed the Company's 2021 earnings distribution plan. 4. Passed the payment of cash from capital surplus. 5. Passed the Company's 2021 "Declaration for Statement of Internal Control System". 6. Passed the amendments to certain provisions of the Company's "Procedure for Acquisition or Disposal of Assets". 7. Passed the replacement of the Company's external auditors. 8. Passed the convention of the Company's 2022 annual general meeting.
3rd meeting of board of directors in 2022 2022.05.11	Report Matters: 1. Report on the progress of the criminal/civil actions involving ABLYTEK CO., LTD. and sale of the project sites to GREEN FAR COMPANY LTD. 2. Report on management of the subsidiary's financial derivatives.

Date	Major resolutions
	3. Report on acquisition of certain shares of the investee, MIN AIK PRECISION INDUSTRIAL CO., LTD. 4. Report on GHG accounting and investigation schedule planning. Discussion Matters: 1. Passed the Company's 2022 Q1 consolidated financial statements. 2. Passed the making of NT$35 million endorsements/guarantees for the subsidiary, GREEN FAR COMPANY LTD.
4th meeting of board of directors in 2022 2022.08.10	Report Matters: 1.Report on management of the subsidiary's financial derivatives. 2. Report on acquisition of certain shares of the investee, MIN AIK PRECISION INDUSTRIAL CO., LTD. Discussion Matters: 1.The Company's 2022 Q2 consolidated financial statements. 2.Passed the Company's application for additional facility with banks.
5th meeting of board of directors in 2022 2022.11.09	Report Matters: 1.Report on management of the subsidiary's financial derivatives. 2. Report on acquisition of certain shares of the investee, MIN AIK PRECISION INDUSTRIAL CO., LTD. 3.Report on renewal of the Company's "Liability Insurance for Directors, Supervisors, and Key Staff". Discussion Matters: 1.Passed the Company's 2022 Q3 consolidated financial statements. 2.Passed the Company's "2023 Audit Plan". 3.Passed the amendments to the Company's "Internal Control System" and "Internal Audit System". 4. Passed the amendments to the Company's "Procedures for Handling Material Inside Information." 5. Passed the amendments to the Company's "Rules of Procedure for Board of Directors Meetings." 6. Passed the replacement of the Company's external auditors. 7. Passed the general principles for enactment of the Company's pre-approved non-assurance service policy. 8. Passed the Company's 2023 application for facility with banks and renewal thereof.
1st meeting of board of directors in 2023	Report Matters: 1.Report on management of the subsidiary's financial derivatives.

Date	Major resolutions
2023.01.19	2. Report on acquisition of certain shares of the investee, MIN AIK PRECISION INDUSTRIAL CO., LTD. Discussion Matters: 1. Passed the Company's 2023 business plan. 2. Passed the re-appointment of and remuneration to external auditors for 2023. 3. Passed the payment of the 2022 year-end bonus to managers.
2nd meeting of board of directors in 2023 2023.03.22	Report Matters: 1.Report on management of the subsidiary's financial derivatives. 2. Report on acquisition of certain shares of the investee, MIN AIK PRECISION INDUSTRIAL CO., LTD. 3.Reported on the Board of Directors' performance evaluation result. 4. Report on promotion of the implementation of corporate ethical management. 5. 2022 information security risk management report. 6. Report on GHG accounting and verification schedule planning. Discussion Matters: 1. Passed the distribution of 2022 remuneration to employees and directors. 2. Passed the supplemental information about evaluation on the external auditors in 2023. 3. Passed the Company's 2022 business report, parent company only financial statements, and consolidated financial statements. 4. Passed the Company's 2022 earnings distribution plan. 5. Passed the payment of cash from capital surplus. 6. Passed the amendments to certain provisions of the "Articles of Incorporation." 7. Passed the amendments to certain provisions of the "Procedure for Election of Directors." 8. Passed the Company's 2022 "Declaration for Statement of Internal Control System". 9. Passed the re-election of whole directors. 10. Passed the removal of restrictions imposed against new directors and their representatives for involving in competing businesses. 11. Passed the convention of the Company's 2023 annual general meeting. 12. Passed the appointment of the corporate governance officers. 13. Passed the enactment of the "Sustainable Development Best Practice Principles."

Date	Major resolutions
3rd meeting of board of directors in 2023 2023.05.04	Report Matters: 1.Report on management of the subsidiary's financial derivatives. 2. Report on acquisition of certain shares of the investee, MIN AIK PRECISION INDUSTRIAL CO., LTD. Discussion Matters: 1.Passed the Company's 2023 Q1 consolidated financial statements. 2. Passed the Name List of Director Candidates.

(XII) The main contents of important resolutions passed by the Board of Directors regarding in which directors have voiced differing opinions on the record or in writing, during the most recent year and up to the date of publication of this Annual Report:

3rd meeting of board of directors in 2023 (2023.05. 04):
Determination of the director candidates' qualifications:
Resolution: Agreed as proposed.
Voiced differing opinions: Director Yang Chun Yi and Representative of Zhen-Long Investment Co., Ltd., Director Chang Lung Ken, express objection.

(XIII) A summary of resignations and dismissals, during the most recent year and up to the date of the publication of the Annual Report, of the Company's Chairman, President, accounting officer, financial officer, internal auditor officer, corporate governance officer, and R&D officer: None.

V.Professional Fees to CPAs

(I) Professional Fees to External Auditors

1. Professional Fees to CPAs

Unit: NT$ thousand

Accounting firm name	Names of CPAs	Audit period	Audit Fee	Non-audit Fee					Total	Remarks
				Designing regulations	Business registration	Human resources	Others (Note)	Subtotal		
KPMG International	Chen Cheng Chien Cheng An-Chih	2022Q1	6,295	0	0	0	868	868	7,163	The non-audit fees consist of the transfer pricing report, NT$600 thousand, the Group's global files, NT$255 thousand, and others, NT$13 thousand.
	Yu Sheng-Ho Cheng An-Chih	2022Q4								

2. If the Company meets any of the following circumstances, it shall disclose the following information separately:

(1) In the case of any change of the CPA firm that results in the reduction of the audit fee from the previous year, please disclose the audit fee before and after the change and the cause of such change: None.

(2) If the audit fee is reduced by more than 10% from the previous year, please disclose the amount of reduction, percentage, and cause thereof: None.

VI.Information of Independent Auditor replacement:

(I) Information relating to the former CPA

<table>
<tr><td>Date of reappointment</td><td colspan="9">Since 2022 Q1, 2022Q4</td></tr>
<tr><td>Reason for reappointment</td><td colspan="9">Due to internal job duty adjustment, the external auditors responsible for certifying the Company’s financial statements were changed.</td></tr>
<tr><td rowspan="3">Was the termination of audit services initiated by the principal or by the CPA</td><td colspan="3">Contracting Party
Conditions</td><td colspan="3">Certified Public Accountant</td><td colspan="3">Principal</td></tr>
<tr><td colspan="3">Service terminated by</td><td colspan="3">Not applicable</td><td colspan="3">Not applicable</td></tr>
<tr><td colspan="3">Service no longer accepted (continued) by</td><td colspan="3">Not applicable</td><td colspan="3">Not applicable</td></tr>
<tr><td>Reasons for issuing opinions other than unqualified opinions in the recent two years</td><td colspan="9">None</td></tr>
<tr><td rowspan="5">Disagree With the Issuer?</td><td rowspan="4">Yes</td><td></td><td>Accounting principles or practices</td><td rowspan="4">Nature</td><td rowspan="4">Not applicable</td><td rowspan="4">Method of processing</td><td rowspan="4">Not applicable</td><td rowspan="4">Resolution</td><td rowspan="4">Not applicable</td></tr>
<tr><td></td><td>Disclosure of financial report</td></tr>
<tr><td></td><td>Scope or steps of audit</td></tr>
<tr><td></td><td>Others</td></tr>
<tr><td>None</td><td colspan="8">V</td></tr>
<tr><td>Other disclosures
(Matters that shall be disclosed in Subparagraphs (6).1.4-(6)1.7 of Article 10 of the Regulations.)</td><td colspan="9">None</td></tr>
</table>

(II) Information relating to the succeeding CPA:

CPA Office	KPMG International	
Names of CPAs	Chen Cheng Chien, CPA Cheng An-Chih, CPA	Yu Sheng-Ho, CPA Cheng An-Chih, CPA
Date of appointment	Due to the internal job duty adjustment, the Firm has replaced the external auditors since 2022 Q1.	Due to the internal job duty adjustment, the Firm has replaced the external auditors since 2022 Q4.
Inquiries and replies relating to the accounting practices or accounting principles of certain transactions, or any audit opinions the auditors were likely to issue on the financial reports prior to appointment	None	None
Written disagreements from the succeeding auditor against the opinions made by the former CPA	None	None

(III) The former CPA's response to the matters referred to in Subparagraphs 6(1) and (2)3 of Article 10 of the Regulations: None.

VII.Disclosure of any of the Company's Chairman, president, or managers responsible for financial or accounting affairs being employed by the external auditor's firm or any of its affiliated company in the most recent year: None.

VIII.During the most recent year and up to the date of publication of the annual report, facts of equity transfer and change in equity pledge about the director, managerial office, or shareholders having held the equity exceeding 10%:

(I) Changes of the Equity of Directors, Managers, and Major Shareholders

Unit: shares

Title	Name	2022		Until May 4, 2023	
		Increase (decrease) in shares held	Increase (decrease) in Shares Pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Chairman CEO	Chia Kin Heng	0	0	0	0
Director	Koh Soe Khon	0	0	0	0
Director	Yang Chun Yi	0	0	0	0
Director	Zhen-Long Investment Co., Ltd.	0	0	0	0
Representative of Director	Chang Lung Ken	0	0	0	0
Independent Director	Chen Yung Lin	0	0	0	0
Independent Director	Li Chih Feng	0	0	0	0
Independent Director	Lu Yeh Senms	129,000	0	0	0
Chief Operating Officer	Yang Hung Jen	8,283	0	0	0
Deputy Chief Operating Officer	Sung Tsan Yung	0	0	0	0
NPI Director	Tsai Chen Shan	0	0	0	0
Manufacturing Division, Director	Wu Chun Cheng	0	0	0	0
RD Director	Lin Ying Huang	0	0	0	0
China Plant, Managing Director	Wang Yao Hung	0	0	0	0
Financial Management Division, Director	Sun Te Wen	26,000	0	0	0
Accounting Director	Chen Yu Jhen	0	0	0	0
Innovative Business Director	Yeh Wei Ting	0	0	0	0

(II) The counterpart of transfer of shares by directors, managers, and shareholders having held equity exceeding 10% is a related party: None.

(III) The counterpart of pledge of shares by directors, managers, and shareholders having held equity exceeding 10% is a related party: None.

IX.Information of stakeholders, spouse, and relative within the second degree of kinship of the top-10 shareholders:

Baseline date: April 17, 2023 ; Unit: Shares; %

Name	Shares held in own name		Shares Currently Held by Spouse & Minors		Shares held in the name of a third party		If there is relationship, such as a related party, spouse, or relative within the second degree of kinship, among the top ten shareholders, please disclose the designation or name and relationship. (Note)		Remarks
	Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding	Name	Relationship	
CHEN-SOURCE INC.	2,800,000	2.04	0	0	0	0	None	None	
CHEN-SOURCE INC. Responsible Person: Chen Feng Ming	16,000	0.01	8,000	0.01	0	0	None	None	
Yang Chun Yi	2,208,000	1.61	0	0	0	0	None	None	
Chia Kin Heng	2,092,572	1.52	304,000	0.22	0	0	None	None	
Zhen-Long Investment Co., Ltd.	2,028,800	1.47	0	0	0	0	None	None	
Zhen-Long Investment Co., Ltd. Responsible Person: Chang Lung Ken	1,800	0.001	0	0	0	0	None	None	
Yuanta Commercial Bank is entrusted with custody of Koh Soe Khon's investment account	2,000,000	1.45	0	0	0	0	None	None	
Taipei Fubon Commercial Bank Trust Property Account	1,907,382	1.39	0	0	0	0	None	None	
Taipei Fubon Commercial Bank is entrusted by Hongyu Social Welfare Charity Trust Fund Trust Property Account	1,491,760	1.08	0	0	0	0	None	None	
The business department of Standard Chartered International Commercial Bank is entrusted with the custody of the investment account of Royal Bank of Liguo (Singapore) Limited	1,097,984	0.80	0	0	0	0	None	None	
Yang Chin Sung	1,031,000	0.75	0	0	0	0	None	None	
J.P. MORGAN SECURITIES PLC	717,928	0.52	0	0	0	0	None	None	

Note: Relations among said shareholders (including juristic-person and natural-person shareholders) shall be disclosed in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

X.Number of shares held by the Company, and the Company's directors, supervisors, and managers, and the entities directly or indirectly controlled by the Company in a single investee, and consolidated shareholding percentage of the above categories:

May 4, 2023 ; Unit: thousand shares; %

Invested enterprise	Held by the Company		Held by Directors, Supervisors, Managers, and Directly/Indirectly Controlled Businesses		Comprehensive Investment	
	Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding	Number of shares	Ratio of shareholding
MAP TECHNOLOGY HOLDINGS PTE. LTD.	66,913	46.60	2,198	1.53	69,111	48.13
MIN AIK PRECISION INDUSTRIAL CO., LTD.	29,487	38.29	998	1.30	30,485	39.59
ABLYTEK CO., LTD.	16,229	27.05	333	0.55	16,562	27.60

Ch4. Capital Overview

I. Capital and Shares

(I) Source of Capital

1. Capital Share Formation Process

Unit: Share; NT$

Date	Issue price	Registered Capital		Paid-in Capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of Capital	Assets except cash is offset against share payments	Others
2013/04	10	400,000,000	4,000,000,000	172,799,421	1,727,994,210	Conversion of convertible corporate bonds to capital increase by NT$52,439,560.	None	Note 1 Note 2
2013/07	10	400,000,000	4,000,000,000	173,857,399	1,738,573,990	Conversion of convertible corporate bonds to capital increase by NT$10,579,780	None	Note 1 Note 3
2013/10	10	400,000,000	4,000,000,000	174,201,987	1,742,019,870	Conversion of convertible corporate bonds to capital increase by NT$3,445,880	None	Note 1 Note 4
2017/08	10	400,000,000	4,000,000,000	139,361,590	1,393,615,900	Capital reduction by NT$348,403,970 upon refund of stock payment.	None	Note 5 Note 6
2020/04	10	400,000,000	4,000,000,000	137,563,190	1,375,631,900	Capital reduction by NT$17,984,000 upon cancellation of repurchased shares of the Company.	None	Note 7

Note 1: Approval letter under Jin-Guan-Zheng-Fa-Zi No. 1000039647 dated September 1, 2011.

Note 2: Approval letter under Jin-Shou-Shang-Zi No. 10201062620 dated April 9, 2013.

Note 3: Approval letter under Jin-Shou-Shang-Zi No. 10201137130 dated July 15, 2013

Note 4: Approval letter under Jin-Shou-Shang-Zi No. 10201210990 dated October 15, 2013

Note 5: Approval letter under Jin-Guan-Zheng-Fa-Zi No. 1060027768 dated August 2, 2017

Note 6: Approval letter under Jin-Shou-Shang-Zi No. 10601125380 dated August 31, 2017

Note 7: Approval letter under Jin-Shou-Shang-Zi No. 10901058540 dated April 14, 2020.

2. Share Type

Unit: shares

	Outstanding shares	Un-issued shares	Total	
Common stock	137,563,190	262,436,810	400,000,000	TWSE-listed Stocks

(II) Shareholder structure

April 17, 2023

Shareholder structure / Quantity	Government authorities	Financial institution	Other juristic (corporate) persons	Individuals	Foreign institutions and juristic (corporate) persons	Total
Number of shareholders	1	0	192	46,384	82	46,659
Number of shares held	60	0	9,296,780	118,320,073	9,946,277	137,563,190
Ratio of shareholding (%)	-	0	6.76	86.01	7.23	100

(III) Fact of equity scattering

1. Common stock

April 17, 2023; at par value of NT$10 per share.

Shareholding levels	Number of shareholders	Number of shares held	Ratio of shareholding (%)
1 - 999	31,069	2,963,088	2.15
1,000 - 5,000	11,558	25,409,710	18.46
5,001 - 10,000	1,991	15,613,525	11.35
10,001 - 15,000	661	8,371,163	6.09
15,001 - 20,000	439	7,974,120	5.80
20,001 - 30,000	347	8,841,671	6.43
30,001 - 40,000	165	5,855,893	4.26
40,001 - 50,000	101	4,602,672	3.35
50,001 - 100,000	186	13,001,971	9.45
100,001 - 200,000	78	10,570,900	7.68
200,001 - 400,000	45	12,681,461	9.22
400,001 - 600,000	8	3,671,590	2.67
600,001 - 800,000	2	1,347,928	0.98
800,001 - 1,000,000	0	0	0
Over 1,000,001	9	16,657,498	12.11
Total	46,659	137,563,190	100.00

2. Preferred Shares: Not applicable.

(IV) List of Major Shareholders: Name, shares held, and shareholding of any shareholder who owns 5% or more of the outstanding shares, or the proportion of the outstanding ranking top 10.

April 17, 2023 ; Unit: Shares

Shares Names of major shareholders	Number of shares held	Ratio of shareholding (%)
CHEN-SOURCE INC.	2,800,000	2.04
Yang Chun Yi	2,208,000	1.61
Chia Kin Heng	2,092,572	1.52
Zhen-Long Investment Co., Ltd.	2,028,800	1.47
Yuanta Commercial Bank is entrusted with custody of Koh Soe Khon's investment account	2,000,000	1.45
Taipei Fubon Commercial Bank Trust Property Account	1,907,382	1.39
Taipei Fubon Commercial Bank is entrusted by Hongyu Social Welfare Charity Trust Fund Trust Property Account	1,491,760	1.08
The business department of Standard Chartered International Commercial Bank is entrusted with the custody of the investment account of Royal Bank of Liguo (Singapore) Limited	1,097,984	0.80
Yang Chin Sung	1,031,000	0.75
J.P. MORGAN SECURITIES PLC	717,928	0.52

(V) Per share information (including market price, book value, earnings, share dividend) from the most recent two years:

Unit: NT$; shares

Year Item			2021	2022	Until May 4, 2023
Market Share Price (Note 1)	Highest		37.35	26.85	19.25
	Lowest		13.50	15.75	15.95
	Average		22.30	19.71	17.87
Share Book Value (Note 2)	Before payout		20.86	20.69	19.74 (Note 8)
	After payout		19.86	Not yet distributed	Not yet distributed
Earnings Per Share	Weighted Average Number of Shares (thousand shares)		137,564	137,564	137,564
	Earnings Per Share (Note 3)		1.36	0.29	-0.84 (Note 8)
Per Share Dividend	Cash Dividend		1.0	0.3	0
	Stock Dividend	From Retained Earnings	0	0	0
		From Special Reserve	0	0	0
	Accumulated Unpaid Dividend (Note 4)		0	0	0
ROI Analysis	Price/Earnings Ratio (Note 5)		16.40	67.97	Not applicable
	Price/Dividend Ratio (Note 6)		22.30	65.70	Not applicable
	Cash Dividend Yield (Note 7)		4.48%	1.52%	Not applicable

Note 1: Please identify the highest and lowest market price per share of ordinary stock for each fiscal year and calculate each fiscal year's average market price based on the trading value and trading volume of each year.

Note 2: Please use the number of the issuing shares in the year end as the base with the distribution decision resolved at the board of directors or shareholders' meeting held in the following year.

Note 3: If retroactive adjustment is needed due to allocation of stock bonus, please identify the earnings per share before and after the adjustment.

Note 4: If the equity securities issue terms and conditions require that the stock dividends undistributed in the year may be accumulated and distributed until the year in which earnings are generated, please disclose the stock dividends accumulated and undistributed until the end of the year separately: None.

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

Note 6: P/D Ratio＝ Average closing price per share for the year / Cash dividend per share.

Note 7: Cash Dividend Yield＝ Cash dividend per share / Average closing price per share the year.

Note 8: The information regarding net worth per share and earnings per share shall refer to the information available during the most recent quarter up to the date of publication of the Annual Report, which has been reviewed by the CPA, while the other sections shall specify the information available in the current year up to the date of publication of the Annual Report.

(VI) Dividend Policy and Implementation

1. Dividend Policy

If the Company retains earnings upon final account of any fiscal year, it shall first make up any accumulated losses (including adjustment of undistributed earnings), and then make a contribution of 10% as the legal reserve, unless the legal reserve has reached the amount of the Company's paid-in capital. If necessary, the Company shall contribute or reverse the special reserve pursuant to laws or the competent authority's requirements. The surplus, if any, plus the undistributed earnings at the beginning of the year (including adjustment of undistributed earnings), shall be distributed per the earnings distribution plan proposed by the Board of Directors as resolved by a shareholders' meeting.

In order to pursue long-term shareholders' interests and stable business performance goals, the Company adopts the balanced dividend policy. Specifically, the distributed earnings shall be no less than 50% of the distributable earnings in the current year, and the cash dividends shall be no less than 10% of the total dividends, provided that no earnings shall be distributed if the distributable earnings are less than NT$0.5 per share in the current year.

2. The Dividends Proposed to be Distributed at the Shareholders' Meeting:

MIN AIK TECHNOLOGY CO., LTD.
Earnings Distribution Plan
2022

	Unit: NT$
Undistributed earnings, beginning	$ 1,104,216
Add:	
Current Changes in Remeasurements of the Defined Benefit Plan	557,116
Current Net Income	39,758,444
Less:	
Provision of Legal Reserve	(4,031,556)
Shareholders' Equity Reduction Account - Special Reserve	(1,104,216)
Distributable Earnings	36,284,004
Distribution items	
Shareholder Bonus - Cash (NT$0.23 per share)	(31,639,534)
Undistributed earnings, ending	4,644,470

(1) The 2023 annual general meeting proposed that the shareholder dividends distributed from the 2022 earnings should be NT$31,639,534 in total, and the cash dividends should be distributed at NT$0.23 per share. The meeting also proposed to distribute the cash to shareholders with the capital surplus generated from the income derived from the issuance of new shares at a premium, NT$9,629,423 at NT$0.07 per share. Therefore, the cash distributed to the shareholders should total NT$41,268,957.

(2) In the event that the payout rate is changed due to amendments made by the competent authority or the Company's repurchase or transfer of treasury stocks or any other factors that affect the quantity of the Company's outstanding shares, the Chairman of Board shall be authorized by a shareholders' meeting to make adjustments therefor.

3. Please disclose if the dividend policy will be changed significantly: N/A.

(VII) Impact to Business Performance and EPS Resulting from the Proposal of Stock Dividend Distribution Made at the Recent Shareholders' Meeting: Not applicable.

(VIII) Employee & Director remuneration:

1. Percentages or Ranges With Respect to Remuneration to Employees and Directors, as Set Forth in the Company's Articles of Incorporation:

If the Company retains earnings (i.e., those before the income before tax earned for the current year less the remuneration to employees and remuneration to directors) at the end of the fiscal year, it is required to allocate 1% thereof as the remuneration to employees and no more than 3% thereof as the remuneration to directors. However, when the Company still has accumulated losses (including adjustment of undistributed earnings), an amount equivalent to said losses shall be reserved to make up for the loss in advance.

The remuneration to employees referred to in the preceding paragraph may be paid in the form of stock or in cash. The recipients entitled to receive the remuneration include the employees of the Company's associates meeting certain specific requirements set forth by the Board of Directors. The remuneration to directors referred to in the preceding paragraph may be paid in cash only.

The matters referred to in the preceding two paragraphs shall be resolved by the Board of Directors, and reported to a shareholders' meeting.

2. The basis for estimating the amounts of employee, director, and supervisor compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period: Stated as the income of 2023.
3. Information on any approval by the board of directors of distribution of compensation
   (1) Remuneration to Employees and Directors in Cash or in Shares:

   The Board of Directors resolved to distribute remuneration to employees in cash, NT$1,772,289 and remuneration to directors, NT$354,458 on March 22, 2023. Said amounts of remuneration are consistent with the estimated amounts reported in the year when the expenses were recognized.

   (2) The amount of remuneration to employees in shares, and the size of that amount as a percentage of the sum of the net income stated in the parent company only financial reports or individual financial reports for the current period, and the total remuneration to employees: None.
4. Actual Payment of Remuneration to Employees, Directors, and Supervisors in the Previous Year

Year / Item	Last year (2022)			
	Actual Payment Resolved by the Shareholders' Meeting	Proposed Payment Approved by the Board of Directors	Difference	Reason of the difference
I. Status:				
1. Remuneration to Employees in Cash	18,226,947	18,226,947	No Difference	-
2. Remuneration to Employees in Shares				
(1) Number of shares	0	0	No Difference	-
(2) Amount	0	0	No Difference	-
(3) Percentage of the Number of Outstanding Shares at the End of the Year	0	0	No Difference	-
3. Director remuneration	4,564,706	4,564,706	No Difference	-

(IX) Share repurchases

1. The Company's Buyback of its Shares (already executed):

May 4, 2023

Serial number of the term of buyback	5th
Purpose of Buyback	Transfer of Shares to Employees
Period of buyback	2017.01.23-2017.03.17
Buyback price range	NT$28-40
Category and quantity of buyback	Original Ordinary Shares: 2,248,000 shares Ordinary Shares Upon Cash Capital Reduction: 1,798,400 shares
Amount of buyback	NT$81,342,624
Quantity of buyback to the scheduled quantity of buyback (%)	64.23%
Quantity of shares having been canceled and transferred	1,798,400 shares
Cumulative quantity of the issued shares held by the Company.	0
Cumulative quantity of the issued shares held by the Company to the total quantity of shares issued by the Company (%)	0

2. The Company's Buyback of its Shares (under execution): None.

II.Issuance of Corporate Bonds: None.

III.Preferred shares: None.

IV.Global Depository Receipts: None.

V.Employee Stock Warrants: None.

VI.Restricted Stock Awards (RSAs): None.

VII.New Shares Issued for the Acquisition or Transfer of Other Shares: None.

VIII.Implementation of the Capital Utilization Plans: None.

Ch5. Overview of Operations

I. The content of business

(I) The scope of business

1. The Company's Principal Business Lines:
   (1) Import and export (except the business subject to special approval).
   (2) Agent for quotations and tender submission of products on behalf of relevant manufacturers at home and abroad.
   (3) Manufacturing and trading of precision plastic molds.
   (4) R&D, manufacturing, processing, and trading of plastic parts for cameras, plastic parts for cars and motorcycles, assembly of precision electronic parts, parts for HDD, parts for DVD drive, and optical parts.
   (5) Measuring instrument manufacturing.
   (6) Medical devices manufacturing, wholesale of medical apparatus, and retail sale of medical apparatus.
   (7) All business items that are not prohibited or restricted by law, except those that are subject to special approval.
2. Proportion

Main Products	2022	
	Sales value (NT$ thousand)	Percentage (%)
Voice Coil Motor (VCM)	1,107,278	34%
External Hard Drive (EHD)	634,368	20%
COVER	247,370	8%
HDD	241,618	8%
OPTICS	206,603	6%
Read/write head stops	105,620	3%
Others	680,223	21%
Total	3,223,080	100.00%

3. Current Main Products
   (1) Voice Coil Motor (VCM)
   (2) COVER
   (3) External Hard Drive (EHD)
   (4) Read/write head stops.
   (5) HDD
   (6) OPTICS
   (7) Medical device components.

4. New Products Planned to be Developed
   (1) Develop HDD in response to market trends.
   (2) Development and manufacturing of 3C product parts.
   (3) New specifications of high-speed interface single or multiple External Hard Drive (EHD).

(II) Industry Overview:

1. Status and Development of the Industry

Since 2010, the HDD industry has gone through some significant transitions. After Toshiba's merger with Fujitsu in 2010, Seagate and WD also completed the merger with Samsung and HGST at the end of 2011 and at the beginning of March 2012, respectively. Therefore, after 2012, the global HDD industry has been led by the three major suppliers, WD, Seagate, and Toshiba. The industrial characteristics, "Winner Takes All", become more obvious.

According to the statistics gathered by the research institute, TRENDFOCUS, the global HDD shipment has attained 172 million units in 2022, decreasing by 33.6% from 2021. In terms of the market share, Seagate secured the global market share, 43%, the first place in the world. Its annual shipment attains 74 million units. WD and Toshiba secured 37% and 20% market shares, the second place and third place in the world, respectively.

Given that the technologies including machine learning, Internet of Things (IoT), and artificial intelligence (AI) are becoming more and more popular, the drive digital storage data are expanded significantly. According to the forecast by the market survey unit, IDC, the global data storage capacity will be 10 times the existing capacity in 2025, attaining about 163ZB. However, as the price of SSD unit storage declines, it is replacing HDD in consideration of the low low-capacity storage demand and application in laptops. Notwithstanding, HDD development will continue to be oriented towards applications, such as corporate high-capacity and cloud servers.

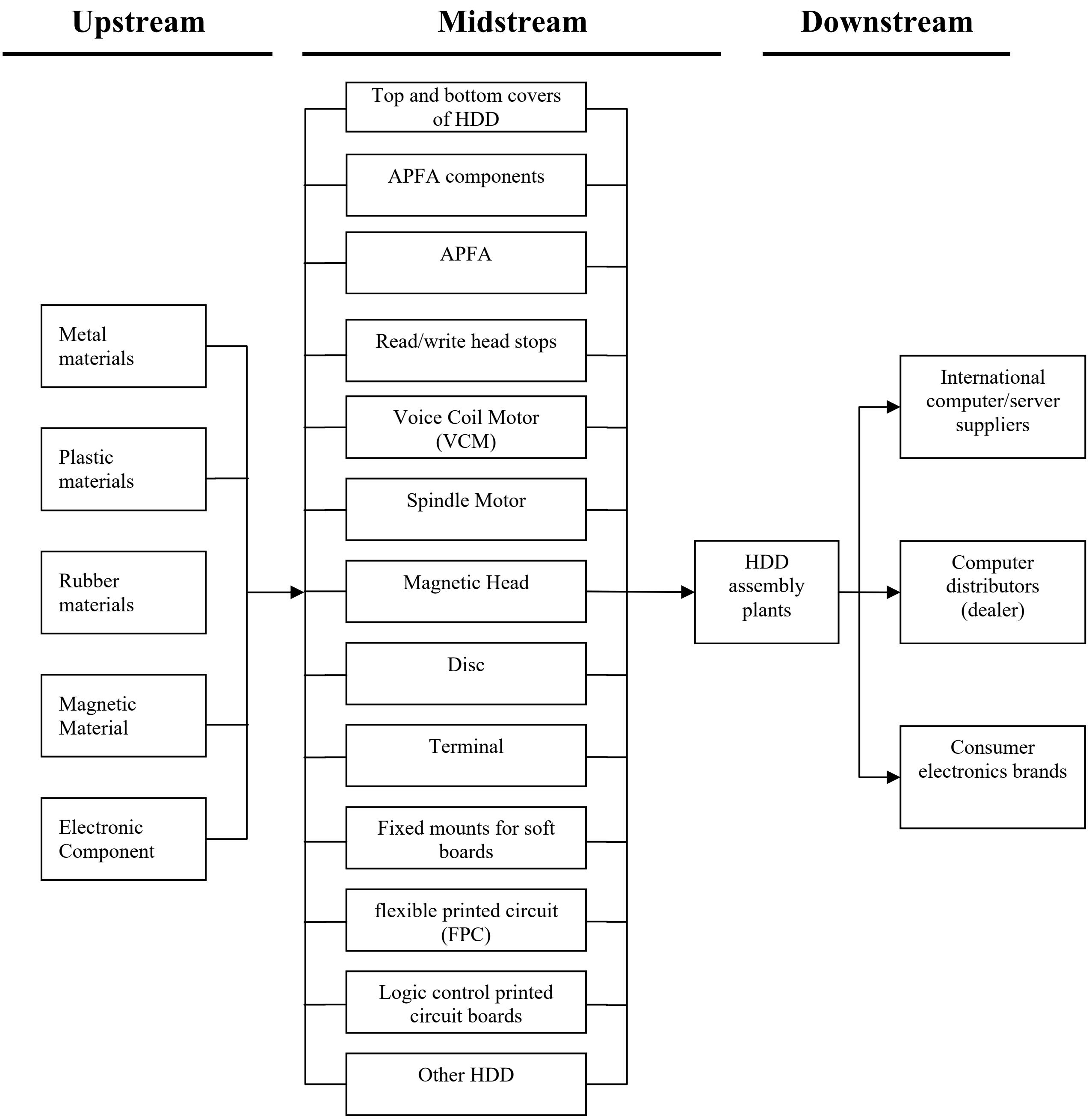
Analysis on Leading HDD Suppliers' Market Shares From 2020 to 2022

Unit: Million units

	2020		2021		2022	
Supplier	Shipment	%	Shipment	%	Shipment	%
Seagate	111.0	42.7%	110.3	42.6%	73.9	43.0%
WD	96.1	37.0%	94.0	36.3%	63.8	37.1%
Toshiba	52.8	20.3%	54.7	21.1%	34.4	20.0%
Total	259.9		259.0		172.1	
Growth %	-18.2%		-0.3%		-33.6%	

Source of Data: Publications made by WD and Seagate, and statistics of TRENDFOCUS, as compiled by MIN AIK TECHNOLOGY CO., LTD.

2. Correlation of the Upstream, Midstream, and Downstream Segments of the Industry:



3. Industrial Development Trends and Competition

(1) Hard Disk Drive (HDD) Development Trends

As far as the future development of HDD products is concerned, the design applied to non-portable products shall focus on the demonstration of capacity and performance as the first priority, while if it is applied to portable products, the HDD design shall stress the lower power consumption/power conservation, lower heat dissipation, and breakthrough of shock resistance. Light and thin products are expected to lead the trend.

According to the observation on HDD design trends in recent years, the most important technology development appears to be the improvement of magnetic density technology, popularization of serial interface architecture, data protection, energy-conservation design, hybrid HDD, and mobile wireless storage solutions.

① Magnetic Density Technology

In the 1980s, magnetic head technology included MIG (Metal In Gap) Heads and Thin Film Heads. In the 1990s, MR (Magneto Resistive) Heads and GMR Heads went mainstream. At the age of Thin Film technology, magnetic density grew by 30% YoY. In the age of MR technology, areal density grew by 60% annually. In the age of GMR, magnetic density grew by 100% annually. For the LMRs used by HDD since 2000, magnetic density grew 31% annually. A dozen years ago, LMR was replaced by PMR. The areal density for the PMR technology is expected to grow by 40% or more. Magnetic density for PMR technology is expected to grow by 40% or more. The Shingled Magnetic Recording (SMR) implemented in the most recent two years may upgrade HDD capacity by 25%. Current HDD with a storage capacity of 16-20TB is identified as the result of PMR+SMR technologies, and the Company’s PMR technology has also advanced to ePMR (energy-assist Perpendicular Magnetic Recording). Meanwhile, HDD capacity is expected to grow significantly after Heat-Assisted Magnetic Recording (HAMR) under R&D matures. The Company is expected to create 22-24TB HDD products in 2023 and implement mass production of 30TB HDD products in 2025. Meanwhile, the Company is also very likely to make traditional HDD storage capacity attain 50-60TB in 2026.

② Interface

Since 2004, the interface architecture of storage devices began to transform from parallel into sequence. SATA (Serial ATA) is expected to replace the PATA (i.e., IDE) interface applied to desktop storage devices gradually, in consideration of the advantages, such as lower voltage, fast transmission, enhanced cable and connector design, point-to-point interface, and hot plugging. By the same token, for corporate storage devices, SAS (Series SCSI) is also replacing Parallel SCSI and going mainstream. SATA is primarily applied to general consumer electronics as data storage devices, e.g., desktops, laptops, and All-In-One, while SAS is applied to large-scale terminals, such as servers or data centers, as data storage device.

③ Data Protection

Following the increasing popularization of cloud storage and e-data, remote connection, remote cooperation, and data protection are becoming more and more important. Multiple data protection measures become the focus of each HDD design.

④ Solid State Hybrid Drive (SSHD)

A hybrid HDD that combines Flash memory, Solid State Drive (SSD), and HDD technology can store data that is used frequently in a flash memory or solid state drive, so as to reduce the frequency of access to the data by the HDD per se, save, reduce power consumption, reduce the boot time, increase access transmission speed, reduce power consumption, cut costs, and improve efficiency effectively.

⑤ Cloud and Mobile Wireless Storage Programs

This refers to programs that may stream media to multiple mobile devices with wireless connection ability, in order to make the HDD become the core of all digital products. Many international manufacturers have launched cloud storage architecture in order to create more practical and streamlining cloud storage architecture. Additionally, Big Data and corporate data centers with characteristics such as large data volume, fast data increase speed, and high data diversity, need the solutions for low cost and large capacity. Some HDD manufacturers use helium to replace air to develop a low-cost and large-capacity HFSD with improved performance and reduced power consumption to meet the large-scale capacity requirements for cloud and storage of various big data. HFSD technology injects helium into the HDD internally to seals it to make it isolated from the outside world completely. Because the volumetric mass density of helium is only one-seventh of that of air, the movement resistance of mechanical components inside a HDD can be mitigated significantly. The components may be made lighter and smaller.

⑥ Energy-conservation Design

Energy-conservation design becomes important in response to the eco-friendly and energy-conservation trend.

(2) Product Competition

The Group engages in production of multiple HDDs. Therefore, the product competition varies depending on the product types. The following is the summarization regarding the market competition of the Group’s main product, VCM:

The main competitors in the field of VCM, which accounts for 34% of the Group’s operating revenue, include MMI, TDK, and SHINETSU. They are all Japan-based and Singapore-based manufacturers. The production costs spent by Japan-based manufacturers are higher. After the end customers accelerated consolidation of the supply chain, one of the Japan-based manufacturers, TDK, withdrew from the market gradually. Most of the other manufacturers set up factories in Southeast Asia. Though they pay low wages, most of them adopt semi-automated production; therefore, their quality is unstable and mass production capacity is limited as well.

(III) Technology, Research and Development

1. R&D Expenses

Unit: NT$ thousand

Item \ Year	2021	2022	March 31, 2023
R&D expenses	134,679	148,023	34,073
Net Turnover	4,158,812	3,223,080	534,736
R&D Expenses as a Percentage of Net Turnover	3.24%	4.59%	6.37%

Note: Consolidated financial reports certified (reviewed) by the external auditors.

2. Technology or Product Developed Successfully in the Most Recent Year

Year	R&D Results
2022	1. Develop slide materials with characteristics such as wear resistance, high temperature crack resistance, and low hydrocarbon gas evolution, applied to corporate and NAS HDD (I).
	2. Smart Factory: Implementation of injection molding process AI technology (I).
	3. Develop thin 0.65-inch dual -axis galvanometer and 0.98-inch dual-axis galvanometer for DLP projectors to increase resolution.
Until May 4, 2023	1. Develop slide materials with characteristics such as wear resistance, high temperature crack resistance, and low hydrocarbon gas evolution, applied to corporate and NAS HDD (II).
	2. Smart Factory: Implementation of injection molding process AI technology (II).
	3. Develop ultra-thin 0.47-inch dual -axis galvanometer and 0.8-inch dual-axis galvanometer for DLP projectors to increase resolution.

(IV) Long and Short-term business development plan

1. Short-term Plan

In order to provide services to existing customers nearby and develop potential customers, the Company continues to practice globalization, set up overseas production and service locations per the market demand and customers' needs, and also implement 6 Sigma and automation technology to improve its productivity and product quality, save costs, expand product market share, and improve its profitability. Also, the Company strengthens improvement of other niche markets through strategic alliances with strategic partners and mergers and acquisition.

2. Long-term Plan

(1) For Production: Integrate the Group's resources and strengthen the cross-border strategic alliance proactively, in order to create the advantages of production division.

(2) For R&D: Grow the R&D of HDD, develop other storage media technologies, and improve the existing technology level and achieve the goal of technology diversity through technology exchanges with strategic partners.

(3) For Marketing:

① Solidify and improve business transactions with existing customers, create its own integrated advantages for "omnibearing HDD R&D and manufacturing" in the field of storage, and develop potential customers proactively.

② Create Other "Niche Markets": Improve technology and marketing service abilities through technology diversity and strategic partnerships. According to the planning, the current proportion of HDD and non-HDD business, 3:1, will be adjusted by increasing the proportion of non-HDD, such as expansion of medical parts injection, projector optical galvanometer modules, and automation business.

③ Promote the professional OEM of electronic and mechanical products, in order to become a world-class professional electronic/mechanical OEM manufacturer (CEMM House).

(4) For QA, Environmental Protection, and Labor:

Practice QA, product toxic substance control, environmental protection, industrial safety and hygiene, GHG control, medical device quality control, and labor protection policies, such as ISO 9001, QC 080001, ISO 14001, OHSAS 18000, ISO 14064, ISO 13485, and RBA Code of Conduct, in order to create high-quality products, fulfill social responsibility, and improve corporate identity and international competitiveness.

(5) Scale of operation:

① Adjust production capacity and global business scale resiliently, in response to the industrial development and customers' needs.

② Uphold the management philosophy about "sustainable business", continue to research and develop products in a diversified manner, and orient the development toward the business group, to practice the management of various business entities.

II. An analysis of the market as well as the production and marketing situation

(I) Market Analysis

1. Territories in Which the Main Products are Sold

Unit: NT$ thousand

Amount / Area	2021		2022	
	Sales	%	Sales	%
Asia	3,996,591	96.10	3,093,937	95.99
America	130,239	3.13	95,564	2.97
Europe	31,982	0.77	33,579	1.04
Total	4,158,812	100.00	3,223,080	100.00

2. Market share

In terms of the Group's 2022 consolidated operating revenue, the shipments of the main product, VCM, accounting for 34% of the Company's operating revenue, was about 16.14 million units this year. Based on the statistical data gathered by major HDD manufacturers, if any, the global market share of the Company's main product, VCM, is about 9.4%.

Global Market Shares by Main Products of MIN AIK in 2022 and 2021

Unit: Million Units

Product	2021	2022
	Voice Coil Motor (VCM)	Voice Coil Motor (VCM)
MIN AIK Shipments	33.32	16.14
Global HDD Shipments	259.0	172.1
MIN AIK Market Share	12.9%	9.4%

Source of Data: Publications made by WD and Seagate, as compiled by MIN AIK TECHNOLOGY CO., LTD.

3. Future Market Demand and Supply, and Market's Growth Potential

(1) Future Market Supply and Demand

According to the statistics gathered by the research institute, TRENDFOCUS, the global HDD shipment has attained 172 million units in 2022, same as that in 2021, a decrease by 33.6% from 2021. As a result of the expansion of global Flash memory production capacity and the growth of market demand for SSD, the traditional HDD market has been eroded gradually. The annual demand has been declining year by year since 2015. According to the analysis by Future Market Insights, the global HDD output value compound annual growth rate will be 11.2% from 2022 to 2029, primarily because the HDD capacity has been improved significantly. Notwithstanding, the number of units shipped appears to be declining. Corporate high-capacity HDD shipment accounted for more than 40%. In terms of the market trend, such demand will account for the same percentage in next few years.

(2) Future Growth Potential and Development Trends of the Industry

In addition to PCs (including traditional desktops, laptops, and Ultramobile top models), Ultramobiles (tablets and compass computers), servers, workstations, and consumer electronics applications, the diversification of digital information and expansion of the demand for the cloud, data center, and big data give HDD a role to play in the high-reliability, low-cost, and large-capacity storage devices.

① Applications in PC-related Fields

According to the statistics and forecast made by the market survey institution, Gartner, in January 2023, the global PC (including traditional desktop, laptop and Ultramobile top models) shipment in 2022 was about 286 million units, and decrease by 16% from 341 million units in 2021.

② CE Products and Cloud Storage-related Fields

Personal digital products, digital home appliances, consumer electronics, the cloud, data centers, and big data storage demand derived in response to the progress of the times and modern people's diversified choices, such as access to the Internet, leisure and entertainment, audio, video, and home appliances have grown stably in recent years. Meanwhile, most of them also identify HDD as important equipment.

③ Monitoring System

As the concern about daily life security is increasing, improvement to video surveillance systems is the priority of public and private sectors. More and more enterprises and consumers have started to adopt high-resolution digital imaging solutions and cameras that may respond immediately. Additionally, as more and more related laws and regulations are implemented, enterprises will be able to store more image data for a longer period. Video surveillance becomes another important field with business growth potential.

4. Competitive Niche

(1) Automation Process Production

MIN AIK has self-production capabilities in molding, forming, and assembly, as well as automated machines. With automated process production, the Company's production capacity, quality, and production efficiency are controlled and improved effectively, and the goals for effective reduction of management and manufacturing costs may be achieved at the same time. Compared to others who have low labor costs in human resources in Southeast Asia, the Company is considered one of the competitors in a labor-intensive industry. Accordingly, the Company's two-pronged strategy appears to be more competitive than others.

(2) Complete QA System and Strict QC

The Company uses its best effort to improve the quality, toxic substance control, environmental health and safety, GHG control, labor interest, and ethical code. It has also complied with ISO 9001, QC 080001, ISO 14001, ISO 45001, ISO 14064, ISO 13485, and ISO 22301, as well as the RBA Code of Conduct, and also implemented the same comprehensively. Meanwhile, the Company has also exercised strict control over the improvement of production efficiency, defective rate, and corrective action. Therefore, the Company continues to be selected by various major HDD manufacturers as the best quality and excellent supplier.

(3) Price and Production Capacity With Competitiveness

MIN AIK promotes the process automation and internationalization of production locations proactively to establish economies of scale and reduce labor and transportation costs. Meanwhile, due to the implementation of E-office and ERP material demand systems, the Company can control the management, sale, and production costs effectively. Therefore, the unit price of the Company's main products should be more competitive than that of competitors.

(4) R&D Capability

① Improve the design capabilities and shorten the time spent in development through extensive technology exchange, and complete the product development precisely and quickly.

② The Company improves the technical level of R&D personnel voluntarily and also works with domestic and foreign experts and consultants on technology and to apply for patented technologies.

③ Participate in customers' R&D throughout the whole process.

(5) New Product R&D Schedule

MIN AIK can provide customers with real-time engineering and technical services, and help customers shorten the time spent in R&D of new products to help customers launch new products shortly as possible as it can.

(6) High Resilience

The Company continues to verify the market trends and customers' needs, and also analyzing and adjusting every detail about the design, shipment, and launch of products, in order to seize the market opportunity at first and respond to the increasingly competitive market.

(7) Diversified Development

The Company's products are more diversified than those of competitors. In addition to the VCM which the Company has developed thoroughly, it also has developed other HDD, such as Cover, Ramp/Latch, Bracket, Air Spoiler, and Shipping Comb, per existing customers' needs. The Company also expands its production capacity to strive for the orders placed by other major HDD manufacturers. Meanwhile, the Company also uses its best effort to work on the development and manufacturing of automated machines and new specifications of high-speed interface single or multiple External Hard Drives (EHDs) for the time being. MIN AIK also uses its best effort to launch into other potential industries via investment.

(8) The Company maintains fair and reciprocal partnerships with customers.

In consideration of the short life cycle of products and strict requirements for expertise and speed in the HDD market, launching into the market is not an easy job for any manufacturers other than existing leading manufacturers. The Company has experience in manufacturing of HDDs for many years and therefore, has already established a stable and reciprocal partnership with customers.

5. Analysis on Positive and Negative Factors for Future Development and Responsive Measures

Opportunities:

(1) High Threshold for New Competitors

In consideration of the characteristics of the HDD industry, such as "Winner Takes All", technology-intensive, short life cycle of products ,and high pressure from innovation, the HDD market appears to be a more closed market than other industrial markets and requires a higher technical threshold. In order to ensure the maximization of speed and efficiency, and to seize technological and market opportunities, the relationship between manufacturers in the upstream and downstream segments of the HDD industry is very close. Therefore, it is not easy for competitors outside the industry to launch into the market successfully.

(2) Special Niche in Management, Production, and Quality

The Company owns a complete management system and excellent technological talents that favor the Company's long-term management and development of technology. Meanwhile, the Company is very experienced in factory management and has advantages in vertical integration. Therefore, the Company is able to precisely control the mold design, development and production, operating environment in the clean room, or other production processes. Further, in order to pursue the commitment for quality and environment, the Company has also complied with ISO 9001, QC 080001, ISO 14001, ISO 45001, ISO 14064, ISO 13485, and ISO 22301, as well as the RBA Code of Conduct, and also implemented the same comprehensively. Therefore, the Company's product quality remains stable, and the Company receives recognition from major customers each year.

(3) The Company's branches launch into the markets thoroughly to verify the market demand and marketing channels completely.

More than 90% of the Company's products are marketed overseas. In order to expand the Company's overseas markets and provide customers with real-time services, the Company has set up subsidiaries in the United States and Singapore, and factories in Malaysia and China, to help the Company verify the market trends and industrial information from time to time. As controlling channels means seizing business opportunities, sound channels becomes an important niche for the Company's future development.

(4) The Company maintains permanent and fair partnerships with world-class manufacturers.

The Company's major customers are mostly world-class manufacturers with sound financial positions and management status. Additionally, as the Company has developed the HDD market for so many years, it continues to receive consistent recognition and reliance from customers in terms of product R&D, quality, and service.

(5) Solid R&D Capability

In order to grow R&D technology further, the Company not only recruits elites in the industry, but also keeps ensuring the continuous improvement of R&D technology based on plans, such as internal technology transfer, internal/external education and training, and exchange of technology with academic groups. Meanwhile, in order to seize the opportunities for design, MIN AIK provides customers with rapid R&D support with no time difference, as aided by engineers in the USA and Taiwan 24 hours a day.

(6) The Company mitigates the potential risk over concentration on any single industry by investing in industries other than the HDD industry, improves the Group's development of new technologies through long-term investment in other industries and strategic alliances, and diversifies the Group's business.

<u>Threats</u>

(1) Lack of Professional Talents for HDD Products and Insufficient Domestic Labor

Considering that Taiwan lacks professional talents in the HDD industry, and it is difficult to recruit basic human resources, the Company uses its best effort to plan human resources and train talents, and also set up factories overseas in response to any changes in the industry.

<u>Response measures:</u>

① Since the Company was incorporated, it has been dedicated to improving the automated production and process to increase the unit output and quality, and also increasing automated machines and equipment to mitigate the reliance on manpower.

② The Company recruits foreign workers to help production in Taiwan and establishes production locations overseas to solve the problem of shortage of labor in the short run, and help improve product quality and cut production costs in the long run.

③ The Company strengthens the orientation training and in-service training to improve personnel's literacy, and uses its best effort to plan human resources and improve employee welfare, in order to mitigate the labor turnover rate effectively.

④ The Company sets up subsidiaries overseas to increase production capacity and resilience of human resources allocation.

(2) The Company's concentration of industry appears to be high and thereby increases its operational risk.

The Company's HDD generates an operating revenue accounting for about 70% of the Company's total operating revenue. Therefore, any excessive or unbalanced changes in the supply and demand of the industry might produce pressure on the Company's operations.

Response measures:

The Company is developing towards a professional electronic/mechanical OEM (CEMM). In order to make the Company's products more diversified, the Company is using its best effort to research and develop multiple key technologies, products, and processes, including the development and manufacturing of automated machines, new specifications of high-speed interface single or multiple External Hard Drives (EHDs), precision stamping of metal parts, and improvement of plastic industry technology (bi-injection forming), etc. Further, the Company might also consider making the Group's products more diversified through strategic mergers and acquisitions at home and abroad.

(3) The Company mitigates the potential risk over the Company's concentration of one single industry by investing in potential industries other than the HDD industry. However, the uncertainty in launching into a field of technology that the Company is not familiar with, and low shareholding ratio makes it impossible for the Company to control and direct the management of the investees, thus increasing investment risk.

Response measures:

① Strengthen the pre-evaluation and analysis of the investment in new fields/new technologies to mitigate the investment risk.

② Establish strategic alliances with investees to increase participation in new technologies, so as to diversify the Company's technology and mitigate the investment risk at the same time.

③ The Company irregularly evaluates changes in the environment of the industries in which the investees are engaged in, and also obtains their business reports, as the basis for evaluation on following investment projects.

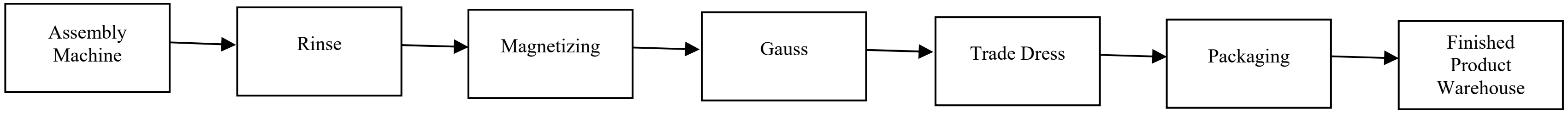
(II) Usage and manufacturing processes for the company’s main products

Purpose of Voice Coil Motor:

It primarily functions as a motor to drive the magnetic head and also the radial movement of the magnetic head, so that the magnetic head can change its track on the disk conveniently to read and write data.

Production Process of Voice Coil Motor:

Production Process of WD VCM



(III) Supply situation for the company's major raw materials

Major Raw Materials	Supplier	Remarks on the Supply
Large Magnets	NINGBO YUNSHENG, TDK(SG)	The status of supply appears to be fair.
Stamping Parts	MAP	The status of supply appears to be fair.
Metal Coil Materials	CHIA FAR, HOSHIN KENZI	The status of supply appears to be fair.
Plastic Pellets	WAHLEE, NOK, LIO HO, Multitask	The status of supply appears to be fair.
Transmission Lines and Cables	Jem, HOWTEH Technology Co., Ltd.	The status of supply appears to be fair.
Printed Circuited Board (PCB)	PROMISE Technology	The status of supply appears to be fair.
Computer Numerical Control and Processing	AXA	The status of supply appears to be fair.
Metal Processing	Zhong An Metal	The status of supply appears to be fair.
Plastic Injection	INJECTION, SMILDEN BIOTECHNOLOGY CO., LTD.	The status of supply appears to be fair.
Integrated circuit	Prohubs International Corp., Pernas Electronics Co., Ltd	The status of supply appears to be fair.

(IV) List of Main Suppliers/Buyers

1. Name of Suppliers Representing More Than 10% of Total Purchases in Any of the Most Recent Two Years:

Unit: NT$ thousand; %

	2021				2022				2023 Q1			
Item	Name	Amount	Ratio of Annual Net Purchase (%)	Relationship with the issuer	Name	Amount	Ratio of Annual Net Purchase (%)	Relationship with the issuer	Name	Amount	Ratio of Net Purchase (%)	Relationship with the issuer
1	NINGBO YUNSHENG	472,926	15.79	None	NINGBO YUNSHENG	424,898	18.92	None	MAP	43,376	18.94	Affiliated company
2	MAP	454,735	15.18	Affiliated company	MAP	323,819	14.42	Affiliated company	NINGBO YUNSHENG	27,994	12.22	None
	Others	2,067,363	69.03		Others	1,497,562	66.66		Others	157,665	68.84	
	Net purchases	2,995,024	100.00		Net purchases	2,246,279	100.00		Net purchases	229,035	100.00	

NINGBO YUNSHENG: It is the supplier of raw materials of MAM VCM products, large magnets. As a result of the decrease in POs in 2022, the purchase amount decreased relatively.

MAP: It is the supplier of HDD spare parts. As a result of the decrease in end customers' demand in 2022, the purchase amount decreased relatively.

2. Name of Trade Partners Representing More Than 10% of Total Sales in Any of the Most Recent Two Years:

Unit: NT$ thousand; %

	2021				2022				2023 Q1			
Item	Name	Amount	Ratio of Annual Net Sales (%)	Relationship with the issuer	Name	Amount	Ratio of Annual Net Sales (%)	Relationship with the issuer	Name	Amount	Ratio of Net Sale (%)	Relationship with the issuer
1	WDC	1,707,402	41.06	None	WDC	1,106,385	34.33	None	WDC	243,059	45.45	None
2	WD SG	531,900	12.79	None	WD SG	602,614	18.69	None	WD SG	84,299	15.76	None
3	WDC (LCB)	523,995	12.60	None	WDC (LCB)	587,919	18.24	None	WDC (LCB)	69,469	12.99	None
	Others	1,395,515	33.55		Others	926,162	28.74		Others	137,909	25.80	
	Net Sales	4,158,812	100.00		Net Sales	3,223,080	100.00		Net Sales	534,736	100.00	

(V) Production Volume/Value for the Most Recent Two Years

Unit: Thousand PCS: NT$ thousand

Year Production Volume/Value Main products	2021			2022		
	Production Capacity	Production volume	Production value	Production capacity	Production volume	Production value
APFA components	0	0	0	0	0	0
Voice Coil Motor (VCM)	148,272	54,369	1,107,610	123,552	25,886	948,795
COVER	35,540	23,721	382,456	49,756	11,497	253,632
External Hard Drive (EHD)	1,004	522	561,211	1,024	479	540,918
Read/write head stops	140,353	56,621	187,455	114,712	25,706	114,102
Plastic Parts	125,957	53,284	162,468	84,034	29,145	102,758
OPTICS	1,632	1,495	188,643	1,632	786	98,456
Others	101,119	164,513	257,803	80,922	106,334	272,785

Note: The production of APFA components ceased in the middle of 2020. All of the inventory thereof was shipped at the end of the same year.

The others refer to the self-made electronic parts (electronic parts products include sewing machine, microscopes, and other electronic parts, etc.).

(VI) Volume of units sold for the most recent two years

Unit: Thousand PCS: NT$ thousand

Year Sales Volume/Value Main products	2021				2022			
	Domestic marketing		Export sale		Domestic marketing		Export sale	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
APFA components				(9)				
Voice Coil Motor (VCM)			57,428	1,567,576			24,796	1,107,278
COVER			22,935	403,455			12,145	247,370
External Hard Drive (EHD)			506	643,273			471	634,368
Read/write head stops			57,991	182,533			28,892	105,620
HDD			76,309	301,891			51,217	241,618
Optical Galvanometer		31	1,555	330,231		376	933	206,227
Others	44,454	229,254	121,390	500,577	49,959	204,471	49,832	475,752
Total	44,454	229,285	338,114	3,929,527	49,959	204,847	168,286	3,018,233

III. Overview of Employees in the Most Recent Two Years and Up to the Date of Publication of the Annual Report

Year		2021	2022	Until May 4, 2023
Number of employees	Direct Employees	1,579	776	739
	Indirect Employees	380	478	442
Total		1,959	1,254	1,181
Avg. Age		32.6	34.45	34.64
Average years of services		5.2	6.59	6.88
Highest educational attainment	University and Above	19.8%	22.03%	22.17%
	Bachelor	15.9%	17.70%	19.03%
	High School	48.0%	45.06%	44.71%
	Below High School	16.3%	15.21%	14.09%

IV. Disbursements for environmental protection

Describe any losses suffered by the Company in the most recent two fiscal years and up to the date of publication of the Annual Report due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental protection inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclose an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

The Company is engaged in a low-pollution industry; therefore, it has never committed any environmental pollution over the years. Due to changes in environmental protection laws, the expenditures spent in eco-friendly waste lubricating oil and waste solvents stated by the Company regularly each year totals about NT$600,000 per year.

Meanwhile, each factory premises has set up the environmental safety management organization to plan, promote and execute related environmental protection, safety and health operations, and countermeasures and plans against risk management. Since 2002, each factory premises of the Group has successively passed ISO 14001 international environmental protection certification, effective until August 9, 2023. The Group’s headquarters also passed the ISO 14064-1 GHG accounting standard certification in 2011, and then established the GHG accounting system. After that, the Company obtained the IECQ QC 080000 for the certification of the management system for no hazardous substance included in the products in 2013. The Company deals with any matters in line with laws and the code of ethics. All of the Company’s factory premises use the best effort to pursue environmental protection, safety, fulfillment of corporate responsibilities and obligations, as well as compliance with relevant laws and regulations, in order to achieve the goal of sustainable business.

V. Industrial Relations

(I) The Company’s employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees’ rights and interests in the most recent year up to the date of publication of the Annual Report:

1. Benefit Policy:

(1) The Company’s welfare policy consists of sound internal and external education and training for employees, performance bonuses, employees’ enrollment to the labor and national health insurance programs, and contribution to the pension fund according to laws, regular employees’ health checkups, and provision of diversified meals to employees.

(2) The Company established the Employee Welfare Committee (recorded with the government) to take charge of planning and implementation of various employee welfare programs, including monthly birthday party (birthday gift voucher and cakes), three major festival gift vouchers, Labor Day gift vouchers, wedding gifts, childbirth gift money, funeral consolation, consolation for hospitalization due to injury and sickness, regular annual

employee travel, special merchant discounts, and other related welfare policies.

2. Continuing Education: Provide employees with information and resources regarding in-service training, including labor associations' education and training, and professional training consultancy companies, in order to encourage employees to develop expertise or management ability required by their career development.
3. Training: The Company values the training and development of colleagues. In order to provide a working environment that provides continuing education and development, the Company adopted the Regulations Governing Employees' Education and Training to implement various training programs systematically. The Company also provides a series of professional, general education management, and self-development courses for current employees performing different functions, and also implements in-service training with respect to new employees, hoping to create a fair environment providing continuing education to make employees' personal growth in line with the Company's development closely.
4. Retirement: The Company adopted its employee retirement regulations and also established the "Labor Pension Fund Supervisory Committee" in accordance with the "Labor Standards Act" and "Labor Pension Act". The Company contributes the labor pension fund to the labor retirement pension account maintained at the Bank of Taiwan on a monthly basis, and also contributes 6% of the pension fund to the personal labor pension fund account of employees who are applicable to the "Labor Pension Act" on a monthly basis. The Company's robust financial system ensures the steady contribution and payment of the pension fund to colleagues, in order to help colleagues who serve the Company prepare for long-term planning and commit to their work.
5. Status of Labor-management Agreements and Measures for Preserving Employees' Rights and Interests:
   (1) In order to coordinate labor-management relations, urge labor-management cooperation, and improve work efficiency, the Company convenes labor-management meetings regularly in accordance with the Labor Standards Act, to maintain the unimpeded two-way communication management and exchange.
   (2) The Company sets up the fair and unimpeded tangible opinion mailbox and online opinion mailbox on the employee portal site, and expanded the communication channels, in order to listen to and solve the opinions and ideas provided by employees, and to practice the labor-management coordination mechanism thoroughly.
   (3) The Company also complies with the Act of Gender Equality in Employment and established the harassment prevention policy, and grievance, reward, and punishment regulations. Meanwhile, the Company's management regulations also provide requirements regarding approval of employees' applications for menstrual leave, family care leave, parental leave without pay, paternity leave, and breastfeeding leave, etc., in order to protect employees' interests and rights.

6. In order to strengthen the improvement of labor safety and health facilities and working environment, mitigate the occurrence of occupational accidents, and ensure labor safety and health, the Company adopts and implements various management regulations and enforcement rules. Meanwhile, the Company has received the ISO 45001 occupational safety and health management certification in 2008, effective until August 9, 2023. In 2020, the Company was awarded the Certificate of Disaster-Free Working Hours Record by the Occupational Safety and Health Administration, Ministry of Labor (the disaster-free working hours attained 2.88 million). Meanwhile, the Company organizes fire prevention conference and disaster prevention and evacuation drills each year. In order to keep mitigating the risk over the workplace, the Company has hired occupational medical and nursing personnel to execute the employee health protection plan since 2019, so as to maintain the employees' physical and mental health and also create a friendly working environment.

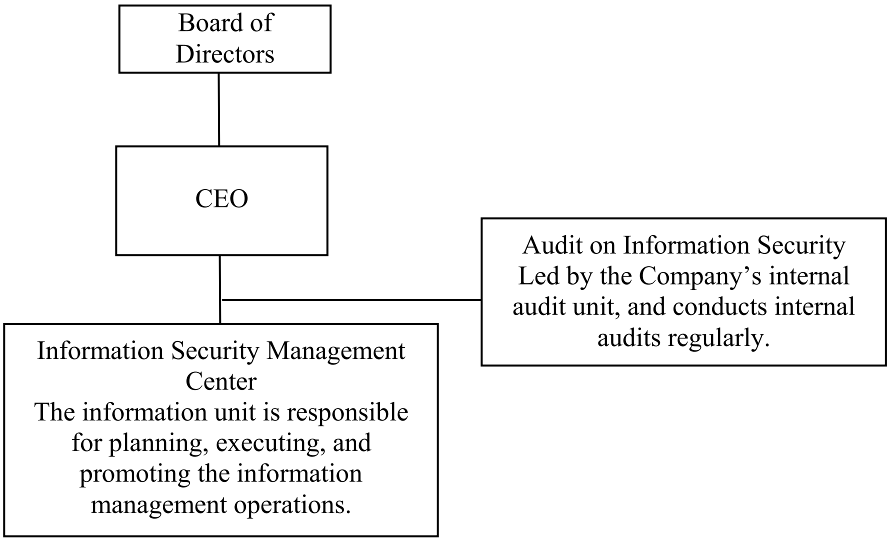
(II) Losses arising as a result of employment disputes in the most recent year up till the publication date of this Annual Report (including violations against the Labor Standards Act found during a labor inspection; explain the date of penalty, reference number, the laws violated, the violating action, and the nature of penalty). Please quantify the estimated losses and state any response actions, and state reasons if losses cannot be reasonably estimated:

The Company always identifies employees as the most important asset of the Company, and also values the labor conditions and employee benefits very much. Meanwhile, the Company uses its best effort to create a fair working environment and provide unimpeded labor-management communication channels. Therefore, the Company didn't suffer any losses from labor-management disputes within the most recent five years. The Company will continue to develop toward this direction to maintain a harmonious relationship between labor and the management, so that the Company will not suffer any labor disputes in the future, nor will it suffer losses therefor.

VI. Information Security Management:

(I) Information Security Risk Management Framework

The Company's information security unit is the Information Department, which is responsible for planning, implementing, and promoting information security management matters, and the audit department proposes the relevant internal control procedures, and conducts internal audits regularly.



(II) Information Security Policy

The Policy is adopted in order to improve information security management, ensure confidentiality, completeness, and availability of information, reliability of information equipment and network systems, and employees' awareness of information security, and protect related information services from any interruption, destruction, or intrusion.

1. Set up information security management and protection.
2. Improve network safety management.
3. Practice system access controls.
4. Comply with system development and maintenance security management.
5. Promote tangible and environmental safety management.
6. Ensure business continuity planning and management.
7. Upgrade information security education and training.
8. Perform information security audit operations satisfactorily.

(III) Manage programs and invested resources specifically.

1. In response to FSC's enhancement of the TWSE/TPEx listed companies' information security management mechanism, under which the Company is identified as Level 2 in scale, the Company has completed the reporting on the dedicated information security officer and staff in November 2022.
2. Information security staff: Responsible for design of information security framework, information security operation and monitoring, and feed back to and investigation on information security incidents, and review on and amendments to the information security policy.
3. One information security staff has been assigned to attend the external training course, Network Forensics and Malware Analysis, in September 2022.

4. The Information Security Management Committee convened one meeting.

5. Conduct the internal audit on information security on a monthly basis.

6. Conduct the ISO 22301 business continuity management drill for execution of crisis management and recovery in the case of the earthquake of magnitude 7 at the Company's factory premises, in October 2022.

7. KPMG Taiwan conducted the 2022 audit on the information environment and information security of the Company in August 2022, and found no defects.

8. IA Dept. conducted the audit on the security control operations, cyber security inspection control, system recovery plan & system and testing procedure control over the files and equipment in April 2022.

9. Already joined the information security joint frameworks, such as CERT/CSIRT of Taiwan, in March 2022.

10. Promote the information security from time to time, in order to improve the employees' ability to respond to and alertness in information security risk.

(IV) List any losses suffered by the Company in the most recent year and up to the date of publication of the Annual Report due to significant cyber security incidents, and potential effects to be caused and responsive measures to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

In the most recent three years, no information security incidents or related losses were found.

VII. Important contracts and commitments: None.

Ch6. Financial Report

I. The Most Recent Five Years Condensed Balance Sheet and Comprehensive Income Statement Summary

(I) 1. Consolidated Condensed Balance Sheet - IFRSs

Unit: NT$ thousand

Year Item		The Most Recent Five Years Financial Results					
		2018	2019	2020	2021	2022	Financial Information as of March 31, 2023
Current assets		3,877,939	3,219,472	2,662,795	3,234,295	2,435,916	2,259,857
Financial assets at fair value through profit or loss		0	229,969	345,373	317,938	296,870	296,879
Financial Assets at Fair Value Through Other Comprehensive Income		136,766	102,113	93,775	40,669	7,546	7,546
Property, plant and equipment (Note 1)		1,567,511	1,061,978	788,710	676,993	728,978	742,404
Right-of-use asset		0	120,310	75,443	116,413	97,041	91,732
Other assets (Note 1)		893,731	700,058	705,563	734,641	864,136	864,982
Total assets		6,475,947	5,433,900	4,671,659	5,120,949	4,430,487	4,263,400
Current liabilities	Before payout	2,203,176	1,842,073	1,460,612	1,882,293	1,185,194	1,178,109
	After payout	2,203,176	1,842,073	1,460,612	2,019,857	(Note 2)	(Note 3)
Non-current liabilities		493,060	357,634	324,240	330,178	377,647	353,845
Total Liabilities	Before payout	2,696,236	2,199,707	1,784,852	2,212,471	1,562,841	1,531,954
	After payout	2,696,236	2,199,707	1,784,852	2,350,035	(Note 2)	(Note 3)
Equity attributable to owners of parent		3,596,607	3,157,236	2,840,011	2,869,588	2,845,809	2,714,833
Capital stock		1,393,616	1,393,616	1,375,632	1,375,632	1,375,632	1,375,632
Capital surplus		1,748,231	1,748,231	1,689,415	1,604,287	1,476,353	1,476,353
Retained earnings	Before payout	1,101,759	733,917	485,071	758,637	789,323	674,228
	After payout	1,101,759	733,917	485,071	749,007	(Note 2)	(Note 3)
Other equity		(570,199)	(641,728)	(710,107)	(868,968)	(795,499)	(811,380)
Treasury stock		(76,800)	(76,800)	0	0	0	0
Non-controlled interests		183,104	76,957	46,796	38,890	21,837	16,613
Total equity	Before payout	3,779,711	3,234,193	2,886,807	2,908,478	2,867,646	2,731,446
	After payout	3,779,711	3,234,193	2,886,807	2,770,914	(Note 2)	(Note 3)

Note 1: By March 31, 2023, the Company never carried out any asset revaluation.

Note 2: The distribution of earnings in 2022 is pending resolution by a shareholder’s meeting.

Note 3: The figures after distribution are specified based on the resolution by the next annual general meeting.

2. Parent Company Only Condensed Balance Sheet - IFRSs

Unit: NT$ thousand

Year Item		The Most Recent Five Years Financial Results					Financial Information as of March 31, 2023
		2018	2019	2020	2021	2022	
Current assets		1,746,342	1,947,413	1,614,352	2,033,431	1,332,959	The latest parent company only financial information available up to the date of publication of the Annual Report is dated December 31, 2022. Therefore, it is not advisable to disclose the information.
Financial assets at fair value through profit or loss		0	229,969	345,373	317,938	296,870	
Financial assets at fair value through other comprehensive income		136,766	102,113	93,775	40,669	7,546	
Property, plant and equipment (Note 1)		220,680	144,640	121,470	111,797	94,919	
Intangible assets		0	0	0	0	0	
Other assets (Note 1)		3,954,313	3,180,031	2,809,060	2,925,043	3,080,765	
Total assets		6,058,101	5,604,166	4,984,030	5,428,878	4,813,059	
Current liabilities	Before payout	2,087,306	2,227,086	1,913,174	2,319,255	1,638,616	
	After payout	2,087,306	2,227,086	1,913,174	2,456,819	(Note 2)	
Non-current liabilities		374,188	219,844	230,845	240,035	328,634	
Total Liabilities	Before payout	2,461,494	2,446,930	2,144,019	2,559,290	1,967,250	
	After payout	2,461,494	2,446,930	2,144,019	2,696,854	(Note 2)	
Capital stock		1,393,616	1,393,616	1,375,632	1,375,632	1,375,632	
Capital surplus		1,748,231	1,748,231	1,689,415	1,604,287	1,476,353	
Retained earnings	Before payout	1,101,759	733,917	485,071	758,637	789,323	
	After payout	1,101,759	733,917	485,071	749,007	(Note 2)	
Other equity		(570,199)	(641,728)	(710,107)	(868,968)	(795,499)	
Treasury stock		(76,800)	(76,800)	0	0	0	
Non-controlled interests		0	0	0	0	0	
Total equity	Before payout	3,596,607	3,157,236	2,840,011	2,869,588	2,845,809	
	After payout	3,596,607	3,157,236	2,840,011	2,732,024	(Note 2)	

Note 1: By December 31, 2022, the Company never carried out any asset revaluation.

Note 2: The distribution of earnings in 2022 is pending resolution by a shareholder's meeting.

(II) 1. Consolidated Condensed Comprehensive Income Statement - IAS

Unit: NT$ thousand

Year Item	The Most Recent Five Years Financial Results					
	2018	2019	2020	2021	2022	Financial Information as of March 31, 2023
Operating income	6,786,263	5,404,679	3,889,506	4,158,812	3,223,080	534,736
Gross operating profit	308,096	141,301	259,258	685,340	374,848	(4,710)
Operating income	(389,567)	(493,364)	(278,822)	182,652	(96,161)	(122,208)
Non-operating income and expenses	48,714	(73,070)	16,836	56,445	139,970	3,303
Net profit before tax	(340,853)	(566,434)	(261,986)	239,097	43,809	(118,905)
Net profit this term of the units in continued business operation	(371,943)	(471,889)	(281,631)	181,504	20,565	(120,096)
Loss of discontinuing operations	0	0	0	0	0	0
Net profit (loss) this term	(371,943)	(471,889)	(281,631)	181,504	20,565	(120,096)
Other comprehensive income (loss) this term (net amount after tax)	40,198	(73,629)	(65,755)	(159,833)	76,167	(16,104)
Total comprehensive income (loss) this term	(331,745)	(545,518)	(347,386)	21,671	96,732	(136,200)
Net profit attributable to the owner of parent	(329,218)	(366,588)	(254,213)	186,906	39,758	(115,095)
Net profit belonging to non-controlled equity	(42,725)	(105,301)	(27,418)	(5,402)	(19,193)	(5,001)
Total comprehensive income attributable to the owner of parent	(291,706)	(439,371)	(317,225)	29,577	113,785	(130,976)
Total comprehensive income belonging to non-controlled equity	(40,039)	(106,147)	(30,161)	(7,906)	(17,053)	(5,224)
Earnings Per Share (NT$)	(2.39)	(2.66)	(1.85)	1.36	0.29	(0.84)

2. Parent Company Only Condensed Comprehensive Income Statement - IAS

Unit: NT$ thousand

Year Item	The Most Recent Five Years Financial Results					Financial Information as of March 31, 2023
	2018	2019	2020	2021	2022	
Operating income	4,795,940	4,401,509	3,270,417	3,699,123	2,979,729	The latest parent company only financial information available up to the date of publication of the Annual Report is dated December 31, 2022. Therefore, it is not advisable to disclose the information.
Gross operating profit	268,403	233,313	196,088	279,102	192,826	
Operating income	(36,511)	(36,117)	(50,977)	12,465	(66,751)	
Non-operating income and expenses	(252,765)	(459,802)	(198,892)	193,977	100,070	
Net profit before tax	(289,276)	(495,919)	(249,869)	206,442	33,319	
Net profit this term of the units in continued business operation	(329,218)	(366,588)	(254,213)	186,906	39,758	
Loss of discontinuing operations	0	0	0	0	0	
Net profit (loss) this term	(329,218)	(366,588)	(254,213)	186,906	39,758	
Other comprehensive income (loss) this term (net amount after tax)	37,512	(72,783)	(63,012)	(157,329)	74,027	
Total comprehensive income (loss) this term	(291,706)	(439,371)	(317,225)	29,577	113,785	
Earnings Per Share (NT$)	(2.39)	(2.66)	(1.85)	1.36	0.29	

(III) Names of external auditors and audit opinions in the most recent five years:

Year	Name of Certifying CPA	Audit Opinions
2018	KPMG International Chen Cheng Chien, Huang Yung Hua	Audit Report with unqualified opinion
2019	KPMG International Chen Cheng Chien, Huang Yung Hua	Audit Report with unqualified opinion
2020	KPMG International Chen Cheng Chien, Huang Yung Hua	Audit Report with unqualified opinion
2021	KPMG International Chen Cheng Chien, Huang Yung Hua	Audit Report with unqualified opinion
2022	KPMG International Yu Sheng-Ho, Cheng An-Chih	Audit Report with unqualified opinion

II. The Most Recent Five Years Financial Analysis

(I) Consolidated Financial Analysis - IAS

Title (Note 2) \ Year		The Most Recent Five Years Financial Results					
		2018	2019	2020	2021	2022	Financial Information as of March 31, 2023
Financial structure	Liabilities to assets ratio(%)	42	40	38	43	35	36
	Ratio of long-term capital to property, plant and equipment(%)	273	338	407	478	445	416
Ability to repay debts	Liquidity ratio (%)	176	175	182	172	206	192
	Quick ratio (%)	104	108	130	108	88	87
	Interest Coverage Ratio	(32)	(41)	(25)	27	5	(34)
Operational ability	Receivable Turnover (times)	5.61	4.36	3.64	4.33	3.98	3.94
	Average Cash Collection Days	65	84	100	84	92	93
	Inventory Turnover (times)	4.72	4.13	4.09	3.86	2.35	1.77
	Payables Turnover (times)	5.60	5.55	5.02	4.73	4.54	6.50
	Average Inventory Turnover Days	77	88	89	95	155	206
	Property, Plant and Equipment Turnover (times)	4.32	4.11	4.20	5.67	4.58	2.91
	Total Assets Turnover (times)	1	1	1	1	1	1
Profitability	ROA (%)	(6)	(8)	(5)	4	0	(11)
	ROE (%)	(9)	(13)	(9)	6	1	(17)
	Ratio of pre-tax net income to total paid-in capital (%)	(24)	(41)	(19)	17	3	(9)
	Net profit margin (%)	(5)	(9)	(7)	4	1	(22)
	Earnings Per Share (NT$)	(2.39)	(2.66)	(1.85)	1.36	0.29	(0.84)
Cash flows	Cash flow ratio (%)	(20)	(9)	38	2	(4)	(2)
	Cash flow adequacy rate (%)	52	50	59	2	(3)	28
	Cash reinvestment ratio (%)	(9)	(3)	11	1	(4)	(1)
Leverage	Operation leverage	(1.93)	(1.00)	(1.72)	4.65	(5.8)	0.33
	Financial leverage	1	1	1	1	1	1

Please explain the reasons for changes in each financial ratio by 20% or more during the most recent two years:

1. Ability to repay debts: The increase in liquidity ratio was a result of the decrease in repayment of debts and payables in the current period. The decrease in interest coverage ratio was a result of the decrease in net profit before tax.
2. Operational Ability: The decrease in inventory turnover and increase in average inventory turnover days was a result of the decrease in operating revenue.
3. Profitability: The decrease in the current operating profit and net operating profit from the previous one results in the decrease in related ratios.
4. Cash flows:The increase in net outflows from operating activities and investing activities results in the decrease in related ratios.
5. Leverage:The decrease in the current operating profit results in the decrease in operation leverage.

Note 1: The equations for calculation of financial ratios are shown below:

1. Financial structure
   (1) Liabilities to assets ratio = total liabilities / total assets.

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

2. Ability to repay debts
   (1) Liquidity ratio = current assets / current liabilities

   (2) Quick ratio = (current assets – inventories – prepaid expenses) / current liabilities

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

3. Operational ability
   (1) Receivables (including accounts receivable and notes receivable resulting from operation) turnover = net sales / balance of average accounts receivable (including accounts receivable and notes receivable resulting from operation).

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

   (3) Inventory turnover = cost of goods sold / average inventory.

   (4) Payables (including accounts payable and notes payable resulting from operation) turnover = cost of goods sold / balance of average accounts payable (including accounts payable and notes payable resulting from operation).

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

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

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

4. Profitability
   (1) Return on Assets (ROA) = [corporate earnings + interest expenses × (1 – tax rate)]/average total assets.

   (2) ROE = profit or loss after tax / average total equity.

   (3) Net Profit Margin (NPM) = corporate earnings /average net sales.

   (4) Earnings per share (EPS) = (attributable to shareholders' equity of the parent – preferred stock dividends) / weighed average quantity of outstanding shares.

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

   (2) Net cash flow adequacy ratio = net cash flows from operating activities in the most recent five years / (capital expenditure + increase in inventory + cash dividend) in the most recent five years

   (3) Cash reinvestment ratio = (net cash flow in operating activities – cash dividend) / (gross property, plant and equipment + long-term investment + other non-current assets + working capital)

6. Leverage:
   (1) Operation leverage = (net income – variable operating cost and expenses) / operating income

   (2) Financial leverage = operating income / (operating income – interest expenses)

(II) Parent Company Only Financial Analysis - IFRSs

Year Title (Note 2)		The Most Recent Five Years Financial Results					Financial Information as of March 31, 2023
		2018	2019	2020	2021	2022	
Financial structure	Liabilities to assets ratio(%)	41	44	43	47	41	The latest parent company only financial information available up to the date of publication of the Annual Report is dated December 31, 2022. Therefore, it is not advisable to disclose the information.
	Ratio of long-term capital to property, plant and equipment(%)	1,799	2,335	2,528	2,781	3,255	
Ability to repay debts	Liquidity ratio (%)	84	87	84	88	77	
	Quick ratio (%)	69	74	70	72	57	
	Interest coverage ratio	(51)	(74)	(35)	31	5	
Operational ability	Receivable turnover (times)	5.89	4.59	3.55	4.29	3.76	
	Average cash collection days	62	80	103	85	97	
	Inventory turnover (times)	15.52	14.19	11.25	12.07	8.86	
	Payables turnover (times)	2.91	3.01	2.27	2.52	2.26	
	Average inventory turnover days	24	26	32	30	41	
	Property, plant and equipment turnover (times)	20.56	24.10	24.58	31.72	28.83	
	Total assets turnover (times)	0.73	0.75	0.62	0.71	0.58	
Profitability	ROA (%)	(5)	(6)	(5)	(0.03)	(0.03)	
	ROE (%)	(9)	(11)	(8)	6.55	1.39	
	Ratio of pre-tax net income to total paid-in capital (%)	(21)	(36)	(18)	15	2	
	Net profit margin (%)	(7)	(8)	(8)	5.05	1.33	
	Earnings Per Share (NT$)	(2.39)	(2.66)	(1.85)	1.36	0.29	
Cash flows	Cash flow ratio (%)	(16)	(8)	18	(0.54)	(0.73)	
	Cash flow adequacy rate (%)	20	(15)	(12)	(18)	(39)	
	Cash reinvestment ratio (%)	(9)	(5)	11	(0.37)	(7.07)	
Leverage	Operation leverage	(10.48)	(8.84)	(5.17)	28.81	(3.88)	
	Financial leverage	1	1	1	2	1	

Please explain the reasons for changes in each financial ratio by 20% or more during the most recent two years:

1. Solvency: The decrease in liquidity ratio was a result of the decrease in repayment of debts and payables in the current period. The decrease in interest coverage ratio was a result of the decrease in net profit before tax.
2. Operational ability: The decrease in inventory turnover and increase in average inventory turnover days was a result of the decrease in operating revenue.
3. Profitability: The decrease in the current operating profit and net operating profit from the previous one results in the decrease in related ratios.
4. Cash Flows: The increase in net outflows from operating activities and investing activities results in the decrease in related ratios.
5. Leverage: The decrease in the current leverage from those in the same period of last year is a result of the decrease in operating profit.

Note 1: The equations for calculation of financial ratios are shown below:

1. Financial structure
   (1) Liabilities to assets ratio = total liabilities / total assets.
   (2) Ratio of long-term capital to property, plant and equipment = (total equity + non-current liabilities) / net property, plant and equipment.
2. Ability to repay debts
   (1) Liquidity ratio = current assets / current liabilities
   (2) Quick ratio = (current assets – inventories – prepaid expenses) / current liabilities
   (3) Interest coverage ratio = income tax and income before interest expenses / interest expenses for the current period.
3. Operational ability
   (1) Receivables (including accounts receivable and notes receivable resulting from operation) turnover = net sales / balance of average accounts receivable (including accounts receivable and notes receivable resulting from operation).
   (3) Average cash collection days = 365/receivables turnover.
   (4) Inventory turnover = cost of goods sold / average inventory.
   (5) Payables (including accounts payable and notes payable resulting from operation) turnover = cost of goods sold / balance of average accounts payable (including accounts payable and notes payable resulting from operation).
   (6) Average inventory turnover days = 365/inventory turnover.
   (7) Property, plant and equipment turnover rate = net sales / average property, plant and equipment, net.
   (8) Total assets turnover = net sales / average total assets.
4. Profitability
   (1) Return on Assets (ROA) = [corporate earnings + interest expenses × (1 – tax rate)]/average total assets.
   (2) ROE = profit or loss after tax / average total equity.
   (3) Net Profit Margin (NPM) = corporate earnings / average net sales.
   (4) Earnings per share (EPS) = (attributable to shareholders' equity of the parent – preferred stock dividends) / weighed average quantity of outstanding shares.
5. Cash flows
   (1) Cash flow ratio = net cash flow from operating activities / current liabilities
   (2) Net cash flow adequacy ratio = net cash flows from operating activities in the most recent five years/(capital expenditure + increase in inventory + cash dividend) in the most recent five years
   (3) Cash reinvestment ratio = (net cash flow in operating activities – cash dividend) / (gross property, plant and equipment + long-term investment + other non-current assets + working capital)
6. Leverage:
   (1) Operation leverage = (net income – variable operating cost and expenses) / operating income
   (2) Financial leverage = operating income / (operating income – interest expenses)

III. Audit Committee's Review Report on the Most Recent Financial Statements

MIN AIK TECHNOLOGY CO., LTD.

2022 Audit Committee's Review Report

The Company's 2022 parent company only financial statements and consolidated financial statements were prepared and submitted by the Board of Directors. The same were audited by Yu, Sheng-Ho CPA and Cheng, An-Chih CPA of KPMG Taiwan. Based on the Audit Committee's review on the same, together with the business report and earnings allocation plan, it found no inconsistency existing. The Report is presented in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act accordingly.

For

2023 Annual General Meeting of MIN AIK TECHNOLOGY CO., LTD.

Convener of Audit Committee: Chen Yung Lin

Dated: March 22, 2023

IV. Financial Report for the Most Recent Year

Representation Letter

The entities that are required to be included in the combined financial statements of MIN AIK TECHNOLOGY CO., LTD. as of and for the year ended December 31, 2022 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, MIN AIK TECHNOLOGY CO., LTD. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: MIN AIK TECHNOLOGY CO., LTD.
Chairman: CHIA KIN HENG
Date: March 22, 2023

安侯建業聯合會計師事務所
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Independent Auditors' Report

To the Board of Directors of Min Aik Technology Co., Ltd.:

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), interpretations as well as related guidance endorsed 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 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 Account of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. 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.

1. Revenue recognition

   Please refer to Note 4(n) "Revenue" of the consolidated financial statements, and note 6(r) "Revenue from contract with customers".

   Revenue recognition is one of the key judgmental areas for our audit, particularly in respect of the revenue are recognized based on the transaction terms with clients, also considering the large volume of transaction and comes from different operation sites.

How the matter was addressed in our audit

Our principal audit procedures included: assessing whether appropriate revenue recognition policies are applied; testing the Group' s controls surrounding revenue recognition, including corroborating the orders from clients, the proof of shipment, and receipt documents by clients; sampling the sales transaction between the reported date, exam the external document to evaluate whether the sales recognition is appropriate.

2. Evaluation of inventory

   Please refer to Note 4(h) "Inventory" and Note 5(a) "Significant accounting assumptions and judgments, and major sources of estimation uncertainty" of the consolidated financial statements.

   Evaluation of inventory is one of the key judgmental areas for our audit, the Group is primarily involved in the manufacture of hard disk drive components. As different series or models of electronic products are rapidly being replaced by trendy ones, it may affect the inventory of the outdated ones to be slow-moving, or worse yet, stagnation, thus, the fact may result the cost of inventory to be higher than the net realized value. The net realized value of evaluation of inventory is based on the judgement by management of the group. Therefore, this whole matter needed to be taken into serious consideration.

   How the matter was addressed in our audit

   Our principal audit procedures included: assessing whether appropriate inventory policies are applied through comparison with accounting standards; sampling the inventory item and comparing the aging of inventory, understanding the origin price for estimate the net realized value, evaluating either the calculation for lower of cost or net realized value is reasonable, and inspecting the inventory sales status subsequent to the reporting date.

Other Matter

The Group has additionally prepared its parent-company-only financial statement as of and for the years ended December 31, 2022 and 2021, on which we have issued an unmodified opinion.

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 Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed 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.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 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 auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. 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 appropriate audit evidence regarding the financial information of the 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 of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are
Sheng-Ho Yu and An-Chih, Cheng.

KPMG

Taipei, Taiwan (Republic of China)
March 22, 2023

Notes to Readers

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

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2022 and 2021

(Expressed in thousands of New Taiwan Dollars)

		December 31, 2022		December 31, 2021	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 430,494	10	701,961	14
1110	Financial assets at fair value through profit or loss (note 6(b))	131	-	-	-
1170	Notes and trade, net (note 6(c))	528,290	12	1,077,514	21
1180	Receivable due from related parties, net (notes 6(c) and 7)	4,500	-	7,569	-
1200	Other receivables, net (notes 7 and 8)	44,963	1	240,015	5
130X	Inventories (note 6(d))	1,297,383	29	1,122,881	22
1461	Non-current assets classified as held for sale (note 6(i))	37,874	1	-	-
1470	Other current assets(note 6(j))	92,281	2	84,355	1
		2,435,916	55	3,234,295	63
	Non-current assets:				
1510	Non-current financial assets at fair value through profit or loss (note 6(b))	296,870	7	317,938	6
1517	Non-current financial assets at fair value through other comprehensive income (note 6(e))	7,546	-	40,669	1
1550	Investments accounted for using equity method (note 6(f))	760,465	17	671,075	13
1600	Property, plant and equipment (note 6(g))	728,978	16	676,993	13
1755	Right-of-use assets (note 6(h))	97,041	2	116,413	2
1840	Deferred tax assets (note 6(o))	65,098	2	39,113	1
1900	Other non-current assets (notes 6(j) and (9))	38,573	1	24,453	1
		1,994,571	45	1,886,654	37
	Total assets	$ 4,430,487	100	5,120,949	100

		December 31, 2022		December 31, 2021	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (note 6(k))	$ 410,000	9	609,984	12
2170	Trade payable	289,668	7	736,027	15
2180	Trade payable due to related parties (note 7)	69,961	2	160,309	3
2201	Wages and salaries payable	81,094	2	113,943	2
2280	Current lease liabilities (note 6(m))	42,088	1	37,521	1
2322	Long-term borrowings, current portion (note 6(l))	94,167	2	15,025	-
2399	Other current liabilities	198,216	4	209,484	4
		1,185,194	27	1,882,293	37
	Non-Current liabilities:				
2540	Long-term borrowings (note 6(l))	110,625	2	75,127	1
2570	Deferred tax liabilities (note 6(o))	232,774	5	196,113	4
2580	Non-current lease liabilities (note 6(m))	18,311	1	43,017	1
2600	Other non-current liabilities	15,937	-	15,921	-
		377,647	8	330,178	6
	Total liabilities	1,562,841	35	2,212,471	43
	Equity attributable to owners of parent (note 6(p)):				
3100	Capital stock	1,375,632	31	1,375,632	27
3200	Capital surplus	1,476,353	33	1,604,287	31
	Retained earnings:				
3310	Legal reserve	18,844	1	-	-
3320	Special reserve	729,059	16	570,199	11
3350	Unappropriated retained earnings (accumulated deficit)	41,420	1	188,438	4
		789,323	18	758,637	15
3400	Other equity	(795,499)	(18)	(868,968)	(17)
	Equity attributable to owners of parent	2,845,809	64	2,869,588	56
36XX	**Non-controlling interests**	21,837	1	38,890	1
	Total equity	2,867,646	65	2,908,478	57
	Total liabilities and equity	$ 4,430,487	100	5,120,949	100

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

(Expressed in thousands of New Taiwan Dollars , except for earnings per share)

		2022		2021	
		Amount	**%**	**Amount**	**%**
4000	**Operating revenue (notes 6(r) and 7)**	$ 3,223,080	100	4,158,812	100
5000	**Operating costs (notes 6(d), 7 and 12)**	2,848,232	88	3,473,472	84
	Gross profit from operations	374,848	12	685,340	16
	Operating expenses (notes 6(c), (n), 7 and 12):				
6100	Selling expenses	115,295	3	136,788	3
6200	Administrative expenses	215,169	7	221,301	6
6300	Research and development expenses	148,023	5	134,679	3
6450	Expected credit loss (gain)	(7,478)	-	9,920	-
	Total operating expenses	471,009	15	502,688	12
	Net operating income (loss)	(96,161)	(3)	182,652	4
	Non-operating income and expenses (notes 6(f), (m), (t) and 7):				
7010	Other income	49,599	1	59,725	1
7020	Other gains and losses, net	36,629	1	(29,082)	(1)
7050	Finance costs	(10,031)	-	(9,138)	-
7060	Share of profit of associates accounted for using equity method, net	63,773	2	34,940	1
	Total non-operating income and expenses	139,970	4	56,445	1
	Profit before tax	43,809	1	239,097	5
7950	Less: Tax expenses (note 6(o))	23,244	1	57,593	1
	Profit	20,565	-	181,504	4
8300	**Other comprehensive income (loss):**				
8310	**Items that may not be reclassified subsequently to profit or loss:**				
8311	Gain (loss) on remeasurements of defined benefit plans (note 6(n))	(1,366)	-	1,596	-
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income (note 6(e))	(33,123)	(1)	(53,106)	(1)
8320	Share of other comprehensive loss of associates accounted for using equity method, components of other comprehensive income that will not be reclassified	1,924	-	(64)	-
	Items that may not be reclassified subsequently to profit or loss	(32,565)	(1)	(51,574)	(1)
8360	**Items that may be reclassified subsequently to profit or loss:**				
8361	Exchange differences on translation	125,984	4	(128,332)	(3)
8399	Income tax related to components of other comprehensive income that may be reclassified to profit or loss (note 6(o))	(17,252)	(1)	20,073	1
	Items that may be reclassified subsequently to profit or loss	108,732	3	(108,259)	(2)
8300	**Other comprehensive income (loss)**	76,167	2	(159,833)	(3)
	Total comprehensive income	**$ 96,732**	**2**	**21,671**	**1**
	Profit (loss), attributable to:				
	Profit, attributable to owners of parent	$ 39,758	1	186,906	4
	Loss attributable to non-controlling interests	(19,193)	(1)	(5,402)	-
		$ 20,565	**-**	**181,504**	**4**
	Comprehensive income (loss) attributable to:				
	Comprehensive income, attributable to owners of parent	$ 113,785	3	29,577	1
	Comprehensive loss, attributable to non-controlling interests	(17,053)	(1)	(7,906)	-
		$ 96,732	**2**	**21,671**	**1**
	Basic earnings per share (NT dollars) (note 6(q))	**$**	**0.29**		**1.36**
	Diluted earnings per share (NT dollars) (note 6(q))	**$**	**0.29**		**1.35**

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2022 and 2021

(Expressed in thousands of New Taiwan Dollars)

	Equity attributable to owners of parent											
							Other equity					
	Share capital		Retained earnings									
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized loss from investments in equity instruments measured at fair value through other comprehensive income	Total other equity interest	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2021	$ 1,375,632	1,689,415	163,718	570,199	(248,846)	485,071	(666,069)	(44,038)	(710,107)	2,840,011	46,796	2,886,807
Profit (loss)	-	-	-	-	186,906	186,906	-	-	-	186,906	(5,402)	181,504
Other comprehensive income (loss)	-	-	-	-	1,532	1,532	(105,755)	(53,106)	(158,861)	(157,329)	(2,504)	(159,833)
Total comprehensive income (loss)	-	-	-	-	188,438	188,438	(105,755)	(53,106)	(158,861)	29,577	(7,906)	21,671
Legal reserve used to offset accumulated deficits	-	-	(163,718)	-	163,718	-	-	-	-	-	-	-
Capital surplus used to offset accumulated deficits	-	(85,128)	-	-	85,128	85,128	-	-	-	-	-	-
Balance at December 31, 2021	1,375,632	1,604,287	-	570,199	188,438	758,637	(771,824)	(97,144)	(868,968)	2,869,588	38,890	2,908,478
Profit (loss)	-	-	-	-	39,758	39,758	-	-	-	39,758	(19,193)	20,565
Other comprehensive income (loss)	-	-	-	-	558	558	106,592	(33,123)	73,469	74,027	2,140	76,167
Total comprehensive income (loss)	-	-	-	-	40,316	40,316	106,592	(33,123)	73,469	113,785	(17,053)	96,732
Legal reserve appropriated	-	-	18,844	-	(18,844)	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	158,860	(158,860)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(9,630)	(9,630)	-	-	-	(9,630)	-	(9,630)
Cash dividends from capital surplus	-	(127,934)	-	-	-	-	-	-	-	(127,934)	-	(127,934)
Balance at December 31, 2022	**$ 1,375,632**	**1,476,353**	**18,844**	**729,059**	**41,420**	**789,323**	**(665,232)**	**(130,267)**	**(795,499)**	**2,845,809**	**21,837**	**2,867,646**

See accompanying notes to financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

MIN AIK TECHNOLOGY CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in thousands of New Taiwan Dollars)

	2022	2021
Cash flows from (used in) operating activities:		
Profit before tax	$ 43,809	239,097
Adjustments:		
Adjustments to reconcile (profit) loss:		
Depreciation expense	144,743	156,665
Amortization expense	5,708	9,375
Net loss on financial assets or liabilities at fair value through profit or loss	22,430	27,435
Interest expense	10,031	9,138
Interest income	(2,907)	(2,159)
Dividend income	(10,158)	(21,768)
Share of profit of associates accounted for using equity method	(63,773)	(34,940)
Loss (gain) on disposal of property, plan and equipment	860	(4,194)
Impairment loss on financial assets	-	30,877
Recognition losses on (reversal of) inventory valuation and obsolescence	42,001	(3,436)
Others	(2,376)	9,920
Total adjustments to reconcile profit	146,559	176,913
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes and trade receivable (including related parties), net	559,695	(260,025)
Other receivable	14,226	(19,708)
Inventories	(216,503)	(444,618)
Other current assets	(4,763)	(27,061)
Other non-current assets	(1,213)	(2,540)
Total changes in operating assets	351,442	(753,952)
Changes in operating liabilities:		
Notes and trade payable (including related parties)	(536,707)	322,834
Other financial liabilities	(32,849)	25,107
Other current liabilities	(12,988)	1,723
Other non-current liabilities	16	1,006
Total changes in operating liabilities	(582,528)	350,670
Total changes in operating assets and liabilities	(231,086)	(403,282)
Total adjustments	(84,527)	(226,369)
Cash inflow generated from (used in) operations	(40,718)	12,728
Interest received	2,907	2,159
Dividends received	30,511	67,247
Interest paid	(10,067)	(9,119)
Income taxes paid	(28,665)	(29,019)
Net cash flows from (used in) operating activities	(46,032)	43,996
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at fair value through profit or loss	10	-
Acquisition of investments accounted for using equity method	(17,895)	(23,138)
Acquisition of property, plant and equipment	(235,319)	(78,900)
Proceeds from disposal of property, plant and equipment	64,195	25,791
Decrease (increase) in other receivables	179,323	(73,751)
Other investing activities	(19,981)	(3,547)
Net cash flows used in investing activities	(29,667)	(153,545)
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term loans	(120,842)	66,084
Proceed (repayment) from long-term debt	35,498	(15,026)
Payment of lease liabilities	(44,913)	(68,328)
Cash dividends paid	(137,564)	-
Net cash flows used in financing activities	(267,821)	(17,270)
Effect of exchange rate changes on cash and cash equivalents	72,053	(81,722)
Net decrease in cash and cash equivalents	(271,467)	(208,541)
Cash and cash equivalents at beginning of period	701,961	910,502
Cash and cash equivalents at end of period	**$ 430,494**	**701,961**

See accompanying notes to financial statements.

(1) Company history

Min Aik Technology Co., Ltd. (the "Company") was incorporated on October 3, 1979, as a company limited by shares and registered under the Ministry of Economic Affairs, ROC. The address of the Company's registered office is 10F. 1, No. 492 1, Sec. 1, Wanshou Rd., Guishan District, Taoyuan City. The Company and subsidiaries (together referred to as the "Group" and individually as "Group entities") primarily is involved in the design, manufacture, and sale of hard disk drive components, plastic camera components, CD ROM drive components, and mechanical components for optical devices.

(2) Approval date and procedures of the consolidated financial statements:

These consolidated financial statements were authorized for issue by the board of directors on March 22, 2023.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2022:

- Amendments to IAS 16 "Property, Plant and Equipment—Proceeds before Intended Use"
- Amendments to IAS 37 "Onerous Contracts—Cost of Fulfilling a Contract"
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 "Reference to the Conceptual Framework"

(b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2023, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

Standards or Interpretations	**Content of amendment**	**Effective date per IASB**
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The amendments has removed the requirement for a right to be unconditional and instead now requires that a right to defer settlement must exist at the reporting date and have substance. The amendments clarify how a company classifies a liability that can be settled in its own shares – e.g. convertible debt.	January 1, 2024

The Group is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its consolidated financial position and consolidated financial performance. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 17 " Insurance Contracts" and amendments to IFRS 17 " Insurance Contracts"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 – Comparative Information "
- IFRS16 "Requirements for Sale and Leaseback Transactions"

(4) Summary of significant accounting policies:

The significant accounting policies presented in the consolidated financial statements are summarized as follows. The following accounting policies were applied consistently to the periods presented in the financial statements.

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter, referred to as “the Regulations”) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed by the Financial Supervisory Commission, ROC.

(b) Basis of preparation

(i) Basis of measurement

Except for the following significant accounts, the consolidated financial statements have been prepared on a historical cost basis:

1) Financial instruments at fair value through profit or loss are measured at fair value;

2) Financial assets at fair value through other comprehensive income are measured at fair value;

3) The defined benefit liabilities (assets) are measured at fair value of the plan assets less the present value of the defined benefit obligation.

(ii) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan dollars, which is the Company’s functional currency. All financial information presented in New Taiwan dollars has been rounded to the nearest thousand.

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group ‘controls’ an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances. Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

(ii) List of subsidiaries in the consolidated financial statements

			Shareholding	
Name of investor	**Name of subsidiary**	**Principal activity**	**December 31, 2022**	**December 31, 2021**
The Company	Min Aik Technology USA Inc. (MAUS)	Researching hard disk drive components	100.00 %	100.00 %
"	Min Aik International Development Pte., Ltd. (MAS)	Investment holding, researching hard disk drive components, and providing sales and marketing support	100.00 %	100.00 %
"	Synergy Technology Industrial Co., Ltd. (Synergy)	Holding company	100.00 %	100.00 %
"	Min Aik Technology (Thailand) Co., Ltd. (MATH)	Manufacture and sale of hard disk drive components	100.00 %	100.00 %
"	Good Master Holding Co., Ltd. (Good Master)	Holding company	100.00 %	100.00 %
"	Green Far Company Ltd. (Green Far)	Sale of electricity produced by curvature module	100.00 %	100.00 %
"	Geminnovative Technology Co., LTD. (GIT)	Sale and retail of electricity product	100.00 %	100.00 %
"	New Prestige Global Limited (NPG) (Note 1)	Holding Company	-	(Note 1)
MAS	Min Aik Technology(M) Sdn. Bhd. (MAM)	Manufacture and sale of hard disk drive components	100.00 %	100.00 %
Synergy	Min Aik Technology (Suzhou) Co., Ltd. (MAY)	Manufacture and sale of hard disk drive components	100.00 %	100.00 %
"	MATC Technology (M) Sdn. Bhd. (MATC)	Manufacture and sale of hard disk drive components	80.00 %	80.00 %
"	Min Aik-Automation (Suzhou) Co., Ltd (MAA) (Note 1)	Manufacture and sale of automatic drive	100.00 %	100.00 % (Note 1)
Good Master	MU-Technology Ptd. Ltd. (MUS)	Holding Company	69.41 %	69.41 %
MUS	MU Technology (M) Sdn.Bhd. (MUM)	Manufacture and sale of hard disk drive components	100.00 %	100.00 % (Note 1)

Note 1: NPG was merged into Synergy in September 2021. Synergy was the surviving company. After the merge, NPG's subsidiary MAA was transferred to Synergy.

(iii) Subsidiaries excluded from the consolidated financial statement: None.

(d) Foreign currencies

(i) Foreign currency transaction

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for investments in equity securities designated as at fair value through other comprehensive income, which are recognized in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of any part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interest. When the Group disposes of only part of investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

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

An asset is classified as current under one of the following criteria, and all other assets are classified as non current.

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

An entity shall classify all other assets as non-current.

An entity shall classify a liability as current when:

(i) It expects to settle the liability in its normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) The liability is due to be settled within twelve months after the reporting period; or

(iv) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(f) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(g) Financial instruments

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and trade receivables, other receivables, guarantee deposit paid and other financial assets).

The Group measures loss allowances at an amount equal to lifetime expected credit loss, except for the following which are measured as 12-month ECL：

- Debt securities that are determined to have low credit risk at the reporting date；and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are measured at an amount equal to lifetime ECL.

Lifetime of ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment as well as forward-looking information.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

5) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

4) Financial liabilities

Financial liabilities are classified as measured at FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

5) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expired. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

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

6) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on weighted-average method and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less, the estimated costs of completion and selling expenses.

(i) Investment in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition, less any accumulated impairment losses.

The consolidated financial statements include the Group’s share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Group, from the date on which significant influence commences until the date on which significant influence ceases. The Group recognizes any changes of its proportionate share in the investee within capital surplus, when an associate’s equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual significant influence.

Gains and losses resulting from transactions between the Group and an associate are recognized only to the extent of unrelated Group’s interests in the associate.

When the Group’s share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group discontinues the use of the equity method and measures the retained interest at fair value from the date when its investment ceases to be an associate. The difference between the fair value of retained interest and proceeds from disposing, and the carrying amount of the investment at the date the equity method was discontinued is recognized in profit or loss. The Group accounts for all the amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the associates had directly disposed of the related assets or liabilities. If a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued. If the Group's ownership interest in an associate is reduced while it continues to apply the equity method, the Group reclassifies the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest to profit or loss.

When the Group subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment will differ from the amount of the Group's proportionate interest in the net assets of the associate. The Group records such a difference as an adjustment to investments, with the corresponding amount charged or credited to capital surplus. The aforesaid adjustment should first be adjusted under capital surplus. If the capital surplus resulting from changes in ownership interest is not sufficient, the remaining difference is debited to retained earnings. If the Group's ownership interest is reduced due to the additional subscription to the shares of the associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate will be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

(j) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent cost

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

1) Building facilities: 8 ~50 years

2) Machinery: 2 ~20 years

3) Leasehold improvement: 3 ~15 years

4) Office and other equipment: 1 ~ 10 years

Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted if appropriate.

(k) Leases

(i) Identifying a lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(ii) As a leasee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group’s incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- there is a change of its assessment on whether it will exercise a extension or termination option; or
- there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of staff dormitory that have a lease term of 12 months or less. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(l) Research & development

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to, and has sufficient resources to, complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost, less accumulated amortization and any accumulated impairment losses.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(m) Impairment – non-derivative financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset' s recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(n) Revenue

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

1) Sale of goods–electronic components

The Group recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

2) Financing components

The Group does not expect to have any contracts when the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

(o) Non-current assets held for sale

Non-current assets or disposal groups comprising assets and liabilities that are highly probable to be recovered primarily through sale rather than through continuing use, are reclassified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, generally, the assets or disposal groups are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment loss on a disposal group is first allocated to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to assets not within the scope of IAS 36 – Impairment of Assets. Such assets will continue to be measured in accordance with the Group's accounting policies.

Impairment losses on assets initially classified as held for sale and any subsequent gains or losses on remeasurement are recognized in profit or loss. Gains are not recognized in excess of the cumulative impairment loss that has been recognized.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortized or depreciated, and any equity-accounted investee is no longer equity accounted.

(p) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

(q) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

  1) the same taxable entity; or

  2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

(r) Earnings per share

The Group discloses the Company’s basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share are calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding. Diluted earnings per share are calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, including employee compensation.

(s) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group’s chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

In preparation of these consolidated financial statements, management has made judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the next period.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is as follows:

Judgment regarding control of subsidiaries

Although the Group is the largest shareholder of Min Aik Precision Industrial Co., Ltd (MAP), the Group still cannot assign more than half of the total number of MAP's directors, and it also cannot obtain more than half of the voting rights at a shareholders' meeting. Therefore, it is determined that the Group has significant influence on MAP.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is as follows:

(a) Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, the Group estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions as to future demand within a specific time horizon. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories.

The Group’s accounting policies include measuring financial and non-financial assets and liabilities at fair value through profit or loss. the Group’ s financial instrument valuation group conducts independent verification on fair value by using data sources that are independent, reliable, and representative of exercise prices. This financial instrument valuation group also periodically adjusts valuation models, conducts back-testing, renews input data for valuation models, and makes all other necessary fair value adjustments to assure the rationality of fair value. The Group strives to use market observable inputs when measuring assets and liabilities.

Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

(a) Level 1: quoted prices (unadjusted) in active markets for identifiable assets or liabilities.

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

(c) Level 3: inputs for the assets or liability that are not based on observable market data.

For any transfer within the fair value hierarchy, the impact of the transfer is recognized on the reporting date. Please refer to note 6(t) for assumptions used in measuring fair value.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2022	**December 31, 2021**
Cash on hand and demand deposits	$ 400,332	635,229
Time deposits	30,162	66,732
Cash and cash equivalents in consolidated statement of cash flows	**$ 430,494**	**701,961**

Please refer to note 6(u) for the interest rate risk, and the fair value sensitivity analysis of the financial assets and liabilities of the Group.

(b) Financial assets at fair value through profit or loss

	December 31, 2022	**December 31, 2021**
Financial assets at fair value through profit or loss - current:		
Forward foreign exchange contract	**$ 131**	**-**
Financial assets at fair value through profit or loss - non-current:		
Funds investment	$ 5,469	5,745
Stocks listed on domestic markets	291,401	312,193
	$ 296,870	**317,938**

The Group uses derivative financial instruments to hedge the certain foreign exchange and interest risk the Group is exposed to, arising from its operating, financing and investing activities. The Group holds the following derivative financial instruments, without the application of hedge accounting, presented as held-for-trading financial assets:

	December 31, 2022		
Derivative financial instruments	**Contract Amount (thousand)**	**Currency**	**Maturity date**
Forward exchange sold	USD 1,000	USD to MYR	2022.12.22~2023.02.22

The discourse instruments were not pledged as collateral as of December 31, 2022 and 2021.

(Continued)

(c) Notes and accounts receivable (including related parties)

	December 31, 2022	December 31, 2021
Notes receivable	$ 2,315	5,671
Accounts receivable	529,523	1,083,263
Accounts receivable due from related parties	4,500	7,569
Less: allowance for impairment	(3,548)	(11,420)
	$ 532,790	**1,085,083**

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables on December 31, 2022 and 2021. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provision was determined as follows:

	December 31, 2022		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Current	$ 478,084	0%~1%	1,286
1 to 90 days past due	47,287	0%~9%	666
91 to 180 days past due	8,083	0%~10%	751
181 to 360 days past due	1,853	0%~100%	162
More than 360 days past due	1,031	0%~100%	683
	$ 536,338		**3,548**

	December 31, 2021		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Current	$ 1,038,941	0%~1%	1,146
1 to 90 days past due	42,611	0%~4%	973
91 to 180 days past due	3,439	0%~20%	120
181 to 360 days past due	3,645	0%~100%	1,314
More than 360 days past due	7,867	100%	7,867
	$ 1,096,503		**11,420**

The movement in the allowance for notes and trade receivable were as follows:

	2022	2021
Balance at January 1	$ 11,420	1,502
Impairment losses recognized (reversal)	(7,478)	9,920
Amount written off	(470)	-
Foreign exchange gains (losses)	76	(2)
Balance at December 31	**$ 3,548**	**11,420**

The aforementioned notes and trade receivables of the Group were not pledged as collateral as of December 31, 2022 and 2021.

(d) Inventories

	December 31, 2022	December 31, 2021
Raw materials	$ 775,168	689,832
Work in progress	120,194	137,677
Finished goods and products	402,021	295,372
	$ 1,297,383	**1,122,881**

For the years ended December 31, 2022 and 2021, the Group recognized the following items as cost of goods sold:

	2022	2021
Cost of goods sold	$ 2,670,752	3,429,853
Unallocated fixed manufacturing overhead resulting from the actual production being lower than the normal capacity	131,462	46,405
Write-down (Reversal of) and retirement of inventory	42,001	(3,436)
Others	4,017	650
	$ 2,848,232	**3,473,472**

As of December 31, 2022 and 2021, the Group didn't provide any inventories as collateral for its loans.

(e) Financial assets at fair value through other comprehensive income

	December 31, 2022	December 31, 2021
Overseas equity investment	$ 7,546	40,669

The Group designated the investments shown above as equity securities as at fair value through other comprehensive income because these equity securities represent investments that the Group intends to hold for long-term for strategic purposes.

The Group did not disposal the investment in 2022 and 2021. Gain or loss changes during the holding period were not transfer to the equity section.

For credit risk and market risk, please refer to 6(u).

The discourse instrument was not pledged as collateral as of December 31, 2022 and 2021.

(f) Investments accounted for using equity method

A summary of the Group’s financial information for equity-accounted investees at the reporting date is as follows:

	December 31, 2022	December 31, 2021
Associates	$ 760,465	671,075

(i) The information on material associates

			Ownership (%)	
Name of Associates	Main business activities	Country	December 31, 2022	December 31, 2021
MAP	Manufacturing of electronic parts and components	Taiwan	38.13 %	37.31 %

Though the Group is the largest shareholder of affiliate MAP. However, consider that the Group can't obtain more than half of the board seats or shareholder's voting rights at a shareholders’ meeting, it is determined that the Group only has significant influence on MAP.

The fair value of affiliate listed on the Stock Exchange which are material to the Group is as follows:

	December 31, 2022	December 31, 2021
MAP	$ 880,710	841,728

The following consolidated financial information of significant affiliate has been adjusted according to individually prepared IFRS financial statements of these affiliates:

	December 31, 2022	December 31, 2021
Current assets	$ 1,919,725	1,811,294
Non-current assets	1,360,829	1,265,801
Current liabilities	(908,941)	(998,692)
Non-current liabilities	(473,381)	(365,104)
Net assets	**$ 1,898,232**	**1,713,299**
Net assets attributable to non-controlling interests	**$ 1,890,385**	**1,705,452**

	2022	2021
Operating revenue	**$ 2,275,017**	**2,167,903**
Net income	$ 161,828	89,217
Other comprehensive loss	77,005	(34,755)
Total comprehensive income	**$ 238,833**	**54,462**
Comprehensive income attributable to controlling interests	**$ 238,833**	**54,462**

	2022	2021
Share of net assets of affiliate as of January 1	$ 645,630	619,253
Equities acquired due to increase in ownership of associates	89,057	18,734
Comprehensive income attributable to the Group	17,895	23,138
Dividends received from affiliate	(20,353)	(15,495)
Share of net assets of affiliate as of December 31	732,229	645,630
Add: The differences of equity attributable to owners	28,632	28,632
Less: Unrealized profit in ending inventory	(396)	(3,187)
The equity of associates that belongs to the Group	**$ 760,465**	**671,075**

The Group acquired interest in an associate-Min Aik Precision Industrial Co., Ltd. (MAP) for $17,895, increasing its ownership from 37.31% to 38.13%.

(ii) Collateral

The Group’s investment accounted for using equity method were not pledged as collateral as of December 31, 2022 and 2021.

(g) Property, plant and equipment

	Land	Buildings and construction	Machinery and equipment	Other facilities	Prepayment for purchase of equipment	Total
Cost or deemed cost:						
Balance on January 1, 2022	$ 22,387	213,023	1,843,313	739,475	6,954	2,825,152
Additions	-	410	46,637	10,782	175,507	233,336
Disposal	-	-	(164,690)	(13,133)	-	(177,823)
Reclassified to non-current assets held for sales	(23,980)	(27,788)	-	-	-	(51,768)
Reclassification	-	-	16,685	1,029	(17,714)	-
Transfer to others	-	-	(1,859)	-	(1,739)	(3,598)
Effect of movements in exchange rates	1,593	11,696	57,164	21,643	4,923	97,019
Balance on December 31, 2022	**$ -**	**197,341**	**1,797,250**	**759,796**	**167,931**	**2,922,318**
Balance on January 1, 2021	$ 25,629	230,844	1,917,281	804,442	3,863	2,982,059
Additions	-	-	46,278	13,435	24,827	84,540
Disposal	-	(1,545)	(66,763)	(57,659)	-	(125,967)
Reclassification	-	-	15,965	3,597	(19,562)	-
Transfer from inventory	-	-	1,974	2,162	-	4,136
Transfer to others	-	-	-	-	(1,039)	(1,039)
Effect of movements in exchange rates	(3,242)	(16,276)	(71,422)	(26,502)	(1,135)	(118,577)
Balance on December 31, 2021	**$ 22,387**	**213,023**	**1,843,313**	**739,475**	**6,954**	**2,825,152**
Depreciation and impairments loss:						
Balance on January 1, 2022	$ -	84,662	1,468,588	594,909	-	2,148,159
Depreciation for the year	-	5,361	72,743	24,170	-	102,274
Impairment loss	-	-	(99,636)	(13,132)	-	(112,768)
Disposal	-	(13,894)	-	-	-	(13,894)
Reclassification	-	-	(702)	(194)	-	(896)
Effect of movements in exchange rates	-	4,870	49,461	16,134	-	70,465
Balance on December 31, 2022	**$ -**	**80,999**	**1,490,454**	**621,887**	**-**	**2,193,340**
Balance on January 1, 2021	$ -	85,428	1,491,105	616,816	-	2,193,349
Depreciation for the year	-	6,980	77,784	27,158	-	111,922
Impairment loss	-	-	9,157	21,720	-	30,877
Disposal	-	(1,545)	(50,523)	(52,302)	-	(104,370)
Reclassification	-	-	1,180	387	-	1,567
Effect of movements in exchange rates	-	(6,201)	(60,115)	(18,870)	-	(85,186)
Balance on December 31, 2021	**$ -**	**84,662**	**1,468,588**	**594,909**	**-**	**2,148,159**
Carrying amounts:						
Balance on December 31, 2022	**$ -**	**116,342**	**306,796**	**137,909**	**167,931**	**728,978**
Balance on December 31, 2021	**$ 22,387**	**128,361**	**374,725**	**144,566**	**6,954**	**676,993**
Balance on January 1, 2021	**$ 25,629**	**145,416**	**426,176**	**187,626**	**3,863**	**788,710**

(Continued)

(i) The Group's subsidiary, MATH, had decided to dispose some of its land and building and which was expecting to be completed within one year, therefore, the related land and building were classified as non-current asset held for sale. Please refer to note 6 (i).

(ii) Due to the fact that the utilization rate of production line was lower than expected and the expected future cash flow might not be able to recover the carrying amount of the related equipment, an impairment loss amounting to $30,877 thousand in 2021 was recognized and reported as other gains and losses. There is no such situation in 2022.

(iii) Collateral

As of December 31, 2022 and 2021, the property, plant and equipment of the Group had not been pledged as collateral.

(h) Right-of-use assets

		Land	Buildings	Machinery and equipment	Total
Cost:					
Balance at January 1, 2022	$	37,236	121,439	1,694	160,369
Additions		-	22,695	1,374	24,069
Disposal		-	(5,767)	-	(5,767)
Effect of change in foreign exchange rates		1,959	(120)	19	1,858
Balance at December 31, 2022	**$**	**39,195**	**138,247**	**3,087**	**180,529**
Balance at January 1, 2021	$	41,049	116,170	4,035	161,254
Additions		-	111,827	521	112,348
Disposal		-	(106,370)	(2,818)	(109,188)
Effect of change in foreign exchange rates		(3,813)	(188)	(44)	(4,045)
Balance at December 31, 2021	**$**	**37,236**	**121,439**	**1,694**	**160,369**
Accumulated depreciation:					
Balance at January 1, 2022	$	1,296	41,608	1,052	43,956
Depreciation for the year		440	41,567	462	42,469
Disposal		-	(5,767)	-	(5,767)
Other		-	2,237	120	2,357
Effect of movements in exchange rates		83	374	16	473
Balance at December 31, 2022	**$**	**1,819**	**80,019**	**1,650**	**83,488**
Balance at January 1, 2021	$	2,246	80,661	2,904	85,811
Depreciation for the year		439	43,647	657	44,743
Disposal		-	(84,551)	(2,592)	(87,143)
Other		-	2,220	120	2,340
Effect of movements in exchange rates		(1,389)	(369)	(37)	(1,795)
Balance at December 31, 2021	**$**	**1,296**	**41,608**	**1,052**	**43,956**

(Continued)

	Land	Buildings	Machinery and equipment	Total
Carrying amount:				
Balance at December 31, 2022	$ 37,376	58,228	1,437	97,041
Balance at January 1, 2021	$ 38,803	35,509	1,131	75,443
Balance at December 31, 2021	$ 35,940	79,831	642	116,413

(i) Non-current assets to be sold

The Group' s subsidiary, MATH, had decided to dispose the land and buildings. The contract for sales price is amouting to $97,189 thousand, which is expected to be sold within one year, and the related land and building were therefore reported for non-current asset held for sale, which is amouting to $37,874 thousand, on December 31, 2022. The Group plan to complete the transaction in 2023, and recognize the gain on disposal of property, plant and equipment of $59,315 thousand.

(j) Other current assets and other non-current assets

The following are other current assets and other non-current assets of the Group:

	December 31, 2022	December 31, 2021
Tax refundable and offset against business tax payable	$ 23,035	23,090
Prepayment for purchases	22,572	16,409
Refundable deposits	26,582	12,219
Others	58,665	57,090
	$ 130,854	108,808

(k) Short-term borrowings

	December 31, 2022	December 31, 2021
Unsecured bank loans	$ 360,000	233,900
Secured bank loans	50,000	359,890
Payable forward letter of credit	-	16,194
	$ 410,000	609,984
Unused short-term credit lines	$ 670,550	431,386
Range of interest rates	1.6%~2.0106%	0.9%~1.25%

Please refer to note 6(u) for the interest rate risk, and the liquidity risk of the financial assets and liabilities of the Group. For the collateral for short-term borrowings, please refer to note 8.

(l) Long-term borrowings

The details were as follows:

	December 31, 2022			
	Currency	**Interest rate**	**Maturity year**	**Amount**
Unsecured bank loans	NTD	1.93%~2.20%	2024~2028	$ 204,792
Less: current portion				(94,167)
Total				$ 110,625
Unused long-term credit lines				$ 31,806

	December 31, 2021			
	Currency	**Interest rate**	**Maturity year**	**Amount**
Unsecured bank loans	NTD	1.7%	2027	$ 90,152
Less: current portion				(15,025)
Total				$ 75,127
Unused long-term credit lines				$ -

(m) Lease liabilities

	December 31, 2022	**December 31, 2021**
Current	$ 42,088	37,521
Non-current	$ 18,311	43,017

For the maturity analysis, please refer to note 6(u).

The amounts recognized in profit or loss was as follows:

	2022	**2021**
Interest expenses on lease liabilities	$ 827	1,305
Expenses relating to short-term leases	$ 5,230	6,676

The amounts recognized in the statement of cash flows for the Group was as follows:

	2022	**2021**
Total cash outflow for leases	$ 50,970	76,309

(Continued)

(n) Employee benefits

(i) Defined benefit plans

The present value of the defined benefit obligations and the fair value of the plan assets of the Company were as follows:

	December 31, 2022	**December 31, 2021**
Present value of defined benefit obligations	$ 39,987	39,498
Fair value of plan assets	(44,530)	(44,393)
Net defined benefit assets	**$ (4,543)**	**(4,895)**

The Group makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits calculated based on years of service and average monthly salary for the six months prior to retirement.

1) Composition of plan assets

The Group allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Group's Bank of Taiwan labor pension reserve account balance amounted to $44,530 thousand as of December 31, 2022. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in the present value of the defined benefit obligations

The movement in the present value of the defined benefit obligations of the Group were as follows:

	2022	**2021**
Defined benefit obligation at January 1	$ 39,498	40,803
Current service costs and interest	481	326
Re-measurement loss (gain):		
- Return on plan assets excluding interest income	8,732	(63)
- Actuarial loss (gain) arising from		
-demographic assumptions	-	1,641
-financial assumptions	(3,956)	(2,544)
Benefit paid	(4,768)	(665)
Defined benefit obligation at December 31	**$ 39,987**	**39,498**

(Continued)

3) Movements of the defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the Group were as follows:

	2022	2021
Fair value of plan assets at January 1	$ 44,393	43,067
Interest income	319	144
Re-measurement loss (gain)		
- Return on plan assets excluding interest income	3,410	630
Contribution paid by employer	1,176	1,217
Benefits paid	(4,768)	(665)
Fair value of plan assets at December 31	**$ 44,530**	**44,393**

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Group were as follows:

	2022	2021
Current service cost	$ 203	192
Net interest of net liabilities (assets) for defined benefit obligations	(41)	(10)
	$ 162	**182**
Operating cost	$ 104	71
Selling expenses	6	13
Administrative expenses	32	72
Research and development expenses	20	26
	$ 162	**182**

5) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

	2022	2021
Discount rate	1.400 %	0.750 %
Future salary increase rate	1.500 %	1.500 %

The expected allocation payment to be made by the Group to the defined benefit plans for the one-year period after the reporting date is $1,191 thousand.

The weighted-average lifetime of the defined benefits plans is 10 years.

(Continued)

6) Sensitivity analysis

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

Actuarial assumptions	Influences of defined obligations	
	Increase of 0.5%	**Decrease of 0.5%**
2022.12.31		
Discount rate 1.4%	(1,503)	1,602
Future salary increase rate 1.5%	1,545	(1,464)

Actuarial assumptions	Influences of defined obligations	
	Increase of 0.5%	**Decrease of 0.5%**
2021.12.31		
Discount rate 0.75%	(1,568)	1,674
Future salary increase rate 1.5%	1,608	(1,522)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There was no change in the method and assumptions used in the preparation of the sensitivity analysis for 2022 and 2021.

(ii) Defined contribution plans

The Group allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Group allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligations.

The Group recognized pension costs under the defined contribution method amounting to $32,853 and $33,390 thousand for the years ended December 31, 2022 and 2021, respectively.

(o) Income taxes

(i) The components of income tax for the years 2022 and 2021 were as follows:

	2022	2021
Current tax expense	$ 29,820	38,369
Deferred tax expense (income)	(6,576)	19,224
	$ 23,244	**57,593**

(ii) The amount of income tax expense (income) recognized in other comprehensive income for 2022 and 2021 was as follows:

	2022	2021
Foreign currency translation differences from foreign operations	**$ 17,252**	**(20,073)**

(iii) Reconciliation of income tax and profit or loss before tax for 2022 and 2021 was as follows:

	2022	2021
Profit excluding income tax	$ 43,809	239,097
Income tax using the Company's domestic tax rate	13,336	81,437
Effect of tax rates in foreign jurisdiction	1,514	6,447
Change in permanent differences	-	315
Changes in unrecognized deferred tax asset and deferred tax liability	(336)	17,288
Change in provision in prior periods and others	8,730	(47,894)
	$ 23,244	**57,593**

(iv) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

Deferred tax assets have not been recognized for 2022 and 2021 was as follows:

	December 31, 2022	December 31, 2021
The carry forward of unused tax losses	$ 139,594	130,064
Tax effect of deductible temporary differences	111,676	106,823
	$ 251,270	**236,887**

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be sufficient to utilize deferred tax asset.

The Group' s unrecognized deduction of tax loss amounts in $186,467 thousand. Deduction may be higher under condition of using the tax rate in foreign jurisdiction as $820,011 thousand.

2) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2022 and 2021 were as follows:

		Investment income recognized under the equity method	**Others**	**Total**
Deferred tax liabilities:				
Balance on January 1, 2022	$	190,383	5,730	196,113
Recognized in profit or loss		22,981	(3,572)	19,409
Recognized in other comprehensive income		17,252	-	17,252
Balance on December 31, 2022	**$**	**230,616**	**2,158**	**232,774**
Balance on January 1, 2021	$	183,892	9,020	192,912
Recognized in profit or loss		26,564	(3,290)	23,274
Recognized in other comprehensive income		(20,073)	-	(20,073)
Balance on December 31, 2021	**$**	**190,383**	**5,730**	**196,113**

		Additional loss on inventory valuation	**Unused tax losses carry forwards**	**Investment income recognized under the equity method**	**Others**	**Total**
Deferred tax assets:						
Balance on January 1, 2022	$	(4,812)	(25,070)	-	(9,231)	(39,113)
Recognized in profit or loss		(949)	(21,804)	-	(3,232)	(25,985)
Balance on December 31, 2022	**$**	**(5,761)**	**(46,874)**	**-**	**(12,463)**	**(65,098)**
Balance on January 1, 2021		(3,753)	(25,070)	-	(6,240)	(35,063)
Recognized in profit or loss		(1,059)	-	-	(2,991)	(4,050)
Balance on December 31, 2021	**$**	**(4,812)**	**(25,070)**	**-**	**(9,231)**	**(39,113)**

(v) Examination and approval

The Company’s, Green Far's and GIT’s tax returns for the years through 2020 were examined and approved by the Taipei National Tax Administration.

(p) Capital and other equity

As of December 31, 2022 and 2021, the authorized common stock was $4,000,000 (including employee stock options for 7.5 million shares). The total common stock outstanding amounted to $1,375,632 thousand as of both December 31, 2022 and 2021. The par value of the Company’s common stock is $10 (NT dollars) per share. All of the payments of outstanding shares were received.

(i) Capital surplus

The balances of capital surplus as of December 31, 2022 and 2021, were as follows:

	December 31, 2022	December 31, 2021
Additional paid-in capital	$ 1,171,059	1,298,993
Treasury share transactions	39,954	39,954
Gain on disposal of assets	7	7
Change of equity of associates accounted for using equity method	265,333	265,333
	$ 1,476,353	**1,604,287**

According to the ROC Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring paid-in capital in excess of par value should not exceed 10% of the total common stock outstanding.

The Company distributed additional paid-in capital $127,934 thousand by cash. The amount of dividends allocated to common stock owners according to the distribution plan via the general meeting of shareholders held on June 14, 2022.

A resolution was passed during the general meeting of shareholders held on 31 August 2021 to offset a $85,128 thousand deficit in 2020's earning distribution with capital surplus.

(ii) Retained earnings

The Company's article of incorporation stipulates that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, and then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

Before the distribution of dividends, the Company shall first take into consideration its operating environment, industry developments, and the long-term interests of stockholders, as well as its programs to maintain operating efficiency and meet its capital expenditure budget and financial goals in determining the stock or cash dividends to be paid. After the above appropriations, current and prior-period earnings that remain undistributed will be proposed for distribution by the Board of Directors, and a meeting of shareholders will be held to decide on this matter. The cash dividends shall not be more than 10% of total dividends. Distribution of earnings may be exempted if surplus of earnings is less than $0.5 per share.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of the capital may be distributed.

2) Special reserve

A portion of current-period earnings and undistributed prior-period earnings shall be reclassified as a special earnings reserve during earnings distribution. The amount to be reclassified should equal the current-period total net reduction of other shareholders' equity. Similarly, a portion of undistributed prior-period earnings shall be reclassified as a special earnings reserve (and is not qualified for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions. As of December 31, 2022 and 2021, the amount of reversal of special reserve are $729,059 thousand and $570,199 thousand respectively.

3) Earnings distribution

Earnings distribution for 2021 was decided via the general meeting of the stockholders held on June 14, 2022.

	2021	
	Dividends per share (NT dollars)	**Amount**
Dividend distributions to shareholders:		
Cash from unappropriated retained earnings	$ **0.07**	**9,630**

Earning distribution for 2020 was decided via the general meeting of the stockholders help on August 31, 2021. The Company decided to use legal reserve to offset accumulated deficits amounting to $163,718 thousand.

(q) Earnings per share

(i) Basic earnings per share

The calculation of basic earnings per share at December 31, 2022 and 2021, was based on the profit attributable to ordinary shareholders of the Company and the weighted-average number of ordinary shares outstanding, calculated as follows:

	2022	**2021**
Profit attributable to ordinary shareholders of the Company	$ **39,758**	**186,906**
Weighted-average number of ordinary shares at December 31 (thousand shares)	**137,564**	**137,564**
Basic earnings per share (dollar)	$ **0.29**	**1.36**

(ii) Diluted earnings per share

	2022	2021
Profit attributable to ordinary shareholders of the Company	$ **39,758**	**186,906**
Weighted-average number of ordinary shares shares at December 31 (thousand shares)	137,564	137,564
Impact on employee compensation	282	702
Weight-average number of ordinary shares (diluted) at December 31 (thousand shares)	**137,846**	**138,266**
Diluted earnings per share (dollar)	$ **0.29**	**1.35**

In calculating the dilutive effect of the employee compensation assessment, which is considered as issue all shares, the fair value is based on the quoted market price on the day before the company's reporting day.

(r) Revenue from contracts with customers

(i) The details of the revenue were as follows:

	2022	2021
Primary geographical markets		
Thailand	$ 1,763,200	2,487,436
Singapore	825,235	753,254
China	245,415	432,843
Taiwan	204,847	225,461
United States	93,615	127,682
Malaysia	48,697	89,354
Other	42,071	42,782
	$ **3,223,080**	**4,158,812**
Major products/services lines		
VCM	$ 1,107,278	1,567,576
EHD	634,368	643,273
COVER	247,370	403,455
HDD	241,618	301,891
OPTICS	206,603	330,262
OEM	163,383	163,582
CSA/RAMP	105,620	182,533
Other	516,840	566,240
	$ **3,223,080**	**4,158,812**

(Continued)

(ii) Contract balance

Trade receibables and impairment, please refer to note 6(c).

(s) Employee compensation and directors' and supervisors' remuneration

In accordance with the articles of incorporation the Company should contribute no less than 1% of the profit as employee compensation and less than 3% as directors' and supervisors' remuneration when there is profit for the year. However, when there are still accumulated loss, the compensation should be reserved. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

For the year ended December 31, 2022 and 2021, the Company estimated its employee remuneration amounting to $1,772 thousand and $18,227 thousand, and directors' and supervisors' remuneration amounting to $354 thousand and $4,565 thousand. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors, and supervisors of each period, multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during 2022 and 2021, please refer to Market Observation Post System for further information.

(t) Non-operating income and expenses

(i) Other income

The other income for the years ended December 31, 2022 and 2021, was as follows:

	2022	2021
Interest income	$ 2,907	2,159
Dividend income	10,158	21,768
Others	36,534	35,798
	$ 49,599	**59,725**

(ii) Other gains and losses

The other gains and losses for the years ended December 31, 2022 and 2021, were as follows:

	2022	2021
Foreign exchange gains	$ 60,205	31,864
Gain (loss) on disposal property, plant and equipment	(860)	4,194
Impairment losses on property, plant and equipment and financial assets	-	(30,877)
Losses on valuation of financial assets	(22,430)	(27,435)
Other	(286)	(6,828)
	$ 36,629	**(29,082)**

(Continued)

(u) Financial instruments

(i) Credit risk

1) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, which arises from the Group's accounts receivable and security investments.

a) Accounts receivable and other receivables

The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and in some cases bank references. These limits are reviewed periodically. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

b) Investment

The credit risk exposure in bank deposits, fixed-income investment, and other financial instruments is measured and monitored by the Group's finance department. As the Group deals with banks and other external parties with good credit standing and with financial institutions, corporate organizations, and government agencies which are graded above investment level, the management believes that the Group does not have any compliance issues, and therefore, there is no significant credit risk.

2) Other information about credit risk was as follows:

a) Exposure to credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and investments in debt securities. As of December 31, 2022 and 2021, the carrying amount of financial assets, which represents the maximum amount exposed to credit risk, was $1,008,247 thousand and $2,027,059 thousand, respectively. Furthermore, the bank deposits of the Company are made with various banks, all of which are with good credits, therefore, there is no significant credit risks.

b) The Group's credit risk is mainly affected by the credit characteristics of each creditor. This is also an impact on credit risk from the business of the customer. As of December 31, 2022 and 2021, 77% and 85%, respectively, of the ending balance of accounts receivable arose from sales to individual customers constituting the top three customers.

(ii) Liquidity risk

Liquidity risk is a risk that the Group is unable to meet the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as much as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The following are the contractual maturities of financial liabilities:

1) Based on the date on which the Group may be required to make an early repayment and on the preparation of the financial liabilities' undiscounted cash flows, including interest.

2) Other non-derivative financial liabilities' maturity analysis prepared in accordance with the agreed repayment date.

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flows	Within 1 year	1 ~ 2 years	2 ~5 years	Over 5 years
December 31, 2022						
Non-derivative financial liabilities:						
Short-term and long-term borrowings	$ 614,792	621,404	508,399	75,666	34,895	2,444
Accounts payable	289,668	289,668	289,668	-	-	-
Accounts payable–related parties	69,961	69,961	69,961	-	-	-
Lease liabilities	60,399	61,748	42,537	7,540	6,147	5,524
Other financial liabilities	87,015	87,015	87,015	-	-	-
Derivative financial liabilities:						
Forward Exchange Agreement						
Outflow	-	30,715	30,715	-	-	-
Inflow	(131)	(30,846)	(30,846)	-	-	-
	$ 1,121,704	**1,129,665**	**997,449**	**83,206**	**41,042**	**7,968**
December 31, 2021						
Non-derivative financial liabilities:						
Short-term and long-term borrowings	$ 700,136	706,131	627,757	16,186	47,024	15,164
Accounts payable	736,027	736,027	736,027	-	-	-
Accounts payable–related parties	160,309	160,309	160,309	-	-	-
Lease liabilities	80,538	82,454	38,240	34,250	3,330	6,634
Other financial liabilities	108,556	108,556	108,556	-	-	-
	$ 1,785,566	**1,793,477**	**1,670,889**	**50,436**	**50,354**	**21,798**

(Continued)

The Group does not expect that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Exposure to foreign currency risk

The Group's significant exposure to foreign currency risk was as follows:

	December 31, 2022			**December 31, 2021**		
	Foreign currency	**Exchange rate**	**TWD**	**Foreign currency**	**Exchange rate**	**TWD**
Financial assets						
Monetary items						
USD	$ 23,151	30.71	710,965	67,017	27.68	1,856,476
SGD	2,504	22.88	57,293	5,893	20.46	121,449
Financial liabilities						
Monetary items						
USD	32,207	30.71	989,090	58,356	27.68	1,615,284
SGD	35	22.88	794	79	20.46	1,616

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, trade and other receivables, loans and borrowings, and trade and other payables that are denominated in foreign currency. A weakening (strengthening) of 1% of the TWD against the foreign currency as of December 31, 2022 and 2021, would have increased or decreased the net profit before tax by $(2,216) thousand and $3,610 thousand, respectively. The analysis is performed on the same basis for both periods.

As the Group deals in diverse foreign currencies, gains or losses on foreign exchange were summarized as a single amount. In 2022 and 2021, the foreign exchange gain (loss), including both realized and unrealized, amounted to $60,205 thousand and $31,864 thousand, respectively.

(Continued)

2) Interest rate analysis

The details of financial assets and liabilities exposed to interest rate risk were as follows:

	Carrying amount	
	December 31, 2022	**December 31, 2021**
Fixed-rate instruments:		
Financial assets	$ 31,446	213,174
Financial liabilities	(340,000)	(273,900)
	$ (308,554)	**(60,726)**
Variable-rate instruments:		
Financial assets	$ 402,030	675,693
Financial liabilities	(274,792)	(410,042)
	$ 127,238	**265,651**

The following sensitivity analysis is based on the exposure to interest rate risk of the derivative and non-derivative financial instruments on the reporting date. If the interest rate had increased or decreased by 0.25%, the net profit before tax would have decreased or increased by $318 thousand and $664 thousand for the years ended December 31, 2022 and 2021, respectively, assuming all other variable factors were constant. This mainly resulted from borrowings at variable interest rates.

The Group's financial liabilities at fixed interest rates are measured using the amortized cost method. Since the change in market interest rate at the end of each reporting period had no impact on profit and loss, disclosure of the sensitivity to changes in fair value is not necessary.

3) Other market price risk

For the years ended December 31, 2022 and 2021, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

	For the years ended December 31,			
	2022		2021	
Prices of securities at the reporting date	**Other comprehensive income after tax**	**Profit before tax**	**Other comprehensive income after tax**	**Profit before tax**
Increasing 5%	**$ 377**	**14,570**	**2,033**	**15,610**
Decreasing 5%	**$ (377)**	**(14,570)**	**(2,033)**	**(15,610)**

(Continued)

(iv) Fair value of financial instrument

1) Fair value and carrying amount

The carrying amount and fair value of the Group' s financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	December 31, 2022				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	$ **131**	**-**	**131**	**-**	**131**
Total non-current financial assets at fair value throughprofit or loss	$ **296,870**	**5,469**	**-**	**291,401**	**296,870**
Non-current financial assets at fair value through other comprehensive income	$ **7,546**	**-**	**-**	**7,546**	**7,546**
Financial assets carried at amortized cost					
Cash and cash equivalents	$ 430,494				
Accounts receivable, net	528,290				
Accounts receivable－related parties, net	4,500				
Other receivables	44,963				
	$ **1,008,247**				
Financial liabilities carried at amortized cost					
Borrowings	614,792				
Accounts payable	289,668				
Accounts payable-related parties	69,961				
Lease liabilities	60,399				
Other financial liabilities	171,890				
	$ **1,206,710**				

	December 31, 2021				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	$ **317,938**	**5,745**	**-**	**312,193**	**317,938**
Non-current financial assets at fair value through other comprehensive income	$ **40,669**	**-**	**-**	**40,669**	**40,669**

(Continued)

	December 31, 2021				
		Fair value			
	Book value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets carried at amortized cost					
Cash and cash equivalents	$ 701,961				
Accounts receivable, net	1,077,514				
Accounts receivable－related parties, net	7,569				
Other receivables	240,015				
	$ 2,027,059				
Financial liabilities carried at amortized cost					
Borrowings	$ 700,136				
Accounts payable	736,027				
Accounts payable－related parties	160,309				
Lease liabilities	80,538				
Other financial liabilities	230,863				
	$ 1,907,873				

2) Valuation techniques for financial instruments not measured at fair value

a) Non-derivative financial instruments

If the quoted prices in active markets are available, the market price is established as the fair value.

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis.

Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide. Determining whether a market is active involves judgment.

Measurements of fair value of financial instruments held by the Company are based on a valuation technique or quoted price from a competitor. Fair value measured by a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market data at the reporting date.

Financial instruments without an active market are classified according to their fair value categories and attributes: equity instruments without public quoted prices, which uses the market comparable company method, estimation basis being the earnings before tax, depreciation, amortization and interest, comparable to other listed company's multiplier. The estimation has been adjusted for the discounting effect due to the lack of market liquidity of the security.

b) Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques generally accepted by market participants such as the discounted cash flow or option pricing models. Fair value of forward currency is usually determined by the forward currency exchange rate.

3) Reconciliation of Level 3 fair values

	Fair value through profit or loss	**Fair value through other comprehensive income**
Opening balance, January 1, 2022	$ 312,193	40,669
Recognized in profit or loss	(20,792)	-
Recognized in other comprehensive income	-	(33,123)
Ending Balance, December 31, 2022	**$ 291,401**	**7,546**
Opening balance, January 1, 2021	$ 338,611	93,775
Disposal	(26,418)	-
Recognized in other comprehensive income	-	(53,106)
Ending Balance, December 31, 2021	**$ 312,193**	**40,669**

The above total gains and losses for the years ended December 31, 2022 and 2021 were listed under "other gains and losses" and "unrealized gains and losses from financial assets at fair value through other comprehensive income".

4) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement.

The Group's financial instruments that use Level 3 inputs to measure fair value including " fair value through profit or loss-equity investments and fair value through other comprehensive income – equity investments".

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets measured at fair value through profit or loss – equity investments without an active market	Comparable Listed Company Method	· Enterprise Value to Revenue (2022:3.34) · Enterprise Value to EBITDA margin(2022:16.24; 2021:21.91) · Enterprise Value to EBIT margin(2021:23.77) · Price-to-Earning Ratio(2021:38.9) · Price-Book Ratio(2022:3.24; 2021:2.9) · Lack of discount on market liquidity (2022 and 2021: 21%)	· The higher the discount on market liquidity, the lower the fair value · The higher the multiplier, the higher the fair value.
	Comparable Transaction Method	· Enterprise Value to Revenue (2022:2.4) · Enterprise Value to EBITDA margin(2022:19.13; 2021:19.03) · Enterprise Value to EBIT margin(2021:23.89) · Price-to-Earning Ratio(2021:36.26) · Price-Book Ratio (2022:2.64;2021:2.47) · Lack of discount on market liquidity (2022 and 2021: 21%)	· The higher the discount on market liquidity, the lower the fair value · The higher the multiplier, the higher the fair value.
Financial assets at fair value through other comprehensive income – equity investments without an active market	Comparable Company Method	· Enterprise Value to Revenue(2022:0.87; 2021:3.58) · Price-Book(2022:1.23;2021:0.98) · Lack of discount on market liquidity (2022: 33%; 2021: 32%)	· The higher the discount on market liquidity, the lower the fair value · The higher the multiplier, the higher the fair value.
	Comparable Transaction Method	· Enterprise Value to Revenue (2022:2.02; 2021:2.62) · Price-Book(2022:2.34;2021:3.44) · Lack of discount on market liquidity (2022: 33%; 2021: 32%)	· The higher the discount on market liquidity, the lower the fair value · The higher the multiplier, the higher the fair value.

(Continued)

5) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The method to derive at the fair value of financial instruments is reasonable but could yield different outcomes when using different multipliers. For fair value measurements in Level 3, changing one or more of the assumptions to reflect reasonably possibilities of alternative assumptions would have the following effects:

			Other comprehensive income	
	Data	**Change upper or lower**	**Favour-able**	**Unfavour-able**
December 31, 2022				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	multiplier	lower 0.25	-	(898)
	multiplier	upper 0.25	1,479	-
December 31, 2021				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	multiplier	lower 0.5	-	(2,205)
	multiplier	upper 0.5	3,438	-

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

(v) Financial risk management

(i) Structure of risk management

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group’s Board of Directors oversees how management monitors compliance with the Group’s risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group’s Board of Directors is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to The Group’s Board of Directors.

(ii) The Group is exposed to the following risks arising from financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

This note presents information on exposure to each of the above risks and on the objectives, policies, and processes as for measuring and managing risk. For detailed information, please refer to 6(u).

(w) Capital management

The Group manages capital to safeguard the capacity to continue to operate. The management uses the asset-liability ratio to manage capital. This ratio is debt divided by assets. Debt is derived from the loans, accounts payable, expense payable and other liabilities.

As of December 31, 2022 and 2021, the Group’s asset-liability ratios were 35% and 43%, respectively. As of December 31, 2022 and 2021, there were no changes in the Group’s approach to capital management.

(x) Investing and financing activities affecting non-current cash flow

The Group’s investing and financing activities which did not affect the current cash flow in the years ended December 31, 2022 and 2021 as each, were as follows:

(i) For acquisition of right-of-use assets, please refer to notes 6(h).

(ii) Reconciliation of liabilities arising from financing activities were as follows:

			Non-cash changes		
	January 1, 2022	**Cash flows**	**Changes in lease payments**	**Others**	**December 31, 2022**
Long-term borrowings	$ 75,127	35,498	-	-	110,625
Short-term borrowings (including current portion of long-term borrowings)	625,009	(120,842)	-	-	504,167
Lease liabilities	80,538	(44,913)	24,069	705	60,399
Total liabilities from financing activities	**$ 780,674**	**(130,257)**	**24,069**	**705**	**675,191**

(Continued)

	January 1, 2021	Cash flows	Non-cash changes: Changes in lease payments	Non-cash changes: Others	December 31, 2021
Long-term borrowings	$ 90,153	(15,026)	-	-	75,127
Short-term borrowings (including current portion of long-term borrowings)	558,925	66,084	-	-	625,009
Lease liabilities	36,516	(68,328)	112,348	2	80,538
Total liabilities from financing activities	**$ 685,594**	**(17,270)**	**112,348**	**2**	**780,674**

(7) Related-party transactions:

(a) Parent company and ultimate controlling company

The Company is the ultimate controlling party of the Group and its subsidiaries.

(b) Name of related parties and relationships

The related parties who have transactions with the Group during the period covered by the the Consolidated Financial Statements are as follows:

Name of related parties	Relationship with the Group
Min Aik Precision Industrial Co., Ltd (MAP)	An associate
MAP Plastics Ptd Ltd. (MAPP)	An associate
Ablytek Co., Ltd (Ablytek)	An associate
Amould Plastic Technologies (Suzhou) Co., Ltd (AMO)	An associate
Key management personnel	Key management personnel of the Group

(c) Significant related-party transactions

(i) Sales

The amounts of significant sales by the Group to related parties and the resulting accounts receivable were as follows:

	Sales: 2022	Sales: 2021	Accounts receivable – related party: December 31, 2022	Accounts receivable – related party: December 31, 2021
Associates				
MAPP	$ 45,099	40,132	4,500	7,376
Others related parties	561	2,316	-	193
	$ 45,660	**42,448**	**4,500**	**7,569**

(Continued)

The credit terms were 30 to 120 days for related parties, but may be adjusted depending on the demand for funds of the related party. The general credit terms for counterparties other than related parties are about 2 to 3 months after delivery. The sales prices were not significantly different from those for third-party customers.

(ii) Purchases

The amounts of purchases by the Group from related parties were as follows:

	Purchase		**Accounts payable – related party**	
	2022	**2021**	**December 31, 2022**	**December 31, 2021**
Associates				
MAP	$ 323,824	454,735	69,961	160,309
Other related parties	-	267	-	-
	$ 323,824	455,002	69,961	160,309

The credit terms were 90 to 120 days for related parties, but they may be adjusted depending on the demand for funds of the related party. The general credit terms for counterparties other than related parties are L/C, T/T, or 60~120 days after goods are received. The purchase price is negotiated by the parties.

(iii) Service revenue

1) Inspection revenue

	Amounts		**Other accounts receivable – related party**	
	2022	**2021**	**December 31, 2022**	**December 31, 2021**
Associates				
MAP	$ 3,425	5,363	1,564	2,571

(Continued)

2) Management service revenue

	Amounts		Accounts receivable – related party	
	2022	**2021**	**December 31, 2022**	**December 31, 2021**
Associates				
MAP	$ 1,082	3,325	44	874
MAPP	1,348	1,622	443	1,580
	$ 2,430	**4,947**	**487**	**2,454**

Service revenue, as operating revenue or other revenue, shown amounts in deduction of related expense.

(iv) Property transactions

	Amounts		Other accounts payable – related parties	
	2022	**2021**	**December 31, 2022**	**December 31, 2021**
Associates	**$ 203**	**1,331**	**-**	**-**

(v) Loans to related parties

The loans to related parties were as follows:

	December 31, 2021
Associates	$ 19,000
Less: impairment loss	(19,000)
	$ -

The associate was abolished in November 2021, and was administratively enforced by the Ministry of Justice to distribute the creditors' rights in February 2022. After the associate has done so, the Company only received the amount of $468 thousand as enforcement fees, which the Company claimed to be insufficient. In March 2022, the other receivables and provision for losses were written off, resulting in the other receivables of uncollected interest amounting to $1,207 thousand to be recognized as impairment loss.

(d) Key management personnel compensation

	2022	**2021**
Short-term employee benefits	$ 37,960	36,366
Post-employment benefits	422	392
	$ 38,382	**36,758**

(Continued)

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Object	December 31, 2022	December 31, 2021
Time deposit (classified under other receivable)	Bank loans and guarantee for credit line	$ 36,793	216,116

(9) Significant commitments and contingencies:

(a) Unrecognized commitments of the Group were as follows:

	December 31, 2022	December 31, 2021
Acquisition of property, plant and equipment	$ 58,053	17,319

(b) Guarantee notes issued as collateral for applying for a credit line were as follows:

	December 31, 2022	December 31, 2021
Guarantee notes issued	$ 1,382,260	1,061,080
Endorsement guarantee	$ 35,000	153,294

(c) Green Far has entered into a contract with Taiwan Power Company since 2012 for the purchase and sale of electricity generated by solar power. The duration of the agreement is 20 years and shall commence on the agreed date. In addition, the contract stipulates that the electricity can only be used by power plants with equipment registered under the Energy Bureau of the Ministry of Economic Affairs in a single region, violation of this term would release Taiwan Power Company of its liability of the purchase fees of the period and grant Taiwan Power Company of the right to terminate the contract immediately.

(d) The Group purchased machinery and equipment from its supplier, Company E, wherein the Group claimed the equipment specifications submitted by Company E were incorrect; hence, the Group refused to pay for the items, resulting in Company E to file a lawsuit against the Group, demanding to be paid accordingly. As of December 31, 2022, the above-mentioned litigation matter was still in progress, in which the Group made the litigation deposit of $14,145 thousand, recognized as other assets, to a designated account in accordance with the court order.

(10) Losses Due to Major Disasters:None

(11) Subsequent Events:None

(12) Other:

A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

By function By item	2022			2021		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits						
Salary	360,803	183,755	544,558	426,771	188,783	615,554
Labor and health insurance	20,759	13,843	34,602	21,448	13,331	34,779
Pension	22,663	10,352	33,015	23,454	10,118	33,572
Remuneration of directors	-	6,012	6,012	-	10,325	10,325
Others	55,835	10,830	66,665	78,606	10,438	89,044
Depreciation	107,355	37,388	144,743	117,159	39,506	156,665
Amortization	4,246	1,462	5,708	7,174	2,201	9,375

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group:

(i) Loans to other parties:

Number	Name of lender	Name of borrower	Account name	Related party	Highest balanceof financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
0	The Company	Ablytek	Other receivable due from related parties	Yes	19,000	-	-	3%	Short-term financing	-	Working turnover	-	Note 4	-	569,161	1,138,323
1	MUS	MUM	Other receivables due from related parties	Yes	15,048	-	-	1%	Short-term financing	-	Working turnover	-	-	-	569,161	1,138,323

Note 1: The highest amounts were approved by the Board of Directors.

Note 2: The short term financing available for purposes shall not exceed 20% of the lending company's net worth in the latest financial statements.

Note 3: The total amount available for lending purposes shall not exceed 40% of the lending company's net worth in the latest financial statements.

Note 4: The associate was abolished in November 2021, and was administratively enforced by the Ministry of Justice to distribute the creditors' rights in February 2022. After the associate has done so, the Company claimed to be insufficient. In March 2022, the other receivables and provision for losses were written off, resulting in the other receivables of uncollected interest amounting to $1,207 thousand to be recognized as impairment loss.

(ii) Guarantees and endorsements for other parties:

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and/ endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The Company	Green Far	Subsidiary of the Company	Note 1	153,294	35,000	31,597	-	1.23 %	5,691,618	Y	N	N

Note 1: Except for the Company's subsidiaries, in which the Company directly or indirectly holds 100% of their shares, the guarantee amounts given to them shall not exceed 10% of the Company's net worth in the latest financial statements.

Note 2: The highest balance for guarantees can not exceed 2 time the Compnay's net worth in the latest financial statement.

(iii) Securities held as of December 31, 2022 (excluding investment in subsidiaries, associates and joint ventures):

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest	Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	Percentage of ownership (%)	
The Company	United 3 to 5 years trigger EMD term fund trust	NO	Non-current financial assets at fair value through profit and loss	20	5,469	- %	5,469	- %	
〃	Archers Inc.	〃	〃	4,500	-	13.89 %		13.89 %	
〃	LBO	〃	〃	165	-	0.72 %	-	0.72 %	
〃	HDDisk	〃	〃	833	-	12.50 %	-	12.50 %	
〃	DAS	〃	〃	5,079	291,401	16.13 %	291,401	16.13 %	
					$ 296,870				
〃	Tascent, Inc.	〃	Non-current financial assets at fair value through other comprehensive income	4,500	$ 7,546	5.14 %	7,546	5.14 %	

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: None

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

			Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		
Name of company	Related party	Nature of relationship	Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	Note
The Company	MAM	The subsidiary held 100 percentage shares by MAS	Purchase	1,075,703	41 %	Note 1	-	The general credit terms are about 2 to 4 months	(646,203)	(67)%	Note 2
MAM	The Company	The subsidiary held 100 percentage shares by MAS	(Sale)	(1,075,703)	(99) %	〃	-	〃	646,203	99%	〃
The Company	MATC	The subsidiary held 80 percentage shares by Synergy	Purchase	235,002	9 %	〃	-	〃	(17,396)	(2)%	〃
MATC	The Company	The subsidiary held 80 percentage shares by Synergy	(Sale)	(235,002)	(96) %	〃	-	〃	17,396	94%	〃
The Company	MAY	The subsidiary held 100 percentage shares by Synergy	Purchase	501,160	24 %	〃	-	〃	(113,104)	(12)%	〃
MAY	The Company	The subsidiary held 100 percentage shares by Synergy	(Sale)	(501,160)	(76) %	〃	-	〃	113,104	69%	〃
The Company	MAP	The Company held 38.13 percentage shares of the invested company	Purchase	168,249	6 %	〃	-	-	(60,253)	(6)%	
MAM	MAP	The Company held 38.13 percentage shares of the invested company	Purchase	155,575	17 %	〃	-	〃	(8,775)	(10)%	
GIT	MAY	The subsidiary held 100 percentage shares by Synergy	Purchase	142,564	96 %	〃	-	〃	(45,251)	(99)%	Note 2
MAY	GIT	The subsidiary held 100 percentage shares by MAT	(Sale)	(142,564)	(18) %	〃	-	〃	45,251	28%	〃

Note 1: Payment term given to related parties is 120 days; any further adjustment on the term will have to be agreed by both parties.

Note 2: Transactions within the Group were eliminated in the consolidated financial statements.

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period (Note 1)	Allowance for bad debts
					Amount	Action taken		
MAM	The Company	The subsidiary held 100 percentage shares by MAS	646,203	1.24	344,409	Receipt according to fund status	94,865	-
MAY	The Company	The subsidiary held 100 percentage shares of Synergy	113,104	3.97	-	-	81,652	-

Note 1: Until Feburary 28, 2022.

Note 2: Transactions within the Group were eliminated in the consolidated financial statements.

(ix) Trading in derivative instruments:: Please refer to note 6(b).

(x) Business relationships and significant intercompany transactions:

Disclosure of the amounts exceeding the $10,000.

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	MAM	1	Purchase	1,075,703	Note 3	33.16%
				Accounts payable	646,203	〃	14.57%
0	〃	MAY	1	Purchase	501,160	〃	15.45%
				Accounts payable	113,104	〃	2.55%
0	〃	MATC	1	Purchase	235,002	〃	7.24%
				Accounts payable	17,396	〃	0.39%
				Prepayment in advance	176,005	〃	3.97%
0	The Company	GIT	1	Service revenue	18,958	〃	0.58%
				Account receivables	11,742	〃	0.26%
1	MAS	MAM	3	Service revenue	32,942	〃	1.02%
2	GIT	MAY	3	Purchase	142,564	〃	4.39%
				Accounts payable	45,251	〃	1.02%
2	〃	MAA	3	Prepaid expense	61,420	〃	1.38%
3	MAY	MAA	3	Prepaid expense	46,065	〃	1.04%

Note 1: “0” represents the parent company, and the others represent the subsidiaries.

Note 2: “1” represents the transactions from parent company to subsidiary.
“2” represents the transactions from subsidiary to parent company.
“3” represents the transactions between subsidiaries.

Note 3: The purchase price paid to related parties is negotiated after considering the cost incurred. In addition, capital allocation of these related parties is decided by the Company. The netting off on accounts receivable and accounts payables concerning purchase transactions, advance payment on behalf of the associated company, and the provision of labor income is agreed upon by both parties. Payment term given to related parties is 120 days; any further adjustment on the term will have to be agreed upon by both parties.

(b) Information on investees:

The following is the information on investees for the year ended December 31, 2022 (excluding information on investees in Mainland China):

				Original investment amount		Balance as of December 31, 2022						
Name of investor	**Name of investee**	**Location**	**Main businesses and products**	**December 31, 2022**	**December 31, 2021**	**Shares (thousands)**	**Percentage of wnership**	**Carrying value**	**Highest Percentage of ownership**	**Net income (losses) of investee**	**Share of profits/losses of investee**	**Note**
The Company	MAS	Singapore	Market development and customer service	353,522	353,522	18,564	100.00 %	1,586,177	100.00 %	1,312	1,033	Note 1
The Company	Synergy	Samoa	Holding company	883,384	883,384	22,057	100.00 %	469,356	100.00 %	(6,094)	(4,522)	〃
The Company	MATH	Thailand	Manufacturing and sale of machinery components	433,606	433,606	262	100.00 %	58,462	100.00 %	(3,857)	(3,857)	〃
The Company	MAUS	USA	Information collection on hardware	968	968	30	100.00 %	3,354	100.00 %	(503)	(503)	〃
The Company	Good Master	Caymen	Holding company	239,894	239,894	7,490	100.00 %	23,115	100.00 %	(1,224)	(1,224)	〃
The Company	Green far	Taiwan	Energy	12,000	12,000	1,200	100.00 %	17,361	100.00 %	1,506	1,506	〃
The Company	GIT	Singapore	Holding company	5,000	5,000	500	100.00 %	28,800	100.00 %	16,619	16,619	Note 1
The Company	MAP Tech.	Taiwan	Manufacturing of electronic parts and components	260,791	260,791	66,913	46.60 %	-	46.60 %	(417)	-	-
The Company	MAP	Taiwan	Manufacturing and sales solar mold	553,837	535,942	29,357	38.13 %	760,465	38.13 %	161,828	63,773	-
The Company	Ablytek (Note 2)	Samoa	Holding company	209,885	209,885	16,229	27.05 %	-	27.05 %	-	-	Note 2
MAS	MAM	Malaysia	Sale and retail of electronic materials	333,937	333,937	60,000	100.00 %	1,551,868	100.00 %	2,510	2,510	Note 1
Synergy	MATC	Malaysia	Manufacture and sale of hard disk drive components	406,648	406,648	17,707	80.00 %	46,600	80.00 %	(93,267)	(74,613)	〃
Good Master	MUS	Singapore	Holding company	239,201	239,201	11,800	69.41 %	23,112	69.41 %	(1,764)	(1,224)	〃
MUS	MUM	Malaysia	Manufacture and sale of hard disk drive components	347,134	347,134	35,996	100.00 %	126	100.00 %	7,027	4,877	〃

Note 1: Transactions within the Group were eliminated in the consolidated financial statements.

Note 2: Ablytek was abolished on Novermber 10, 2021, but the liquidation document have not received yet.

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2021	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2022	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (Note 1)	Book value (Note 1)	Highest Percentage of ownership	Accumulated remittance of earnings in current period
					Outflow	Inflow							
MAY	Manufacturing sale of machinery components and customer service	400,857 (USD12,000 thousands)	Remittance from third-region company Synergy to invest in Mainland China	385,168 (USD11,512 thousands)	-	-	385,168 (USD11,512 thousands)	70,893	100%	70,893	519,032	100%	-
MAA	Manufacture and sale of automatic devices	91,270 (USD3,000 thousands)	Remittance from third-region company Synergy to invest in Mainland China	91,270 (USD3,000 thousands)	-	-	91,270 (USD3,000 thousands)	(2,374)	100%	(2,374)	(96,293)	100%	-

Note 1: The investment income (loss) were based on financial statements audited by the auditor of the Company.

Note 2: Transactions within the Group were eliminated in the consolidated financial statements.

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
479,610	520,548	1,707,485

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in “ Information on significant transactions” and “Business relationships and significant intercompany transactions”.

(d) Major shareholders:

The major shareholders information is based on the last business day of the end of each quarter by TDCC (Taiwan Depository & Clearing Corporation), which calculated that the total number of ordinary shares and special shares registration of non-physical securities (including treasury shares) that have been reached more than 5%. The Consolidated Company does not disclose the information of major shareholders, because there are no shareholders holding more than 5% of the shares.

(Continued)

(14) Segment information:

(a) General information

The Group identifies its operating segments based on the decision of the chief operating decision maker (CODM). The Group's operating segments are EMS (Electronics Manufacturing Service), Automatic Equipment Service, and Commerce Service. Except for EMS, the operating segments did not meet the quantitative threshold for individually reportable segments nor are they aggregated with other operating segments.

EMS's main operating activities are designing and manufacturing consumer electronics end products. Those of Automatic Equipment Service are designing and manufacturing automatic machinery for industrial use. The main operating activity of Commerce Service is trading business. Since the strategy of each segment is different, it is necessary to separate them for management.

(b) Information about reportable segments and their measurement and reconciliations

The Group uses the internal management report that the chief operating decision maker reviews as the basis to determine resource allocation and make a performance evaluation. The internal management report includes profit before taxation, but not including any extraordinary activity and foreign exchange gain or losses because taxation, extraordinary activity, and foreign exchange gain or losses are managed on a group basis, and hence they are not able to be allocated to each reportable segment. In addition, not all reportable segments include depreciation and amortization of significant non-cash items. The reportable amount is similar to that in the report used by the chief operating decision maker.

The operating segment accounting policies are similar to those described in note 4 "significant accounting policies" except for the recognition and measurement of pension cost, which is on a cash basis.

The Group treated intersegment sales and transfers as third-party transactions. They are measured at market price.

The Group's segment financial information was as follows:

	For the years ended December 31, 2022			
	EMS	**Others**	**Adjustments and eliminations**	**Total**
Revenue				
External revenue	$ 2,819,587	403,493	-	3,223,080
Intra-group revenue	-	-	-	-
Total segment revenue	**$ 2,819,587**	**403,493**	**-**	**3,223,080**
Segment profit (loss)	**$ (85,731)**	**(10,430)**	**-**	**(96,161)**
Segment total assets				**$ 4,430,487**

(Continued)

	For the years ended December 31, 2021			
	EMS	**Others**	**Adjustments and eliminations**	**Total**
Revenue				
External revenue	$ 3,669,612	489,200	-	4,158,812
Intra-group revenue	-	-	-	-
Total segment revenue	**$ 3,669,612**	**489,200**	**-**	**4,158,812**
Segment loss	**$ 185,041**	**(2,389)**	**-**	**182,652**
Segment total assets				**$ 5,120,949**

(c) Product and service information

The Group’s product revenues from exterior clients were as follows:

Product	**2022**	**2021**
VCM	$ 1,107,278	1,567,576
EHD	634,368	643,273
COVER	247,370	403,455
HDD	241,618	301,891
OPTICS	206,603	330,262
OEM	163,383	163,582
CSA/RAMP	105,620	182,533
Others	516,840	566,240
	$ 3,223,080	**4,158,812**

(d) Geographic information

The Group's non-current assets are located in Asia, and its revenue from external clients by geographical location was as follows:

Geographic area	**2022**	**2021**
Thiland	$ 1,763,200	2,487,436
Singapore	825,235	753,254
Mainland China	245,415	432,843
Taiwan	204,847	225,461
USA	93,615	127,682
Malaysia	48,697	89,354
Others	42,071	42,782
	$ 3,223,080	**4,158,812**

(Continued)

(e) Major customers

Sales to individual clients constituting over 10% of total revenue in 2022 and 2021 are summarized as follows:

	2022		2021	
	Revenue	**Percentage of net sales**	**Revenue**	**Percentage of net sales**
Western Digital Storage	$ 1,701,823	53	2,419,960	58
Western Digital (Singapore)	603,203	19	637,793	15
	$ 2,305,026	**72**	**3,057,753**	**73**

V.Parent Company Only Financial Statements Audited and Certified by the External Auditors in the Most Recent Year

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Independent Auditors' Report

To the Board of Directors of Min Aik Technology Co., Ltd.:

Opinion

We have audited the financial statements of Min Aik Technology Co., Ltd. and its subsidiaries ("the Company"), which comprise the balance sheets as of December 31, 2022 and 2021, the statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Revenue recognition

    Please refer to Note 4(n) "Revenue" of the consolidated financial statements, and note 6(p) "Revenue from contract with customers".

    Revenue recognition is one of the key judgmental areas for our audit, particularly in respect of the revenue are recognized based on the transaction terms with clients, also considering the large volume of transaction and comes from different operation sites.

    How the matter was addressed in our audit

    Our principal audit procedures included: assessing whether appropriate revenue recognition policies are applied; testing the Company's controls surrounding revenue recognition, including corroborating the orders from clients, the proof of shipment, and receipt documents by clients; sampling the sales transaction between the reported date, exam the external document to evaluate whether the sales recognition is appropriate.

2. Investments accounted for using equity method

   Please refer to Note 4(i) "Investments in subsidiaries" and Note 6(f) "Investments accounted for using equity method" of the financial statements.

   Some important subsidiaries in the investments accounted for using equity method is primarily involved in the manufacture of hard disk drive components. As different series or models of electronic products are rapidly being replaced by trendy ones, it may affect the inventory of the outdated ones to be slow-moving, or worse yet, stagnation, thus, the fact may result the cost of inventory to be higher than the net realized value. The net realized value of evaluation of inventory is based on the judgement by management of the group. Therefore, this whole matter needed to be taken into serious consideration.

   How the matter was addressed in our audit

   Our principal audit procedures included: assessing whether appropriate inventory policies are applied through comparison with accounting standards; sampling the inventory item and comparing the aging of inventory, understanding the origin price for estimate the net realized value, evaluating either the calculation for lower of cost or net realized value is reasonable, and inspecting the inventory sales status subsequent to the reporting date.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company' 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 Company 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 Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor' s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in 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 financial statements.

As part of an audit in accordance with auditing standards generally accepted in 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 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 the investment in other entities accounted for using the equity method to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are
Sheng-Ho Yu and An-Chih, Cheng.

KPMG

Taipei, Taiwan (Republic of China)
March 22, 2023

(English Translation of Financial Statements Originally Issued in Chinese)

MIN AIK TECHNOLOGY CO., LTD.

Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2022		December 31, 2021	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 240,054	5	398,879	7
1170	Notes and trade, net (note 6(c))	513,927	11	1,045,700	19
1180	Accounts receivable due from related parties, net (notes 6(c) and 7)	11,742	-	11,856	-
1200	Other receivables, net (notes 6(f), 7 and 8)	31,305	1	223,478	4
130X	Inventories (note 6(d))	324,014	7	304,861	6
1470	Other current assets	211,917	4	48,657	1
	Total current assets	1,332,959	28	2,033,431	37
	Non-current assets:				
1510	Non-current financial assets at fair value through profit or loss (note 6(b))	296,870	6	317,938	6
1518	Non-current financial assets at fair value through other comprehensive income (note 6(e))	7,546	-	40,669	1
1550	Investments accounted for using equity method (note 6(f))	2,947,090	61	2,787,648	51
1600	Property, plant and equipment (notes 6(h) and 8)	94,919	2	111,797	2
1755	Right-of-use assets (note 6(h))	33,605	1	65,857	1
1840	Deferred tax assets (note 6(m))	65,098	1	39,113	1
1900	Other non-current assets(notes 6(f) and (l))	34,972	1	32,425	1
	Total non-current assets	3,480,100	72	3,395,447	63
	Total assets	$ 4,813,059	100	5,428,878	100

		December 31, 2022		December 31, 2021	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (note 6(i))	$ 410,000	9	609,984	11
2170	Trade payable	129,506	2	163,883	3
2180	Trade payable to related parties (note 7)	836,956	17	1,333,289	25
2280	Current lease liabilities (note 6(k))	33,915	1	33,239	1
2322	Long-term borrowings, current portion (note 6(j))	88,333	2	-	-
2399	Other current liabilities (note 7)	139,906	3	178,860	3
	Total current liabilities	1,638,616	34	2,319,255	43
	Non-Current liabilities:				
2540	Long-term borrowings (note 6(j))	84,861	2	-	-
2570	Deferred tax liabilities (note 6(m))	232,774	5	196,113	3
2580	Non-current lease liabilities (note 6(k))	-	-	32,923	1
2670	Other non-current liabilities	10,999	-	10,999	-
	Total non-current liabilities	328,634	7	240,035	4
	Total liabilities	1,967,250	41	2,559,290	47
	Equity attributable to owners (note 6(n)):				
3110	Ordinary share	1,375,632	29	1,375,632	25
3200	Capital surplus	1,476,353	31	1,604,287	30
	Retained earnings:				
3310	Legal reserve	18,844	-	-	-
3320	Special reserve	729,059	15	570,199	11
3350	Unappropriated retained earnings (accumulated deficit)	41,420	1	188,438	3
		789,323	16	758,637	14
3400	Other equity	(795,499)	(17)	(868,968)	(16)
	Total equity	2,845,809	59	2,869,588	53
	Total liabilities and equity	$ 4,813,059	100	5,428,878	100

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

MIN AIK TECHNOLOGY CO., LTD.

Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars , except for earnings per share)

		2022		2021	
		Amount	**%**	**Amount**	**%**
4000	**Operating revenue (notes 6(p) and 7)**	$ 2,979,729	100	3,699,123	100
5000	**Operating costs (notes 6(d), (k), (l), 7 and 12)**	2,786,903	94	3,420,021	93
	Gross profit from operations	192,826	6	279,102	7
	Operating expenses (notes 6(c), (k), (l), 7 and 12):				
6100	Selling expenses	70,624	2	69,672	2
6200	Administrative expenses	95,380	3	106,769	3
6300	Research and development expenses	92,851	3	88,887	2
6450	Expected credit loss	722	-	1,309	-
	Total operating expenses	259,577	8	266,637	7
	Net operating income (loss)	(66,751)	(2)	12,465	-
	Non-operating income and expenses (notes 6(g), (k), (r) and 7):				
7010	Other income	37,859	1	35,739	1
7020	Other gains and losses, net	(1,755)	-	(40,568)	(1)
7050	Finance costs	(8,859)	-	(6,949)	-
7070	Share of profit of associates accounted for using equity method, net	72,825	2	205,755	6
	Total non-operating income and expenses	100,070	3	193,977	6
7900	**Profit (loss) before tax**	33,319	1	206,442	6
7950	Less: Tax expenses (income) (note 6(m))	(6,439)	-	19,536	1
	Profit	39,758	1	186,906	5
8300	**Other comprehensive income (loss):**				
8310	**Items that may not be reclassified subsequently to profit or loss:**				
8311	Gain (loss) on remeasurements of defined benefit plans(note 6(l))	(1,366)	-	1,596	-
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	(33,123)	(1)	(53,106)	(1)
8330	Share of other comprehensive loss of associates accounted for using equity method, components of other comprehensive income that will not be reclassified	1,924	-	(64)	-
	Items that may not be reclassified subsequently to profit or loss	(32,565)	(1)	(51,574)	(1)
8360	**Items that may be reclassified subsequently to profit or loss:**				
8361	Exchange differences on translation	123,844	4	(125,828)	(4)
8399	Income tax related to components of other comprehensive income that may be reclassified to profit or loss (note 6(m))	(17,252)	(1)	20,073	1
	Items that may be reclassified subsequently to profit or loss	106,592	3	(105,755)	(3)
8300	**Other comprehensive income (loss)**	74,027	2	(157,329)	(4)
	Total comprehensive income	**$ 113,785**	**3**	**29,577**	**1**
9750	**Basic earnings per share (NT dollars) (note 6(o))**	**$**	**0.29**		**1.36**
9850	**Diluted earnings per share (NT dollars) (note 6(o))**	**$**	**0.29**		**1.35**

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

MIN AIK TECHNOLOGY CO., LTD.

Statements of Changes in Equity

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Share capital		Retained earnings				Other equity			
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized loss from investments in equity instruments measured at fair value through other comprehensive income	Total other equity interest	Total equity
Balance at January 1, 2021	$ 1,375,632	1,689,415	163,718	570,199	(248,846)	485,071	(666,069)	(44,038)	(710,107)	2,840,011
Profit for the year ended December 31, 2021	-	-	-	-	186,906	186,906	-	-	-	186,906
Other comprehensive income(loss) for the year ended December 31, 2021	-	-	-	-	1,532	1,532	(105,755)	(53,106)	(158,861)	(157,329)
Total comprehensive income(loss) for the year ended December 31, 2021	-	-	-	-	188,438	188,438	(105,755)	(53,106)	(158,861)	29,577
Appropriation and distribution of retained:										
Legal reserve used to offset accumulated deficits	-	-	(163,718)	-	163,718	-	-	-	-	-
Capital surplus used to offset accumulated deficits	-	(85,128)	-	-	85,128	85,128	-	-	-	-
Balance at December 31, 2021	1,375,632	1,604,287	-	570,199	188,438	758,637	(771,824)	(97,144)	(868,968)	2,869,588
Profit for the year ended December 31, 2022	-	-	-	-	39,758	39,758	-	-	-	39,758
Other comprehensive income(loss) for the year ended December 31, 2022	-	-	-	-	558	558	106,592	(33,123)	73,469	74,027
Total comprehensive income(loss) for the year ended December 31, 2022	-	-	-	-	40,316	40,316	106,592	(33,123)	73,469	113,785
Appropriation and distribution of retained:										
Legal reserve appropriated	-	-	18,844	-	(18,844)	-	-	-	-	-
Special reserve appropriated	-	-	-	158,860	(158,860)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(9,630)	(9,630)	-	-	-	(9,630)
Capital surplus used to cover cash dividends	-	(127,934)	-	-	-	-	-	-	-	(127,934)
Balance at December 31, 2022	**$ 1,375,632**	**1,476,353**	**18,844**	**729,059**	**41,420**	**789,323**	**(665,232)**	**(130,267)**	**(795,499)**	**2,845,809**

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

MIN AIK TECHNOLOGY CO., LTD.

Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from (used in) operating activities:		
Profit before tax	$ 33,319	206,442
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense and amortization expense	66,868	72,422
Net loss on financial assets or liabilities at fair value through profit or loss	22,274	27,435
Dividend income	(10,158)	(21,768)
Share of profit of associates accounted for using equity method	(72,825)	(205,755)
Loss (gain) on disposal of property, plan and equipment	600	(291)
Impairment on property, plan and equipment	-	9,157
Recognition losses on inventory valuation and obsolescence	13,159	10,196
Interest income	(2,179)	(2,434)
Interest expense	8,859	6,949
Others	(205)	1,963
Total adjustments to reconcile profit (loss)	26,393	(102,126)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes and trade receivables (including related parties), net	531,165	(393,415)
Inventories	(32,312)	(57,244)
Other current assets	(150,576)	(34,201)
Other non-current assets	(1,014)	(1,035)
	347,263	(485,895)
Changes in operating liabilities:		
Notes and trade payables (including related parties)	(530,710)	282,943
Other current liabilities	(37,389)	24,674
	(568,099)	307,617
Total changes in operating assets and liabilities	(220,836)	(178,278)
Total adjustments	(194,443)	(280,404)
Cash outflow generated from operations	(161,124)	(73,962)
Interest received	2,145	2,424
Dividends received	64,446	67,247
Interest paid	(8,845)	(6,913)
Income taxes paid	(44)	(1,374)
Net cash flows used in operating activities	(103,422)	(12,578)
Cash flows from (used in) investing activities:		
Acquisition of investments accounted for using equity method	(17,895)	(23,138)
Acquisition of property, plant and equipment	(22,073)	(33,678)
Proceeds from disposal of property, plant and equipment	3,787	750
Decrease (increase) in other financial assets	179,190	(77,178)
Net cash flows from (used in) investing activities	143,009	(133,244)
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term loans	(111,651)	66,084
Increase in long-term debt	84,861	-
Payment of lease liabilities	(34,058)	(33,041)
Cash dividends paid	(137,564)	-
Net cash flows from (used in) financing activities	(198,412)	33,043
Net decrease in cash and cash equivalents	(158,825)	(112,779)
Cash and cash equivalents at beginning of period	398,879	511,658
Cash and cash equivalents at end of period	**$ 240,054**	**398,879**

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

MIN AIK TECHNOLOGY CO., LTD.

Notes to the Financial Statements

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

Min Aik Technology Co., Ltd. (the "Company") was incorporated on October 3, 1979, as a company limited by shares and registered under the Ministry of Economic Affairs, ROC. The address of the Company's registered office is 10F. 1, No. 492 1, Sec. 1, Wanshou Rd., Guishan District, Taoyuan City. The Company primarily is involved in the design, manufacture, and sale of hard disk drive components, plastic camera components, CD ROM drive components, and mechanical components for optical devices.

(2) Approval date and procedures of the financial statements:

These consolidated financial statements were authorized for issue by the board of directors on March 22, 2023.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2022:

- Amendments to IAS 16 "Property, Plant and Equipment－Proceeds before Intended Use"
- Amendments to IAS 37 "Onerous Contracts－Cost of Fulfilling a Contract"
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 "Reference to the Conceptual Framework"

(b) The impact of IFRS issued by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2023, would not have a significant impact on its financial statements:

- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

(Continued)

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Company does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements:

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 17 " Insurance Contracts" and amendments to IFRS 17 " Insurance Contracts"
- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 – Comparative Information "
- IFRS16 "Requirements for Sale and Leaseback Transactions"

(4) Summary of significant accounting policies:

The significant accounting policies presented in the financial statements are summarized below. Except for those specifically indicated, the following accounting policies are applied consistently throughout the periods presented in the financial statements.

(a) Statement of compliance

These financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter, referred to as "the Regulations").

(b) Basis of preparation

(i) Basis of measurement

Except for the financial instruments at fair value through profit or loss are measured at fair value, the financial statements have been prepared on a historical cost basis:

1) Financial instruments at fair value through profit or loss are measured at fair value;

2) The defined benefit liabilities (assets) are measured at fair value of the plan assets less the present value of the defined benefit obligation.

(ii) Functional and presentation currency

The functional currency is determined based on the primary economic environment in which the Company operates. The financial statements are presented in New Taiwan dollars, which is the Company's functional currency. All financial information presented in New Taiwan dollars has been rounded to the nearest thousand.

(c) Foreign currencies

(i) Foreign currency transaction

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of transaction.

Exchange differences are generally recognized in profit or loss, except for investments in equity securities designated as at fair value through other comprehensive income, which are recognized in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the Company's presentation currency at the average rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes of any part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interest. When the Company disposes of only part of its investment in an associate or a joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

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

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

An entity shall classify a liability as current when:

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(e) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(f) Financial instruments

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment' s fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Company's right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and trade receivables, other receivables, guarantee deposit paid and other financial assets).

The Company measures loss allowances at an amount equal to lifetime expected credit loss, except for the following which are measured as 12-month ECL：

- Debt securities that are determined to have low credit risk at the reporting date；and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are measured at an amount equal to lifetime ECL.

Lifetime of ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company’s historical experience and informed credit assessment as well as forward-looking information.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company’s procedures for recovery of amounts due.

5) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

4) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

5) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expired. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

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

6) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(g) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on weighted-average method and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less, the estimated costs of completion and selling expenses.

(h) Investment in associates

Associates are those entities in which the Company has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition, less any accumulated impairment losses.

The financial statements include the Company’s share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Company, from the date on which significant influence commences until the date on which significant influence ceases. The Company recognizes any changes of its proportionate share in the investee within capital surplus, when an associate’s equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual significant influence.

Unrealized profits or losses resulting from transactions between the Company and an associate are recognized only to the extent of unrelated Company’s interests in the associate.

When the Company's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

The Company discontinues the use of the equity method and measures the retained interest at fair value from the date when its investment ceases to be an associate. The difference between the fair value of retained interest and proceeds from disposing, and the carrying amount of the investment at the date the equity method was discontinued is recognized in profit or loss. The Company accounts for all the amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the associates had directly disposed of the related assets or liabilities. If a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Company reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued. If the Company's ownership interest in an associate is reduced while it continues to apply the equity method, the Company reclassifies the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest to profit or loss.

When the Company subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment will differ from the amount of the Company's proportionate interest in the net assets of the associate. The Company records such a difference as an adjustment to investments, with the corresponding amount charged or credited to capital surplus. The aforesaid adjustment should first be adjusted under capital surplus. If the capital surplus resulting from changes in ownership interest is not sufficient, the remaining difference is debited to retained earnings. If the Company's ownership interest is reduced due to the additional subscription to the shares of the associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate will be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

(i) Investment in subsidiaries

Investments in subsidiaries are accounted for using the equity method. There is no difference between net income and comprehensive income in the Company's financial statements and net income and comprehensive income attributable to stockholders of the parent. The equity in the Company's financial statements and the equity attributable to stockholders of the parent in the Company's consolidated financial statements are also the same.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(j) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent cost

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

The estimated useful lives of property, plant and equipment are as follows:

1) Machinery and equipment: 2~15 years

2) Lease Improvement: 3~15 years

3) Office and other equipment: 1~10 years

Depreciation methods, useful lives, and residual values are reviewed at each reporting date and adjusted if appropriate.

(k) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a leasee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- there is a change of its assessment on whether it will exercise a extension or termination option; or
- there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of staff dormitory that have a lease term of 12 months or less. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(l) Intangible assets

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to, and has sufficient resources to, complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost, less accumulated amortization and any accumulated impairment losses.

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(m) Impairment of non-financial financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories, and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

(n) Revenue

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

1) Sale of goods–electronic components

The Company recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered as this is the point in time that the Company has a right to an amount of consideration that is unconditional.

(ii) Financing components

The Company does not expect to have any contracts when the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

(o) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(p) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

  1) the same taxable entity; or

  2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

(q) Earnings per share

The Company discloses the basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share are calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding. Diluted earnings per share are calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, including employee compensation.

(r) Operating segments

Please refer to Company's consolidated financial statements for the years ended December 31, 2022 and 2021, for further details.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of these financial statements, management has made judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the next period.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the parent company only financial statements is as follows:

(a) Judgment of whether the Company has substantive control over its investees. Please refer to the consolidated financial statements.

(b) Judgment regarding control of subsidiaries

Although the Company is the largest shareholder of Min Aik Precision Industrial Co., Ltd (MAP), the Company still cannot assign more than half of the total number of MAP's directors, and it also cannot obtain more than half of the voting rights at a shareholders' meeting. Therefore, it is determined that the Company has significant influence on MAP.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is as follows:

(a) Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, the Company estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions as to future demand within a specific time horizon. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories.

The Company’s accounting policies include measuring financial and non-financial assets and liabilities at fair value through profit or loss. the Company’ s financial instrument valuation group conducts independent verification on fair value by using data sources that are independent, reliable, and representative of exercise prices. This financial instrument valuation group also periodically adjusts valuation models, conducts back-testing, renews input data for valuation models, and makes all other necessary fair value adjustments to assure the rationality of fair value. The Company strives to use market observable inputs when measuring assets and liabilities.

Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

(a) Level 1: quoted prices (unadjusted) in active markets for identifiable assets or liabilities.

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

(c) Level 3: inputs for the assets or liability that are not based on observable market data.

For any transfer within the fair value hierarchy, the impact of the transfer is recognized on the reporting date. Please refer to note 6(s) for assumptions used in measuring fair value.

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand and demand deposits	$ 230,841	388,634
Time deposits	9,213	10,245
Cash and cash equivalents in consolidated statement of cash flows	**$ 240,054**	**398,879**

Please refer to note 6(s) for the interest rate risk, and the fair value sensitivity analysis of the financial assets and liabilities of the Group.

(b) Financial assets at fair value through profit or loss

	December 31, 2022	December 31, 2021
Funds investment	$ 5,469	5,745
Stocks listed on domestic markets	291,401	312,193
	$ 296,870	**317,938**

The discourse instruments were not pledged as collateral as of December 31, 2022 and 2021.

(c) Notes and accounts receivable (including related parties)

	December 31, 2022	December 31, 2021
Notes receivable	$ 2,315	5,671
Accounts receivable	515,145	1,042,840
Accounts receivable due from related parties	11,742	11,856
Less: allowance for impairment	(3,533)	(2,811)
	$ 525,669	**1,057,556**

(Continued)

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables on December 31, 2022. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provision was determined as follows:

	December 31, 2022		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Current	$ 475,552	0%~1%	1,286
1 to 90 days past due	44,418	0%~9%	651
91 to 180 days past due	8,083	0%~10%	751
181 to 360 days past due	466	0%~100%	162
More than 360 days past due	683	0%~100%	683
Total	**$ 529,202**		**3,533**

	December 31, 2021		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Current	$ 1,023,635	0%~1%	1,146
1 to 90 days past due	33,119	0%~4%	960
91 to 180 days past due	2,942	0%~20%	120
181 to 360 days past due	671	0%~100%	585
Total	**$ 1,060,367**		**2,811**

The movement in the allowance for notes and trade receivable were as follows:

	2022	**2021**
Balance at January 1	$ 2,811	1,502
Impairment losses recognized	722	1,309
Balance at December 31	**$ 3,533**	**2,811**

The aforementioned notes and trade receivables of the Company were not pledged as collateral as of December 31, 2022 and 2021.

(Continued)

(d) Inventories

	December 31, 2022	December 31, 2021
Raw materials	$ 102,931	94,110
Work in progress	54,647	58,263
Finished goods and products	166,436	152,488
Total	$ **324,014**	**304,861**

For the years ended December 31, 2022 and 2021, the Company recognized the following items as cost of goods sold:

	2022	2021
Cost of goods sold	$ 2,732,887	3,405,524
Unallocated fixed manufacturing overhead resulting from the actual production being lower than the normal capacity	41,669	4,301
Write-down and retirement of inventory	13,159	10,196
Additional losses on inventory counts or others	(812)	-
Total	$ **2,786,903**	**3,420,021**

As of December 31, 2022 and 2021, the Company didn’t provide any inventories as collateral for its loans.

(e) Financial assets at fair value through other comprehensive income

	December 31, 2022	December 31, 2021
Overseas equity investment	$ **7,546**	**40,669**

The Company designated the investments shown above as equity securities as at fair value through other comprehensive income because these equity securities represent investments that the Company intends to hold for long-term for strategic purposes.

The Company did not disposal the investment in 2022 and 2021. Gain or loss changes during the holding period were not transfer to the equity section.

For credit risk and market risk, please refer to note 6(s).

The discourse instrument was not pledged as collateral as of December 31, 2022 and 2021.

(f) Investments accounted for using equity method

A summary of the Company's financial information for equity-accounted investees at the reporting date is as follows:

	December 31, 2022	December 31, 2021
Subsidiaries	$ 2,186,625	2,116,573
Associates	760,465	671,075
	$ 2,947,090	**2,787,648**

(i) Subsidiaries

Please refer to the Company's consolidated financial statements for the year ended December 31, 2022, for details of subsidiaries.

For the years 2022 and 2021, subsidiaries distributed dividends to the Company amounting to $37,146 thousand and $27,420 tthousand, respectively. It was recognized as an investment deduction using the equity method. As of December 31, 2022 and 2021, the balance of other receivable amounted to $20,720 thousand and $17,509 thousand, respectively.

(ii) Associates

The information on material associates

			Ownership (%)	
Name of Associates	**Main business activities**	**Country**	**December 31, 2022**	**December 31, 2021**
MAP	Manufacturing of electronic parts and components	Taiwan	38.13 %	37.31 %

The fair value of affiliate listed on the Stock Exchange which are material to the Company is as follows:

	December 31, 2022	December 31, 2021
MAP	**$ 880,710**	**841,728**

(Continued)

The following financial information of significant affiliate has been adjusted according to individually prepared IFRS financial statements of these affiliates:

	December 31, 2022	**December 31, 2021**
Current assets	$ 1,919,725	1,811,294
Non-current assets	1,360,829	1,265,801
Current liabilities	(908,941)	(998,692)
Non-current liabilities	(473,381)	(365,104)
Net assets	**$ 1,898,232**	**1,713,299**
Net assets attributable to non-controlling interests	**$ 1,890,385**	**1,705,452**

	2022	**2021**
Operating revenue	**$ 2,275,017**	**2,167,903**
Net income	$ 161,828	89,217
Other comprehensive loss	77,005	(34,755)
Total comprehensive income	**$ 238,833**	**54,462**
Comprehensive income attributable to controlling interests	**$ 238,833**	**54,462**

	2022	**2021**
Share of net assets of affiliate as of January 1	$ 645,630	619,253
Equities acquired due to increase in ownership of associates	89,057	18,734
Comprehensive income attributable to the Company	17,895	23,138
Dividends received from affiliate	(20,353)	(15,495)
Share of net assets of affiliate as of December 31	732,229	645,630
Add: The differences of equity attributable to owners	28,632	28,632
Less: Unrealized profit in ending inventory	(396)	(3,187)
The equity of associates that belongs to the Company	**$ 760,465**	**671,075**

The Company acquired interest in an associate-Min Aik Precision Industrial Co., Ltd. (MAP) for $17,895 thousand, increasing its ownership from 37.31% to 38.13%.

(iii) Collateral

The Company’s investment accounted for using equity method were not pledged as collateral as of December 31, 2022 and 2021.

(Continued)

(g) Property, plant and equipment

The cost, depreciation and impairment loss of the property, plant and equipment of the Company for the years ended December 31, 2022 and 2021, were as follows:

	Machinery and equipment	Other facilities	Prepayment for purchase of equipment	Total
Cost or deemed cost:				
Balance on January 1, 2022	528,987	254,761	744	784,492
Additions	13,124	5,738	1,632	20,494
Disposal	(50,206)	(3,011)	-	(53,217)
Reclassification	2,169	692	(2,376)	485
Balance on December 31, 2022	**494,074**	**258,180**	**-**	**752,254**
Balance on January 1, 2021	509,494	258,208	-	767,702
Additions	21,689	3,045	9,339	34,073
Disposal	(9,804)	(11,130)	-	(20,934)
Reclassification	5,634	2,476	(8,110)	-
Transfer from inventory	1,974	2,162	-	4,136
Transfer to expense	-	-	(485)	(485)
Balance on December 31, 2021	**528,987**	**254,761**	**744**	**784,492**
Depreciation and impairments loss:				
Balance on January 1, 2022	440,971	231,724	-	672,695
Depreciation for the year	22,297	9,794	-	32,091
Disposal	(45,819)	(3,011)	-	(48,830)
Others	1,136	243	-	1,379
Balance on December 31, 2022	**418,585**	**238,750**	**-**	**657,335**
Balance on January 1, 2021	413,959	232,273	-	646,232
Depreciation for the year	26,369	9,841	-	36,210
Impairment loss	9,157	-	-	9,157
Disposal	(9,694)	(10,781)	-	(20,475)
Effect of movements in exchange rates	1,180	391	-	1,571
Balance on December 31, 2021	**440,971**	**231,724**	**-**	**672,695**
Carrying amounts:				
Balance on December 31, 2022	**75,489**	**19,430**	**-**	**94,919**
Balance on December 31, 2021	**88,016**	**23,037**	**744**	**111,797**

As of December 31, 2022 and 2021, the property, plant and equipment of the Company had not been pledged as collateral.

(Continued)

Due to the fact that the utilization rate of production line was lower than expected and the expected future cash flow might not be able to recover the carrying amount of the related equipment, the impairment loss amounting to $9,157 thousand was recognized under other gains and losses in 2021. There is no such situation in 2022.

(h) Right-of-use assets

The Company leases many assets including buildings, and other equipment. Information about leases for which the Company is a lessee is presented below:

	Buildings	**Machinery and equipment**	**Total**
Cost:			
Balance at January 1, 2022	98,019	520	98,539
Additions	1,811	-	1,811
Balance at December 31, 2022	**99,830**	**520**	**100,350**
Balance at January 1, 2021	64,510	2,392	66,902
Additions	103,010	521	103,531
Disposal	(69,501)	(2,393)	(71,894)
Balance at December 31, 2021	**98,019**	**520**	**98,539**
Accumulated depreciation:			
Balance at January 1, 2022	32,530	152	32,682
Depreciation for the year	31,565	260	31,825
Other	2,238	-	2,238
Balance at December 31, 2022	**66,333**	**412**	**66,745**
Balance at January 1, 2021	63,285	1,949	65,234
Depreciation for the year	30,758	370	31,128
Disposal	(63,733)	(2,167)	(65,900)
Other	2,220	-	2,220
Balance at December 31, 2021	**32,530**	**152**	**32,682**
Carrying amount:			
Balance at December 31, 2022	**33,497**	**108**	**33,605**
Balance at December 31, 2021	**65,489**	**368**	**65,857**

(Continued)

(i) Short-term borrowings

	December 31, 2022	December 31, 2021
Unsecured bank loans	$ 360,000	233,900
Secured bank loans	50,000	359,890
Payable forward letter of credit	-	16,194
	$ 410,000	**609,984**
Unused short-term credit lines	**$ 670,550**	**431,386**
Range of interest rates	**1.6%~2.0106%**	**0.9%~1.25%**

Please refer to note 6(s) for the interest rate risk, and the liquidity risk of the financial assets and liabilities of the Company. For the collateral for short-term borrowings, please refer to note 8.

(j) Long-term borrowings

The details were as follows:

	December 31, 2022			
	Currency	**Interest rate**	**Maturity year**	**Amount**
Unsecured bank loans	NTD	1.93%～2.175%	2024~2025	$ 173,194
Less: current portion				(88,333)
Total				**$ 84,861**

Please refer note 6(s) for the interest rate risk, and the liquidity risk of the financial assets and liabilities of the Company.

(k) Lease liabilities

	December 31, 2022	December 31, 2021
Current	**$ 33,915**	**33,239**
Non-current	**$ -**	**32,923**

For the maturity analysis, please refer to note 6(s).

The amounts recognized in profit or loss was as follows:

	2022	2021
Interest expenses on lease liabilities	$ 496	783
Expenses relating to short-term leases	$ 2,392	2,728

The amounts recognized in the statement of cash flows for the Company was as follows:

	2022	2021
Total cash outflow for leases	$ 36,946	36,552

(l) Employee benefits

(i) Defined benefit plans

The present value of the defined benefit obligations and the fair value of the plan assets of the Company were as follows:

	December 31, 2022	December 31, 2021
Present value of defined benefit obligations	$ 39,987	39,498
Fair value of plan assets	(44,530)	(44,393)
Net defined benefit assets	$ (4,543)	(4,895)

The Company makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits calculated based on years of service and average monthly salary for the six months prior to retirement.

1) Composition of plan assets

The Company allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Company' s Bank of Taiwan labor pension reserve account balance amounted to $44,530 thousand as of December 31, 2022. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in the present value of the defined benefit obligations

The movement in the present value of the defined benefit obligations of the Company were as follows:

		2022	2021
Defined benefit obligation at January 1	$	39,498	40,803
Current service costs and interest		481	326
Re-measurement loss (gain):			
- Return on plan assets excluding interest income		8,732	(63)
- Actuarial loss(gain) arising from demographic assumptions		-	1,641
-Actuarial loss(gain) arising from financial assumptions		(3,956)	(2,544)
Benefit paid		(4,768)	(665)
Defined benefit obligation at December 31	**$**	**39,987**	**39,498**

3) Movements of the defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the Company were as follows:

		2022	2021
Fair value of plan assets at January 1	$	44,393	43,067
Interest income		319	144
Re-measurement loss (gain)			
- Return on plan assets excluding interest income		3,410	630
Contribution paid by employer		1,176	1,217
Benefits paid		(4,768)	(665)
Fair value of plan assets at December 31	**$**	**44,530**	**44,393**

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Company were as follows:

		2022	2021
Current service cost	$	203	192
Net interest of net liabilities (assets) for defined benefit obligations		(41)	(10)
	$	**162**	**182**

(Continued)

	2022	2021
Operating cost	$ 104	71
Selling expenses	6	13
Administrative expenses	32	72
Research and development expenses	20	26
	$ 162	**182**

5) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

	2022	2021
Discount rate	1.400 %	0.750 %
Future salary increase rate	1.500 %	1.500 %

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date is $1,191 thousand.

The weighted-average lifetime of the defined benefits plans is 10 years.

6) Sensitivity analysis

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	Influences of defined obligations	
Actuarial assumptions	**Increase of 0.5%**	**Decrease of 0.5%**
2022.12.31		
Discount rate 1.4%	(1,503)	1,602
Future salary increase rate 1.5%	1,545	(1,464)

	Influences of defined obligations	
Actuarial assumptions	**Increase of 0.5%**	**Decrease of 0.5%**
2021.12.31		
Discount rate 0.75%	(1,568)	1,674
Future salary increase rate 1.5%	1,608	(1,522)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There was no change in the method and assumptions used in the preparation of the sensitivity analysis for 2022 and 2021.

(ii) Defined contribution plans

The Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligations.

The Company recognized pension costs under the defined contribution method amounting to $9,735 and $9,767 thousand for the years ended December 31, 2022 and 2021, respectively.

(m) Income taxes

(i) The components of income tax for the years 2022 and 2021 were as follows:

		2022	2021
Current tax expense	$	137	312
Deferred tax expense (income)		(6,576)	19,224
	$	**(6,439)**	**19,536**

(ii) The amount of income tax recognized in other comprehensive income for 2022 and 2021 was as follows:

		2022	2021
Foreign currency translation differences from foreign operations	**$**	**17,252**	**(20,073)**

(iii) Reconciliation of income tax and profit or loss before tax for 2022 and 2021 was as follows:

		2022	2021
Profit excluding income tax	$	33,319	206,442
Income tax using the Company's domestic tax rate		6,664	41,288
Permanent difference		(18,363)	(15,201)
Undistributed surplus earnings and others		5,260	(6,551)
	$	**(6,439)**	**19,536**

(iv) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

Deferred tax assets have not been recognized for 2022 and 2021 was as follows:

		December 31, 2022	December 31, 2021
Tax effect of deductible temporary differences	$	111,676	142,221
The carry forward of unused tax losses		-	15,017
	$	**111,676**	**157,238**

(Continued)

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be sufficient to utilize deferred tax asset.

2) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2022 and 2021 were as follows:

	Investment income recognized under the equity method	Others	Total
Deferred tax liabilities:			
Balance on January 1, 2022	$ 190,383	5,730	196,113
Recognized in profit or loss	22,981	(3,572)	19,409
Foreign currency translation adjustment	17,252	-	17,252
Balance on December 31, 2022	**$ 230,616**	**2,158**	**232,774**
Balance on January 1, 2021	$ 183,892	9,020	192,912
Recognized in profit or loss	26,564	(3,290)	23,274
Foreign currency translation adjustment	(20,073)	-	(20,073)
Balance on December 31, 2021	**$ 190,383**	**5,730**	**196,113**

	Additional loss on inventory valuation	Unused tax losses carry forwards	Others	Total
Deferred tax assets:				
Balance on January 1, 2022	$ (4,812)	(25,070)	(9,231)	(39,113)
Recognized in profit or loss	(949)	(21,804)	(3,232)	(25,985)
Balance on December 31, 2022	**$ (5,761)**	**(46,874)**	**(12,463)**	**(65,098)**
Balance on January 1, 2021	(3,753)	(25,070)	(6,240)	(35,063)
Recognized in profit or loss	(1,059)	-	(2,991)	(4,050)
Balance on December 31, 2021	**$ (4,812)**	**(25,070)**	**(9,231)**	**(39,113)**

3) As of December 31, 2022, the information of the Company's unused tax losses for which no deferred tax assets were recognized are as follows:

Year of loss	Declared amount/ Approved amount	Non-deductible	Used tax loss in prior financial period	Unused tax loss	Expiry date
2017	$ 125,350	64,442	38,228	22,680	2027
2018	10,614	8,675	-	1,939	2028
2019	34,497	12,177	-	22,320	2029
2020	64,868	13,334	-	51,534	2030
2022	199,191	63,296	-	135,895	2032

(Continued)

(v) Examination and approval

The Company’s returns for the years through 2020 were examined and approved by the Taipei National Tax Administration.

(n) Capital and other equity

As of December 31, 2022 and 2021, the authorized common stock was $4,000,000 (including employee stock options for 7.5 million shares). The total common stock outstanding amounted to $1,375,632 thousand as of both December 31, 2022 and 2021. The par value of the Company’s common stock is $10 (NT dollars) per share. All of the payments of outstanding shares were received.

(i) Capital surplus

The balances of capital surplus as of December 31, 2022 and 2021, were as follows:

	December 31, 2022	**December 31, 2021**
Additional paid-in capital	$ 1,171,059	1,298,993
Treasury share transactions	39,954	39,954
Gain on disposal of assets	7	7
Change of equity of associates accounted for using equity method	265,333	265,333
	$ 1,476,353	**1,604,287**

According to the ROC Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring paid-in capital in excess of par value should not exceed 10% of the total common stock outstanding.

The Company distributed additional paid-in capital $127,934 thousand by cash. The amount of dividends allocated to common stock owners according to the distribution plan via the general meeting of shareholders held on June 14, 2022. A resolution was passed during the general meeting of shareholders held on 31 August 2021 to offset a $85,128 thousand deficit in 2020’s earning distribution with capital surplus.

(ii) Retained earnings

The Company’s article of incorporation stipulates that Company’s net earnings should first be used to offset the prior years’ deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, and then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders’ meeting for approval.

Before the distribution of dividends, the Company shall first take into consideration its operating environment, industry developments, and the long-term interests of stockholders, as well as its programs to maintain operating efficiency and meet its capital expenditure budget and financial goals in determining the stock or cash dividends to be paid. After the above appropriations, current and prior-period earnings that remain undistributed will be proposed for distribution by the Board of Directors, and a meeting of shareholders will be held to decide on this matter. The cash dividends shall not be more than 10% of total dividends. Distribution of earnings may be exempted if surplus of earnings is less than $0.5 per share.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of the capital may be distributed.

2) Special reserve

A portion of current-period earnings and undistributed prior-period earnings shall be reclassified as a special earnings reserve during earnings distribution. The amount to be reclassified should equal the current-period total net reduction of other shareholders' equity. Similarly, a portion of undistributed prior-period earnings shall be reclassified as a special earnings reserve (and is not qualified for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions. As of December 31, 2022 and 2021, the amount of reversal of special reserve are $729,059 thousand and $570,199 thousand, respectively.

3) Earnings distribution

Earnings distribution for 2021 was decided via the general meeting of the stockholders held on June 14, 2022 as follow:

	2021	
	Dividends per share (NT dollars)	**Amount**
Cash from unappropriated retained earnings	$ **0.07**	**9,630**

The Company passed the resolution of the shareholders sahrholder's meeting held on 31 August, 2021 to offset a $163,718 thousand deficit in 2020's earning distribution with legal reserve.

(Continued)

(o) Earnings per share

(i) Basic earnings per share

The calculation of basic earnings per share at December 31, 2022 and 2021, was based on the profit attributable to ordinary shareholders of the Company and the weighted-average number of ordinary shares outstanding, calculated as follows:

		2022	**2021**
Profit attributable to ordinary shareholders of the Company	**$**	**39,758**	**186,906**
Weighted-average number of ordinary shares at December 31 (thousand shares)		**137,564**	**137,564**
Basic earnings per share (dollar)	**$**	**0.29**	**1.36**

(ii) Diluted earnings per share

		2022	**2021**
Profit attributable to ordinary shareholders of the Company	**$**	**39,758**	**186,906**
Weighted-average number of ordinary shares shares at December 31 (thousand shares)		137,564	137,564
Impact on employee compensation		282	702
Weight-average number of ordinary shares (diluted) at December 31 (thousand shares)		**137,846**	**138,266**
Diluted earnings per share (dollar)	**$**	**0.29**	**1.35**

In calculating the dilutive effect of the employee compensation assessment, which is considered as issue all shares, the fair value is based on the quoted market price on the day before the company's reporting day.

(p) Revenue from contracts with customers

(i) Details of revenue

The details of revenue were as follows:

		2022	**2021**
Primary geographical markets			
Thailand	$	1,762,403	2,485,677
Singapore		780,136	711,300
Taiwan		211,234	226,656
United States		93,498	127,485
China		60,982	49,272
Malaysia		32,772	60,526
Other		38,704	38,207
	$	**2,979,729**	**3,699,123**

(Continued)

		2022	2021
Major products/services lines			
VCM		1,107,276	1,545,275
EHD		634,333	643,273
COVER		247,370	403,455
HDD		241,616	301,891
OEM		163,300	163,582
CSA/RAMP		105,620	182,533
Other		480,214	459,114
	$	**2,979,729**	**3,699,123**

(ii) Contract balance

Trade receibables and impairment, please refer to note 6(c).

(q) Employee compensation and directors' and supervisors' remuneration

In accordance with the articles of incorporation the Company should contribute no less than 1% of the profit as employee compensation and less than 3% as directors' and supervisors' remuneration when there is profit for the year. However, when there are still accumulated loss, the compensation should be reserved. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

For the year ended December 31, 2022 and 2021, the Company estimated its employee remuneration amounting $1,772 thousand and $18,227 thousand, and directors' and supervisors' remuneration amounting $354 thousand and $4,565 thousand. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, directors, and supervisors of each period, multiplied by the percentage of remuneration to employees, directors and supervisors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during 2022 and 2021, please refer to Market Observation Post System for further information..

(r) Non-operating income and expenses

(i) Other income

The other income for the years ended December 31, 2022 and 2021, was as follows:

		2022	2021
Interest income	$	2,179	2,434
Dividend income		10,158	21,768
Others		25,522	11,537
	$	**37,859**	**35,739**

(ii) Other gains and losses

The other gains and losses for the years ended December 31, 2022 and 2021, were as follows:

	2022	2021
Foreign exchange gains (losses)	$ 21,388	(4,235)
Loss on disposal property, plant and equipment	-	(9,157)
Losses on valuation of financial assets	(22,274)	(27,435)
Others	(869)	259
	$ (1,755)	**(40,568)**

(s) Financial instruments

(i) Credit risk

1) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, which arises from the Company's accounts receivable and security investments.

a) Accounts receivable and other receivables

The Company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company' s review includes external ratings, when available, and in some cases bank references. These limits are reviewed periodically. Customers that fail to meet the Company' s benchmark creditworthiness may transact with the Group only on a prepayment basis.

b) Investment

The credit risk exposure in bank deposits, fixed-income investment, and other financial instruments is measured and monitored by the Company' s finance department. As the Company deals with banks and other external parties with good credit standing and with financial institutions, corporate organizations, and government agencies which are graded above investment level, the management believes their counterparts do not have any compliance issues, and therefore, there is no significant credit risk.

c) Credit risk exposure

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company’s receivables from customers and investments in debt securities. As of December 31, 2022 and 2021, the carrying amount of financial assets, which represents the maximum amount exposed to credit risk, was $814,537 thousand and $1,694,255 thousand, respectively. Furthermore, the bank deposits of the Company are made with various banks, all of which are with good credits, therefore, there is no significant credit risks.

d) Concentration of credit risk

The credit risk exposure of the Company comes from the credit of individual customers, and the industry of the customer also have effect on credit risk. As of December 31, 2022 and 2021, the Company’s total accounts receivable come from the top three sales coutomers, accounting for 78% and 88% respectively.

e) Credit risk of accounts receivable

For credit risk exposure of trade receivables and notes receivable, please refer to note 6(c).

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flows	Within 1 year	1 ~ 2 years	2 ~5 years
December 31, 2022					
Non-derivative financial liabilities:					
Short-term and long-term borrowings	$ 583,194	587,895	501,930	69,324	16,641
Accounts payable	129,506	129,506	129,506	-	-
Accounts payable–related parties	836,956	836,956	836,956	-	-
Lease liabilities	33,915	34,089	34,089	-	-
Other financial liabilities	34,603	34,603	34,603	-	-
	$ 1,618,174	**1,623,049**	**1,537,084**	**69,324**	**16,641**
December 31, 2021					
Non-derivative financial liabilities:					
Short-term and long-term borrowings	$ 609,984	611,316	611,316	-	-
Accounts payable	163,883	163,883	163,883	-	-
Accounts payable–related parties	1,333,289	1,333,289	1,333,289	-	-
Lease liabilities	66,162	66,815	33,723	33,092	-
Other financial liabilities	39,151	39,151	39,151	-	-
	$ 2,212,469	**2,214,454**	**2,181,362**	**33,092**	**-**

The Company does not expect that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

(iii) Market risk

1) Exposure to foreign currency risk

The Company's significant exposure to foreign currency risk was as follows:

	December 31, 2022			December 31, 2021		
	Foreign currency	Exchange rate	TWD	Foreign currency	Exchange rate	TWD
Financial assets						
Monetary items						
USD	$ 20,350	30.71	624,939	50,606	27.68	1,402,221
SGD	2,504	22.88	57,293	5,893	20.46	121,449
Financial liabilities						
Monetary items						
USD	27,855	30.71	855,422	48,647	27.68	1,346,558

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, trade and other receivables, loans and borrowings, and trade and other payables that are denominated in foreign currency. A weakening (strengthening) of 1% of the TWD against the foreign currency as of December 31, 2022 and 2021, would have increased or decreased the net profit amounted to $(1,732) and $1,771 thousand. The two-period analyses used same baseline.

As the Company deals in diverse foreign currencies, gains or losses on foreign exchange were summarized as a single amount. In 2022 and 2021, the foreign exchange gain (loss), including both realized and unrealized was as follows:

(in thousands)	For the years ended December 31,			
	2022		2021	
	Exchange gains and losses	Average exchange rate	Exchange gains and losses	Average exchange rate
TWD	$ 21,388	1	(4,235)	1

2) Interest rate analysis

The details of financial assets and liabilities exposed to interest rate risk were as follows:

	Carrying amount	
	December 31, 2022	December 31, 2021
Fixed-rate instruments:		
Financial assets	$ 21,213	204,119
Financial liabilities	(340,000)	(273,900)
	$ (318,787)	**(69,781)**

(Continued)

	Carrying amount	
	December 31, 2022	December 31, 2021
Variable-rate instruments:		
Financial assets	$ 229,512	387,353
Financial liabilities	(243,194)	(319,890)
	$ (13,682)	67,463

The following sensitivity analysis is based on the exposure to interest rate risk of the derivative and non-derivative financial instruments on the reporting date. If the interest rate had increased or decreased by 0.25%, the net profit before tax would have decreased or increased by $(34) thousand and $169 thousand for the years ended December 31, 2022 and 2021, respectively, assuming all other variable factors were constant. This mainly resulted from borrowings at variable interest rates.

The Company' s financial liabilities at fixed interest rates are measured using the amortized cost method. Since the change in market interest rate at the end of each reporting period had no impact on profit and loss, disclosure of the sensitivity to changes in fair value is not necessary.

3) Other market price risk

For the years ended December 31, 2022 and 2021, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

	For the years ended December 31,			
	2022		2021	
Prices of securities at the reporting date	**Other comprehensive income after tax**	**Profit before tax**	**Other comprehensive income after tax**	**Profit before tax**
Increasing 5%	$ 377	14,570	2,033	15,610
Decreasing 5%	$ (377)	(14,570)	(2,033)	(15,610)

(iv) Fair value of financial instrument

1) Fair value and carrying amount

The carrying amount and fair value of the Company' s financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	December 31, 2022				
		Fair value			
	Book value	**Level 1**	**Level 2**	**Level 3**	**Total**
Fair value through profit or loss	$ 296,870	5,469	-	291,401	296,870
Fair value through other comprehensive income	$ 7,546	-	-	7,546	7,546

(Continued)

	December 31, 2022				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets carried at amortized cost					
Cash and cash equivalents	$ 240,054				
Accounts receivable, net	513,927				
Accounts receivable－related parties, net	11,742				
Other receivables	48,814				
	$ 814,537				
Financial liabilities carried at amortized cost					
Borrowings	583,194				
Accounts payable	129,506				
Accounts payable-related parties	836,956				
Lease liabilities	33,915				
Other financial liabilities	76,864				
	$ 1,660,435				

	December 31, 2021				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Fair value through profit or loss	$ 317,938	5,745	-	312,193	317,938
Fair value through other comprehensive income	$ 40,669	-	-	40,669	40,669
Financial assets carried at amortized cost					
Cash and cash equivalents	$ 398,879				
Accounts receivable, net	1,045,700				
Accounts receivable－related parties, net	11,856				
Other receivables	237,820				
	$ 1,694,255				
Financial liabilities carried at amortized cost					
Borrowings	$ 609,984				
Accounts payable－related parties	163,883				
Lease liabilities	1,333,289				
Other financial liabilities	66,162				
	113,929				
	$ 2,287,247				

2) Valuation techniques for financial instruments not measured at fair value

a) Non-derivative financial instruments

If the quoted prices in active markets are available, the market price is established as the fair value.

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis.

Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide. Determining whether a market is active involves judgment.

Measurements of fair value of financial instruments held by the Company are based on a valuation technique or quoted price from a competitor. Fair value measured by a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market data at the reporting date.

Financial instruments without an active market are classified according to their fair value categories and attributes: equity instruments without public quoted prices, which uses the market comparable company method, estimation basis being the earnings before tax, depreciation, amortization and interest, comparable to other listed company's multiplier. The estimation has been adjusted for the discounting effect due to the lack of market liquidity of the security.

Derivative financial instruments: Measurement of the fair value of derivative instruments is based on the valuation techniques generally accepted by market participants such as the discounted cash flow or option pricing models. Fair value of forward currency is usually determined by the forward currency exchange rate.

3) Reconciliation of Level 3 fair values

For the years ended December 31, 2022 and 2021, total gains and losses that were included in "other gains and losses" and "unrealized gains and losses from financial assets at fair value through other comprehensive income" were as follows:

	Fair value through profit or loss	**Fair value through other comprehensive income**
Opening balance, January 1, 2022	$ 312,193	40,669
Recognized in profit or loss	(20,792)	-
Recognized in other comprehensive income	-	(33,123)
Ending Balance, December 31, 2022	**$ 291,401**	**7,546**

(Continued)

	Fair value through profit or loss	Fair value through other comprehensive income
Opening balance, January 1, 2021	$ 338,611	93,775
Recognized in profit or loss	(26,418)	-
Recognized in other comprehensive income	-	(53,106)
Ending Balance, December 31, 2021	**$ 312,193**	**40,669**

The above total gains and losses for the years ended December 31, 2022 and 2021 were listed under "other gains and losses" and "unrealized gains and losses from financial assets at fair value through other comprehensive income".

4) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Company's financial instruments that use Level 3 inputs to measure fair value are derivative financial assets. The financial assets' fair value is using third-party pricing information. The unobservable inputs are not set up as the Company measures fair value, therefore, the quantified information of significant unobservable inputs is not disclosed.

Most of the Company's fair values are classified as Level 3 that only a single significant unobservable input. Besides, the only equity instrument investments without active markets have multiple significant unobservable inputs, and they are independent of each other.

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets measured at fair value through profit or loss – equity investments without an active market	Comparable Listed Company Method	· Enterprise Value to Revenue (2022:3.34) · Enterprise Value to EBITDA margin(2022:16.24; 2021:21.91) · Enterprise Value to EBIT margin(2021:23.77) · Price-to-Earning Ratio(2021:38.9) · Price-Book Ratio(2022:3.24; 2021:2.9) · Lack of discount on market liquidity (2022 and 2021: 21%)	· The higher the discount on market liquidity, the lower the fair value · The higher the multiplier, the higher the fair value.

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets measured at fair value through profit or loss – equity investments without an active market	Comparable Transaction Method	· Enterprise Value to Revenue (2022:2.4) · Enterprise Value to EBITDA margin(2022:19.13; 2021:19.03) · Enterprise Value to EBIT margin(2021:23.89) · Price-to-Earning Ratio(2021:36.26) · Price-Book Ratio(2022:2.64; 2021:2.47) · Lack of discount on market liquidity (2021 and 2020: 21%)	· The higher the discount on market liquidity, the lower the fair value · The higher the multiplier, the higher the fair value.
Financial assets at fair value through other comprehensive income – equity investments without an active market	Comparable Company Method	· Enterprise Value to Revenue(2022:0.87; 2021:3.58) · Price-Book(2022:1.23; 2021:0.98) · Lack of discount on market liquidity (2022:33%; 2021: 32%)	· The higher the discount on market liquidity, the lower the fair value · The higher the multiplier, the higher the fair value.
	Comparable Transaction Method	· Enterprise Value to Revenue (2022: 2.02; 2021:2.62) · Price-Book(2022:2.34; 2021:3.44) · Lack of discount on market liquidity (2022:33%; 2021: 32%)	· The higher the discount on market liquidity, the lower the fair value · The higher the multiplier, the higher the fair value.

5) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The method to derive at the fair value of financial instruments is reasonable but could yield different outcomes when using different multipliers. For fair value measurements in Level 3, changing one or more of the assumptions to reflect reasonably possibilities of alternative assumptions would have the following effects:

	Data	Change upper or lower	Other comprehensive income	
			Favour-able	Unfavour-able
December 31, 2022				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	multiplier	lower 0.25	-	(898)
	multiplier	upper 0.25	1,479	-

(Continued)

	Data	Change upper or lower	Other comprehensive income	
			Favour-able	**Unfavour-able**
December 31, 2021				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	multiplier	lower 0.5	-	(2,205)
	multiplier	upper 0.5	3,438	-

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

(t) Financial risk management

(i) Structure of risk management

The Company’s risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company’s activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company’s Board of directors oversees how management monitors compliance with the Company’s risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company’s Board of Directors is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the board of directors.

(ii) The Company is exposed to the following risks arising from financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

This note presents information on exposure to each of the above risks and on the objectives, policies, and processes as for measuring and managing risk. For detailed information, please refer to 6(s).

(u) Capital management

The Company manages capital to safeguard the capacity to continue to operate. The management uses the asset-liability ratio to manage capital. This ratio is debt divided by assets. Debt is derived from the loans, accounts payable, expense payable and other liabilities. As of December 31, 2022 and 2021, the Company's asset-liability ratios were 41% and 47%, respectively. As of December 31, 2022 and 2021, there were no changes in the Company's approach to capital management.

(v) Investing and financing activities affecting non-current cash flow

The Company's investing and financing activities which did not affect the current cash flow in the years ended December 31, 2022 and 2021 as each, were as follows:

(i) For acquisition of right-of-use assets, please refer to notes 6(h).

(ii) Reconciliation of liabilities arising from financing activities were as follows:

			Non-cash changes		
	January 1, 2022	**Cash flows**	**Changes in lease payments**	**Others**	**December 31, 2022**
Long-term borrowings	$ -	84,861	-	-	84,861
Short-term borrowings (including current portion of long-term borrowings)	609,984	(111,651)	-	-	498,333
Lease liabilities	66,162	(34,058)	1,811	-	33,915
Total liabilities from financing activities	**$ 676,146**	**(60,848)**	**1,811**	**-**	**617,109**

			Non-cash changes		
	January 1, 2021	**Cash flows**	**Foreign exchange movement and others**	**Others**	**December 31, 2021**
Short-term borrowings (including current portion of long-term borrowings)	$ 543,900	66,084	-	-	609,984
Lease liabilities	1,677	(33,041)	103,531	(6,005)	66,162
Total liabilities from financing activities	**$ 545,577**	**33,043**	**103,531**	**(6,005)**	**676,146**

(7) Related-party transactions:

(a) Names and relationship with related parties

The following are entities that have had transaction with related party during the periods covered in the financial statements.

Name of related party	Relationship with the Company
Min Aik Precision Industrial Co,. Ltd (MAP)	An associate
ABLYTEK CO., LTD. (ABLYTEK)	An associate
Amould Plastic Technologies (SUZHOU) Co., Ltd (AMOULD)	An associate
Min Aik Technology USA Inc. (MAUS)	The Company's subsidiaries
Green Far TECHNOLOGY LTD. (Green Far)	The Company's subsidiaries
GemInnovative Technology Co., Ltd. (GIT)	The Company's subsidiaries
Min Aik Technology (M) Sdn. Bhd.(MAM)	The Company's indirect Subsidiaries
Min Aik Technology (Suzhou) Co., Ltd (MAY)	The Company's indirect Subsidiaries
MATC Technology (M) Sdn. Bhd. (MATC)	The Company's indirect Subsidiaries
Min Aik Automation (Suzhou) Co., Ltd (MAA)	The Company's indirect Subsidiaries
Key management personnel	Key management personnel of the Company

(b) Significant transactions with related parties

(i) Operating income

The amounts of significant sales by the Company to related parties and the resulting accounts receivable were as follows:

	Sales		Accounts receivable – related party	
	2022	2021	December 31, 2022	December 31, 2021
MAP	$ 166	826	-	-

The credit terms were 30 to 120 days for related parties, but may be adjusted depending on the demand for funds of the related party. The general credit terms for counterparties other than related parties are about 2 to 3 months after delivery. The sales prices were not significantly different from those for third-party customers.

(ii) Purchases

The amounts of purchases by the Company from related parties were as follows:

	Purchases	
	2022	**2021**
Subsidiary company:		
MAM	$ 1,075,703	1,494,682
MAY	501,160	523,218
MATC	235,002	381,995
Other	648	1,627
Associate	168,249	187,134
	$ 1,980,762	**2,588,656**

	The payables to related parties	
	December 31, 2022	**December 31, 2021**
Subsidiary company:		
MAM	$ 646,203	1,092,301
MAY	113,104	139,302
Other	17,396	12,409
Associate	60,253	80,164
	$ 836,956	**1,324,176**

The amount of the above-mentioned, the Company’s purchase from related parties in 2002 and 2021 has deducted the amount of materials provided by the Company. In 2022 and 2021, the purchase amount of substitute subsidiaries were $116,082 thousand and $99,547 thousand, respectively. Due to the purchase transaction on behalf of the Company, the Company’s other payables to suppliers (under other current liabilities) on December 31, 2022 and 2021 were $2 thousand and $39 thousand, respectively.

The credit terms were 120 days for related parties, but they may be adjusted depending on the demand for funds of the related party. The general credit terms for counterparties other than related parties are L/C, T/T, or 60~120 days after goods are received. The purchase price is negotiated by the parties.

(iii) Sales of labor services to releated parties

1) Inspection revenue

		Amounts	
		2022	**2021**
Subsidiaries			
GIT	$	19,656	22,714
MAM		9,903	9,252
Other		2,201	4,855
Associate			
MAP		3,425	5,363
	$	**35,185**	**42,184**

		Other account receivable – related party	
		December 31, 2022	**December 31, 2021**
Subsidiaries			
GIT	$	11,742	11,856
MAM		8,055	5,008
Other		490	229
Associate			
MAP		1,564	2,571
	$	**21,851**	**19,664**

(iv) Property transactions

In 2021, the Company purchased equipment from its related party amounting to $11,481 thousand. As of December 31, 2021, the unpaid amount is $9,113 thousand, which listing as an account payable-related party. There were no transactions in 2022.

(v) Guarantees and endorsements

To meet the needs of the subsidiary's development, the company endorses and guarantees it, the amounts of guarantees were as follows:

		December 31, 2022	**December 31, 2021**
Guarantees	$	**35,000**	**153,294**

(Continued)

(vi) Loans to related parties

The loans to related parties were as follows:

	December 31, 2021
Associates	$ 19,000
Less: Allowance for losses	(19,000)
	$ -

The associate was abolished in November 2021, and was administratively enforced by the Ministry of Justice to distribute the creditors' rights in February 2022. After the associate has done so, the Company only received the amount of $468 thousand as enforcement fees, which the Company claimed to be insufficient. In March 2022, the other receivables and provision for losses were written off, resulting in the other receivables of uncollected interest amounting to $1,207 thousand to be recognized as impairment loss.

(c) Transaction of key management personnel

Key management personnel compensation comprise:

	2022	2021
Post-employment benefits	35,874	29,582
Termination benefits	422	294
	$ 36,296	29,876

(8) Assets pledged as security:

The carrying values of pledged assets were as follows:

Pledged assets	Object	December 31, 2022	December 31, 2021
Time deposit (classified under other receivable)	Bank loans and guarantee for credit line	$ 12,000	193,874

(9) Commitments and contingencies:

(a) Unrecognized commitments of the Company were as follows:

	December 31, 2022	December 31, 2021
Acquisition of property, plant and equipment	$ 2,595	10,970

(b) Guarantee notes issued as collateral for applying for a credit line were as follows:

	December 31, 2022	December 31, 2021
Guarantee notes issued	$ 1,382,260	1,061,080

(c) The Company's bank endorsement and guarantee that provided for the subsidiary, please refer to note 7.

(10) Losses due to major disasters:None

(11) Subsequent Events:None

(12) Other:

A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

By function By item	2022			2021		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits						
Salary	122,042	127,588	249,630	144,931	134,336	279,267
Labor and health insurance	14,414	11,324	25,738	14,340	10,604	24,944
Pension	4,421	5,476	9,897	4,707	5,242	9,949
Remuneration of directors	-	6,012	6,012	-	10,325	10,325
Others	9,151	7,977	17,128	8,249	10,194	18,443
Depreciation and amortization	52,390	14,478	66,868	57,576	14,846	72,422

The number of the Company's employees and the additional information of employee benefits were as follows:

	2022	2021
Employees	352	368
Non concurrently as employees of directors	6	6
Average of employee benefit expenses	$ 874	919
Average of employee salary expenses	$ 721	771
Adjustment of employee salary expenses	(6.49)%	15.25 %
Remuneration of supervisor	$ -	-

The Company compensation policies are as follows:

The salary for each employee is based on the Company's salary management regulations, which include the fixed salary, allowances, and the variable pay, as well as performance bonuses and special dividends. The rewards are given according to the seniority, rank, and work performance, etc.

(Continued)

In addition to referring to the employee remuneration policy, the remuneration is determined by the Company's overall operating performance, the individual performance, contribution to the Company's operations, special achievements, and peer salary levels.

The company does not have a supervisor. The director's remuneration includes remuneration and business execution expenses, which are distributed according to the company's articles of association and released after the resolution of the board of directors.

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Company:

(i) Loans to other parties:

Number	Name of lender	Name of borrower	Account name	Related party	Highest balanceof financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits (Note 2)	Maximum limit of fund financing (Note 3)
													Item	Value		
0	The Company	Ablytek	Other receivable due from related parties	Yes	19,000	-	-	3%	Short-term financing	-	Working turnover	-	Note 4	-	569,161	1,138,323
1	MUS	MUM	Other receivables due from related parties	Yes	15,048	-	-	1%	Short-term financing	-	Working turnover	-	-	-	569,161	1,138,323

Note 1: The highest amounts were approved by the Board of Directors.

Note 2: The short term financing available for purposes shall not exceed 20% of the lending company's net worth in the latest financial statements.

Note 3: The total amount available for lending purposes shall not exceed 40% of the lending company's net worth in the latest financial statements.

Note 4: The associate was abolished in November 2021, and was administratively enforced by the Ministry of Justice to distribute the creditors' rights in February 2022. After the associate has done so, the Company claimed to be insufficient. In March 2022, the other receivables and provision for losses were written off, resulting in the other receivables of uncollected interest amounting to $1,207 thousand to be recognized as impairment loss.

(ii) Guarantees and endorsements for other parties:

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and/ endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The Company	Green Far	Subsidiary of the Company	Note 1	153,294	35,000	31,597	-	1.23 %	5,691,618	Y	N	N

Note 1: Except for the Company's subsidiaries, in which the Company directly or indirectly holds 100% of their shares, the guarantee amounts given to them shall not exceed 10% of the Company's net worth in the latest financial statements.

Note 2: The highest balance for guarantees can not exceed 2 time the Compnay's net worth in the latest financial statement.

(Continued)

(iii) Securities held as of December 31, 2022 (excluding investment in subsidiaries, associates and joint ventures):

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	United 3 to 5 years trigger EMD term fund trust	NO	Non-current financial assets at fair value through profit and loss	20	5,469	- %	5,469	
〃	Archers Inc.	〃	〃	4,500	-	13.89 %		
〃	LBO	〃	〃	165	-	0.72 %	-	
〃	HDDisk	〃	〃	833	-	12.50 %	-	
〃	DAS	〃	〃	5,079	291,401	16.13 %	291,401	
					$ 296,870			
〃	Tascent, Inc.	〃	Non-current financial assets at fair value through other comprehensive income	4,500	$ 7,546	5.14 %	7,546	

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: None

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	MAM	The subsidiary held 100 percentage shares by MAS	Purchase	1,075,703	41 %	Note 1	-	The general credit terms are about 2 to 4 months	(646,203)	(67)%	
MAM	The Company	The subsidiary held 100 percentage shares by MAS	(Sale)	(1,075,703)	(99) %	〃	-	〃	646,203	99%	
The Company	MATC	The subsidiary held 80 percentage shares by Synergy	Purchase	235,002	9 %	〃	-	〃	(17,396)	(2)%	
MATC	The Company	The subsidiary held 80 percentage shares by Synergy	(Sale)	(235,002)	(96) %	〃	-	〃	17,396	94%	
The Company	MAY	The subsidiary held 100 percentage shares by Synergy	Purchase	501,160	24 %	〃	-	〃	(113,104)	(12)%	
MAY	The Company	The subsidiary held 100 percentage shares by Synergy	(Sale)	(501,160)	(76) %	〃	-	〃	113,104	69%	

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	MAP	The Company held 38.13 percentage shares of the invested company	Purchase	168,249	6 %	〃	-	-	(60,253)	(6)%	
MAM	MAP	The Company held 38.13 percentage shares of the invested company	Purchase	155,575	17 %	〃	-	〃	(8,775)	(10)%	
GIT	MAY	The subsidiary held 100 percentage shares by Synergy	Purchase	142,564	96 %	〃	-	〃	(45,251)	(99)%	
MAY	GIT	The Company held 100 percentage shares of the invested company	(Sale)	(142,564)	(18) %	〃	-	〃	45,251	28%	

Note 1: Payment term given to related parties is 120 days; any further adjustment on the term will have to be agreed by both parties.

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period (Note 1)	Allowance for bad debts
					Amount	Action taken		
MAM	The Company	The subsidiary held 100 percentage shares by MAS	646,203	1.24	344,409	Receipt according to fund status	94,865	-
MAY	The Company	The subsidiary held 100 percentage shares of Synergy	113,104	3.97	-	-	81,652	-

Note 1: Until Feburary 28, 2023.

(ix) Trading in derivative instruments:None

(b) Information on investees:

The following is the information on investees for the year ended December 31, 2022 (excluding information on investees in Mainland China):

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2022			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2022	December 31, 2021	Shares (thousands)	Percentage of wnership	Carrying value			
The Company	MAS	Singapore	Market development and customer service	353,522	353,522	18,564	100.00 %	1,586,177	1,312	1,033	
The Company	Synergy	Samoa	Holding company	883,384	883,384	22,057	100.00 %	469,356	(6,094)	(4,522)	
The Company	MATH	Thailand	Manufacturing and sale of machinery components	433,606	433,606	262	100.00 %	58,462	(3,857)	(3,857)	
The Company	MAUS	USA	Information collection on hardware	968	968	30	100.00 %	3,354	(503)	(503)	
The Company	Good Master	Caymen	Holding company	239,894	239,894	7,490	100.00 %	23,115	(1,224)	(1,224)	
The Company	Green far	Taiwan	Energy	12,000	12,000	1,200	100.00 %	17,361	1,506	1,506	
The Company	GIT	Taiwan	Holding company	5,000	5,000	500	100.00 %	28,800	16,619	16,619	
The Company	MAP Tech.	Singapore	Manufacturing of electronic parts and components	260,791	260,791	66,913	46.60 %	-	(417)	-	
The Company	MAP	Taiwan	Manufacturing and sales solar mold	553,837	535,942	29,357	38.13 %	760,465	161,828	63,773	
The Company	Ablytek	Samoa	Holding company	209,885	209,885	16,229	27.05 %	-	-	-	

(Continued)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2022			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2022	December 31, 2021	Shares (thousands)	Percentage of wnership	Carrying value			
MAS	MAM	Malaysia	Sale and retail of electronic materials	333,937	333,937	60,000	100.00 %	1,551,868	2,510	2,510	
Synergy	MATC	Malaysia	Sale and retail of electronic materials	406,648	406,648	17,707	80.00 %	46,600	(93,267)	(74,613)	
Good Master	MUS	Singapore	Holding company	239,201	239,201	11,800	69.41 %	23,112	(1,764)	(1,224)	
MUS	MUM	Malaysia	Sale and retail of electronic materials	347,134	347,134	35,996	100.00 %	126	7,027	4,877	

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2021	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2022	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (Note 1)	Book value (Note 1)	Accumulated remittance of earnings in current period
					Outflow	Inflow						
MAY	Manufacturing sale of machinery components and customer service	400,857 (USD12,000 thousands)	Indirect investment through third area	385,168 (USD11,512 thousands)	-	-	385,168 (USD11,512 thousands)	70,893	100%	70,893	519,032	-
MAA	Manufacturing sale of automation equipment	91,270 (USD3,000 thousands)	Indirect investment through third area	91,270 (USD3,000 thousands)	-	-	91,270 (USD3,000 thousands)	(2,374)	100%	(2,374)	(96,293)	-

Note 1: The investment income (loss) were based on financial statements audited by the auditor of the Company.

(ii) Limitation on investment in Mainland China:

(In Thousands)

Accumulated Investment in Mainland China as of December 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
479,610	520,548	1,707,485

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in " Information on significant transactions" and "Business relationships and significant intercompany transactions".

(d) Major shareholders:

The major shareholders information is based on the last business day of the end of each quarter by TDCC (Taiwan Depository & Clearing Corporation), which calculated that the total number of ordinary shares and special shares registration of non-physical securities (including treasury shares) that have been reached more than 5%. The Consolidated Company does not disclose the information of major shareholders, because there are no shareholders holding more than 5% of the shares.

(14) Segment information:

Please refer to the Company's consolidated financial statements for the year ended December 31, 2022 for details.

MIN AIK TECHNOLOGY CO., LTD.

Statement of cash and cash equivalents

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Foreign amount	Exchange rate	Amount
Cash on hand and petty cash			$ 1,258
Cash in banks:			
Check deposits			71
Demand deposits			37,419
Time deposits			9,213
Foreign currency deposits:			
USD	6,231 thousand	30.71	191,369
SGD	32 thousand	22.88	724
			$ 240,054

Statement of notes and accounts receivable

Customer Name	Description	Amount
Western Digital (Thailand) Company	Operating revenues	$ 306,316
Leica Instruments (Singapore) Pte Ltd	〃	56,637
Western Digital (Singapore)	〃	51,258
GROUP UP Industrial Co., Ltd.	〃	26,510
Others (Less than 5% for each customer)		76,739
		517,460
Less: Loss allowance		(3,533)
Total		**$ 513,927**

MIN AIK TECHNOLOGY CO., LTD.

Statement of inventories

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

	Amount	
Item	Cost	Net realizable value
Merchandise	$ 64,246	76,340
Finished goods	115,090	125,356
Work in process	56,337	89,305
Raw materials	117,149	106,447
Subtotal	352,822	**397,448**
Less: Allowance for inventory valuation and obsolescence	(28,808)	
	$ 324,014	

Statement of other current assets

December 31, 2022

Item	Description	Amount
Prepayment for purchases		$ 187,278
Prepayment for mold		10,678
Others (less than 5% for each item)		13,961
Total		**$ 211,917**

MIN AIK TECHNOLOGY CO., LTD.

Statement of changes in financial assets measured at fair value through profit or loss - non-current

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

	Beginning Balance		Additions		Reduce		Other adjustments		Ending Balance			
Name of investee	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Percentage of holding shares	Amount	Pledged of guaranteed
DAS	5,079	$ 312,193	-	-	-	-	-	(20,792)	5,079	16.13 %	291,401	none
United 3 to 5 years trigger EMD term fund trust	20	5,745	-	-	-	-	-	(276)	20	- %	5,469	none
		$ 317,938		-		-		(21,068)			296,870	

MIN AIK TECHNOLOGY CO., LTD.

Statement of financial assets measured at fair value through other comprehensive income - non-current

From January 1 to December 31, 2022

(Expressed in thousands of New Taiwan Dollars / Shares)

	Beginning Balance		Additions		Disposal		Ending Balance				
Name of Investee	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Fair value	Cumulative impairemnt	Pledged of guaranteed	Note
TASCENT, INC	4,500	$ 40,669	-	-	-	(33,123)	4,500	7,546	Not-applicable	none	

MIN AIK TECHNOLOGY CO., LTD.

Statement of changes in investments accounted for using the equity method

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

	Beginning balance		Addition		Decrease		Others adjustments		Ending balance			Market value or net asset	Guarantee
Investee Name	**Shares**	**Amount**	**Shares**	**Amount**	**Shares**	**Amount**	**Shares**	**Amount**	**Shares**	**% of Ownership**	**Amount**	**value**	**or pledged**
Min Aik International Development Pte. Ltd.	18,564	$ 1,503,238	-	-	-	-	-	82,939	18,564	100.00 %	1,586,177	1,586,419	none
Synergy Technology Industrial Co., Ltd.	27,322	464,626	-	-	5,265	-	-	4,730	22,057	100.00 %	469,356	469,345	〃
Min Aik Technology (Thailand) Co., Ltd.	262	58,338	-	-	-	-	-	124	262	100.00 %	58,462	58,456	〃
Min Aik Technology USA Inc.	30	3,482	-	-	-	-	-	(128)	30	100.00 %	3,354	3,375	〃
Good Master Holding Co., Ltd.	7,490	21,707	-	-	-	-	-	1,408	7,490	100.00 %	23,115	23,115	〃
Green Far TECHNOLOGY LTD.	1,200	19,066	-	-	-	(3,211)	-	1,506	1,200	100.00 %	17,361	17,361	〃
GemInnovative Technology Co., Ltd.	500	46,116	-	-	-	(33,935)	-	16,619	500	100.00 %	28,800	28,800	〃
MAP Technology Holdings Pte. Ltd.	66,913	-	-	-	-	-	-	-	66,913	46.60 %	-	3,478	〃
Min Aik Precision Industrial Co., Ltd.	28,728	671,075	629	17,895	-	(20,353)	-	91,848	29,357	38.13 %	760,465	880,710	〃
ABLYTEK CO., LTD	16,229	-	-	-	-	-	-	-	16,229	27.05 %	-	-	〃
Total		$ 2,787,648		17,895		(57,499)		199,046			2,947,090	3,071,059	

Note 1: Please refer to notes 6(f) and 13 to this parent company only financial statement for details.

MIN AIK TECHNOLOGY CO., LTD.

Statement of changes in property, plant and equipment

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Please refer to note 6(g) to this parent company only financial statement for details.

Statement of changes in right-of-use assets

For the year ended December 31, 2022

Please refer to note 6(h) to this parent company only financial statement for details.

MIN AIK TECHNOLOGY CO., LTD.

Statement of short-term borrowings

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Creditor	Description	Amount	Term of contract	Interst rate	Credit lines	Pledged or guaranteed
Hua Nan Commercial Bank	Short-term loan	50,000	2022.12.30~2023.1.19	2.0106%	150,000	Time deposit
Shin Kong Bank	〃	45,000	2022.12.3~2023.1.3	1.64%	Shared 100,000	None
〃	〃	25,000	2022.12.19~2023.3.19	1.79%	〃	None
China CITIC Bank International	〃	150,000	2022.12.29~2023.1.18	1.60%	200,000	None
JIH SUN International Bank	〃	50,000	2022.12.26~2023.1.26	1.8626%	60,000	None
Land Bank of Taiwan	〃	50,000	2022.12.27~2023.6.21	1.97%	150,000	None
Taishin International Bank	〃	40,000	2022.12.21~2023.1.31	1.90%	Shared 200,000	None
		$ 410,000				

Statement of trade payables

Item	Descritption	Amount
ANSONIC TECHNOLOGY CO., LTD.	Operating cost	$ 18,551
INJECTION INDUSTRIAL CO., LTD.	〃	8,173
LI YIN (HONG KONG) TECHONLOGY	〃	7,897
Deawae Enterprise Co., Ltd.	〃	6,693
Other (individual amount not exceeding 5%)	〃	88,192
Total		$ 129,506

MIN AIK TECHNOLOGY CO., LTD.

Statement of long-term borrowings

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Creditor	Description	Amount	Term of contract	Interst rate	Credit lines	Pledged or guaranteed
Taishin International Bank	Letter of credit	$ 52,500	2022.12.20~2024.9.20	1.93%	Shared 200,000	None
Panhsin Bank	〃	47,500	2022.12.25~2024.7.25	2.08%	110,000	None
Bank of Shanghai	〃	73,194	2022.12.25~2025.7.25	2.175%	85,000	None
Less: Long-term loans due to within one year		(88,333)				
		$ 84,861				

Statement of lease liabilities

Item	Description	Terms of contracts	Interest rate	Ending balance	Note
Building and equipment	Office and Factory equipment	2020.3.1~2023.12.31	0.95%	$ 33,806	
Transportation equipment	Official car	2021.6.1~2023.5.31	0.95%	109	
				$ 33,915	
Within one year				**$ 33,915**	

MIN AIK TECHNOLOGY CO., LTD.

Statement of other current liabilities

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Salary and bonus payable		$ 38,900
Temporary credit	Collect customer money, temporarily	21,646
Payable	Labor and health insurance expense, etc.	29,550
Advance received for payment and mold payment		29,703
Provisions for employee benefits		10,448
Other (individual amount not exceeding 5%)		9,659
		$ 139,906

Statement of operating revenue

For the year ended December 31, 2022

Item	PCS	Amount
VCM	24,791 thousand	$ 1,107,276
EHD	471 thousand	634,333
COVER	12,145 thousand	247,370
HDD	51,169 thousand	241,616
OEM	359 thousand	163,300
CSA/ RAMP	2,892 thousand	105,620
Other		480,214
Total		**$ 2,979,729**

MIN AIK TECHNOLOGY CO., LTD.

Statement of operating costs

For the year ended December 31, 2022

(In thousands of New Taiwan Dollars)

Item	Amount
Cost of self-produced goods:	
Raw material on January 1, 2022	$ 103,631
Add: Purchases	318,917
Less: Raw material on December 31, 2022	(117,149)
Sale of raw material	(41,389)
Raw material used	264,010
Direct labor	65,888
Manufacturing overhead	192,247
Manufacturing cost	522,145
Add: Work-in-process on January 1, 2022	60,848
Less: Work-in-process on December 31, 2022	(56,337)
Other	(7,424)
Cost of finished goods	519,232
Add: Finished goods on January 1, 2022	109,511
Less: Finished goods on December 31, 2022	(115,090)
Other	(18,994)
Cost of goods sold	494,659
Cost of product:	
Beginning inventory	54,932
Add: Purchase	2,207,343
Less: purchase of goods on December 31, 2022	(64,246)
Other	(788)
Cost of sales from purchasing	2,197,241
Add: Cost of raw materials, work-in-process and materials sold	40,987
Inventory price recovery benefit and scrap loss	13,159
Lower than normal capacity unallocated fixed manufacturing overhead	41,669
Other	(812)
Operating Cost	**$ 2,786,903**

MIN AIK TECHNOLOGY CO., LTD.

Statement of operating expenses

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Selling expenses	Administrative expenses	Research and development Expenses	Research and development Expenses
Salary expenses	$ 22,221	48,619	56,748	-
Import and export costs	15,204	-	76	-
Commission expense	6,240	-	-	-
Processing fee	4,360	-	288	-
Inspection fee	5,128	-	634	-
Depreciation	2,975	2,949	7,453	-
Service charges	769	9,641	1,083	-
Remuneration of directors	-	6,012	-	-
Impairment loss	-	-	-	722
Other (Note)	13,727	28,159	26,569	-
Total	**$ 70,624**	**95,380**	**92,851**	**722**

Note: individual amount not exceeding 5%.

VI. If the Company or its affiliates have experienced financial difficulties in the most recent year up to the date of publication of the Annual Report, the Annual Report shall explain how said difficulties will affect the Company's financial situation: None.

Ch 7. Review and analysis of financial status and financial performance and risk management

I. Comparison and Analysis on Financial Position

Unit: NT$ thousand

Year	2021		2022		Difference	
Title	Amount	%	Amount	%	Amount	%
Current assets	3,234,295	63	2,435,916	55	(798,379)	(25)
Financial assets at fair value through profit or loss	317,938	6	296,870	7	(21,068)	(7)
Financial assets at fair value through other comprehensive income	40,669	1	7,546	0	(33,123)	(81)
Investments under equity method	671,075	13	760,465	17	89,390	13
Property, plant and equipment	676,993	13	728,978	16	51,985	8
Other assets	179,979	4	200,712	5	20,733	12
Total assets	5,120,949	100	4,430,487	100	(690,462)	(13)
Current liabilities	1,882,293	37	1,185,194	27	(697,099)	(37)
Non-current liabilities	330,178	6	377,647	8	47,469	14
Total Liabilities	2,212,471	43	1,562,841	35	(649,630)	(29)
Capital stock	1,375,632	27	1,375,632	31	0	0
Capital surplus	1,604,287	31	1,476,353	33	(127,934)	(8)
Retained earnings	758,637	15	789,323	18	30,686	4
Other equity	(868,968)	(17)	(795,499)	(18)	73,469	(8)
Non-controlled interests	38,890	1	21,837	1	(17,053)	(44)
Total equity	2,908,478	57	2,867,646	65	(40,832)	(1)

In the event of changes by more than 20% and amount thereof attaining NT$10,000 thousand, the analysis is described as following:

(I)The decrease in current assets was a result of the distribution of cash dividends, repayment of short-term loans and sluggish economic growth in 2H of the year resulting in a decrease in operating revenue and also a decrease in receivables.

(II)The decrease in the financial assets at fair value through other comprehensive income was a result of the adjustment of fair value valuation.

(III)The decrease in current liabilities was a result of the repayment of short-term loans, sluggish economic growth in 2H of the year and control over the stock level resulting in a decrease in payables.

(IV)The decrease in liabilities for the current period was primarily a result of the control over the stock level resulting in the sluggish purchase. Further, the decrease in profit resulted in the decrease in the estimated remuneration to directors and employees from last year.

(V)The decrease in non-controlled interests in the current period from the previous period was a result of the accumulated losses suffered by the investees.

II. Comparative and Analysis of Financial Performance:

(I) Comparative and Analysis of Financial Performance

Unit: NT$ thousand

Item \ Year	2021	2022	Change in amount	Change in proportion (%)
	Amount	Amount		
Operating income	4,158,812	3,223,080	(935,732)	(22)
Operating cost	3,473,472	2,848,232	(625,240)	(18)
Gross operating profit	685,340	374,848	(310,492)	(45)
Operating expenses	502,688	471,009	(31,679)	(6)
Operating Profit (loss)	182,652	(96,161)	(278,813)	(153)
Non-operating income and expenses	56,445	139,970	83,525	148
Net profit (loss) before tax	239,097	43,809	(195,288)	(82)
Less: Income Tax Expenses	57,593	23,244	(34,349)	(60)
Net profit (loss) this term	181,504	20,565	(160,939)	(89)
Other comprehensive income	(159,833)	76,167	236,000	(148)
Total comprehensive income (loss) this term	21,671	96,732	75,061	346
Net profit attributable to the owner of the parent	186,906	39,758	(147,148)	(79)

In the event of changes by more than 20% and amount thereof attaining NT$10,000 thousand, the analysis is described as following:

1. The decrease in the operating revenue, cost and gross profit in the current period was a result of the downturn of the HDD market and decrease in the utilization.
2. The decrease in the operating profit is primarily a result of the decrease in the gross operating profit.
3. The increase in the net non-operating revenue is primarily a result of the recognition of increase in investment gains resulting from the earnings generated by the Company's affiliated companies and increase in the exchange gains resulting from the foreign exchange rate volatility.
4. The decrease in the net profit before and after tax from the previous period is a result of the decrease in operating profit.
5. The decrease in the income tax expenses is a result of the decrease in the net profit before tax in the current period.
6. The increase in other comprehensive income is a result of the increase on the cumulative translation adjustment of foreign currency financial statements resulting from fluctuations in foreign exchange rate.
7. The increase in the profit attributable to the owner of parent in the current period from the same period of last year was a result of the increase in the profit sought in the current period.

(II) Sales volume forecast for the next year and the basis thereof, and the effect upon the Company's business and finances, as well as the plans to be taken in response:

The global HDD shipment amounted to about 172 million units in 2022, decreasing by 33.6% from the previous year. Meanwhile, after taking into consideration multiple variables, such as changes in consumer preferences, low inventory strategies adopted by the three major HDD manufacturers, and changes in cloud storage demand, the Company found that the significant increase in storage data volume and hard disk capacity has mitigated the trend that the hard disk market was declining year by year. The global HDD shipment in 2023 is expected to decline by about 35% from 2022. Total shipments of the Company are expected to remain stable upon integration of the organization's resources and diversification of products. The Company proposes the business plan in reference to the related analysis and report on the industry of computers, consumer electronics, and hard disks, as well as the expected shipments to customers, and also conducts evaluation and planning based on the past operating revenue growth rate, market share, and overseas subsidiaries' achievement of production capacity scale. Notwithstanding, the volatility in the foreign exchange rate for USD and price of raw materials and supplies still remain as one of the focuses to be observed in the current year.

III. Review and Analysis on Cash Flows

(I) Liquidity Analysis in the Most Recent Two Years

Unit: NT$ thousand

Cash balance at beginning (1)	Net cash flow from operating activities for the year (2)	Net Cash Flow From Investing and Financing Activities for the Year (3)	Foreign Exchange Effects (4)	Expected Cash Surplus (1)+(2)+(3)+(4)	Responsive Measures Against Cash Deficit	
					Investment Plan	Wealth Management Plan
701,961	(46,032)	(297,488)	72,053	430,494	-	-

1. Cash flow from operating activities:The net cash outflow, NT$46,032 thousand, was primarily a result of the increase in inventory this year.
2. Investing activities: The net cash outflow,NT$29,667 thousand, is primarily a result of the addition of property and equipment.
3. Financing activities: The net cash outflow, NT$267,821 thousand, was a result of the distribution of cash dividends and repayment of bank loans.

(II) Corrective Measures Against Insufficient Liquidity: The Company has no insufficient liquidity problem.

(III) Cash Liquidity Analysis for the Next Year

Unit: NT$ thousand

Cash balance at beginning (1)	Projected cash inflow in current period (2)	Projected cash outflow in current period (3)	Projected Amount of Cash Surplus (deficit) (1)+(2)-(3)	Estimated Responsive Measures Against Cash Deficit	
				Investment plan	Wealth management plan
430,494	3,224,046	2,948,125	706,415	-	-

1. Analysis on Changes of Cash Flow in 2023
   (1) Operating activities:Net cash inflow from operating activities for the year is estimated as NT$527,920 thousand.
   (2) Investing activities:The Company plans to expand its factory premises and purchase machines and equipment next year. The cash outflow will be about NT$120,000 thousand.
   (3) Financing activities:The Company plans to repay the bank loans and pay cash dividends next year. The cash outflow will be about NT$132,000 thousand.
   (4) In conclusion, cash surplus is estimated as NT$706,415 thousand for the year.
2. Estimated Responsive Measures Against Cash Deficit: The Company has no cash deficit problem.

IV. Impact posed to the business and finance by major capital expenditures in the most recent year

(I) Material Capital Expenditure Utilization Status and Source of Capital:

Unit: NT$ thousand

Projects	Actual or Expected Source of Capital	Actual or Expected Date of Completion	Total Capital Required	Actual or Scheduled Capital Utilization	
				2022	2023
Purchase of Production Equipment	Own Capital	2023 Q3	276,764	144,764	132,000

(II) Effect Expected to be Produced

The production equipment was purchased in order to maintain the production capacity of data storage OEM and update the equipment required for strict quality, and also to construct basic production capacity for the Company’s development target for diversified business and technology upgrading.

V. The investment Strategy in the most recent year, Main Causes for Profits or Losses, Improvement Plans and the Investment Plans for the Coming Year

(I) The Investment Policy for the Most Recent Year: The Company's investments are handled in accordance with the "Procedure for Acquisition or Disposal of Assets". The investment income is evaluated upon approval of the Board of Directors.

(II) Investment Analysis Statement

1. Under the Equity Method:

Unit: NT$ thousand

Item	Carrying Amount of Long-term Investment Until December 31, 2022	Policy	Major Causes for Profit or Loss	Improvement Plan	Other Future Investment Plans
MAP TECHNOLOGY HOLDINGS PTE. LTD.	0	Singapore Holdings Company	-	-	-
MIN AIK PRECISION INDUSTRIAL CO., LTD.	760,465	Electronic components manufacturing	Earnings increased this year as a result of the increase in operating revenue related to stamping parts and automation.	-	-
ABLYTEK CO., LTD.	0	R&D, manufacturing, and sale of monocrystalline/multi-crystalline standard module VIPVs, solar roof modules, and solar curved modules.	-	-	-

2. Other Financial Assets as Equity Instruments:

Unit: NT$ thousand

Item	Carrying amount of long-term investment until December 31, 2022	Policy	Major causes for profit or loss	Improvement plan	Other future investment plans
HDDisk Filx	0	Diversified business	-	-	-
LIGHT BLUE OPTICS LTD.	0	Diversified business	-	-	-
ARCHERS INC.	0	Diversified business	-	-	-
DAS TECHNOLOGY CO., LTD.	291,401	Diversified business	-	-	-
TASCENT, INC.	7,546	Diversified business	-	-	-

3. Investment Plans for Next Year: None.

VI. Risk analysis and evaluation

(I) The impact of changes in interest rates, exchange rates, and inflation on the company's profit/loss and future countermeasures:

1. The Company's interest rate risk primarily arises from the loans for purchase of materials from operating activities. In this regard, bank loans are considered as financing instruments and the interest rate range is agreed to mitigate the interest rate risk.
2. Impacts of foreign exchange rate fluctuation to the Company's income, and future responsive measures: The Company's collection and payment is primarily denominated in USD. Some natural hedging effect produced by offset of regular purchase and sale items with each other can help mitigate the impact posed by foreign exchange rate fluctuation to the operating income. The Company will continue to monitor the changes in the foreign exchange rate to help take adequate hedging measures to mitigate the foreign exchange rate risk.
3. Impacts of inflation to the Company's income, and future responsive measures: No significant impact has been caused by inflation to the Company in 2022.

(II) The main causes for profits or losses for engaging in high-risk, high-leverage investments, loaning funds to others, endorsement/ guarantees and derivatives trading policies, and the future countermeasures:

In order to manage financial risk, the Company never engages in any high-risk and high-leverage investments. In order to control risk over certain transactions, the Company has adopted internal management regulations and operating procedure, including the "Procedure for Making of Endorsements/Guarantees", "Procedure for Loaning to Others", and "Procedure for Acquisition or Disposal of Assets" pursuant to laws and regulations.

(III) Future R & D plans and the budgets on R & D

In 2023, the Company plans to orient the research toward the development and application of technology of 2.5-inch and 3.5-inch HDD (such as VCM and read/write head stops, etc.) and Mac/Windows peripheral Thunderbolt 3 interfaces, USB3.2/USB4.0 interfaces, Thunderbolt 3 + USB3.2 interface single or multiple hard disks/SSD EHD products, application of galvanometers to enhance the resolution of DLP projectors (including ultra-thin 0.47-inch dual -axis galvanometer and 0.8-inch dual-axis galvanometer), laser spot removers (applied to reduce the spot produced by laser projection light sources) and contact lens precision mold cores. The investment in R&D expenses is equivalent to those in the same period of last year, estimated to be 4-5% of the net turnover, as the basis for the Company's R&D of new products.

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

The Company's operations comply with all relevant domestic/foreign laws and regulations. Meanwhile, the Company continues to take note of the development trend of domestic/foreign policies and changes in laws and regulations, in order to help adjust the Company's related operating policies. By the date of publication of the Annual Report, no impact was posed to the Company's finances and business due to changes in domestic/foreign important policies and laws.

(V) Impact posed to the Company's business and finance, and response measures, in the event of technological changes (including cyber security risks) or industrial changes:

The Company continues to note the development potential of the industry which it is engaged in, and response measures to be taken against the impact posed to its business and finances. Meanwhile, the Company mitigates the operational risk through diversification of technology and strategic alliances.

(VI) Major impact on the company brought by company image change of and remedial actions:

The Company always complies with laws and regulations and fulfills its social responsibility. There is no related coverage on the Company's bad corporate identity. Since the Company was listed on the TWSE upon approval in 2002, the investors have required stricter information disclosure. Therefore, the Company established the spokesperson system and information disclosure operations pursuant to laws.

(VII) Potential effects and risks associated with mergers and acquisitions and response measures: Not applicable.

(VIII) Potential effects and risks associated with expansion in plant capacity and remedial action: Not applicable.

(IX) Potential effects and risks associated with the concentration of purchases or sales:

Purchase: The upstream key raw materials are concentrated in a few suppliers.

VCM is the Company's main product. The Company doesn't engage in the production of the major raw materials thereof, large magnets and upper and lower boards, for the time being. If the main raw materials are in short supply, the cost of materials will increase, and the Company's mass production scale will be affected too.

<u>Response measures:</u>

1. The Company establishes strategic alliances or executes supply contracts with key component suppliers, in order to stabilize the source of raw material supply and increasing its production capacity.
2. The Company seeks more than two sources of supply proactively to ensure the supply of various raw materials.

Sales: The Company's concentration of industry appears to be high and thereby increases its operational risk.

The Company's HDDs generate operating revenue accounting for about 70% of the Company's total operating revenue. Therefore, any excessive or unbalanced changes in the supply and demand of the industry might produce pressure on the Company's operations.

Response measures:

The Company is using its best effort to develop the business towards EMS, optical components design and manufacturing, and medical equipment/consumables. In order to diversify the Company's products further, multiple products and processes are also under R&D, including medical automated machine development, 3D printers, design and manufacture of optical galvanometers applied to laser TVs and projectors etc.

(X) Impact and risks brought by significant shareholdings transfer by the Directors, Supervisors, or shareholders with more than 10% ownership, and the remedial actions: Not applicable.

(XI) Impacts, risks and response measures associated with a change to the management of the financial holding company: Not applicable.

(XII) Litigious and Non-litigious Matters: If there has been any material impact upon shareholders' equity or prices for the Company's securities as a result of any litigation, non-litigious proceedings, or administrative disputes involving any of the Company's directors, supervisors, president, de facto responsible person, or major shareholders with a stake of more than 10%, and the matter was finalized or remained pending, please disclose the facts in dispute, amount in dispute, commencement date, main parties involved, and current status of the case up to the date of publication of the Annual Report: None.

(XIII) Other material risks and corresponding measures:

VII. Other Major Events: None.

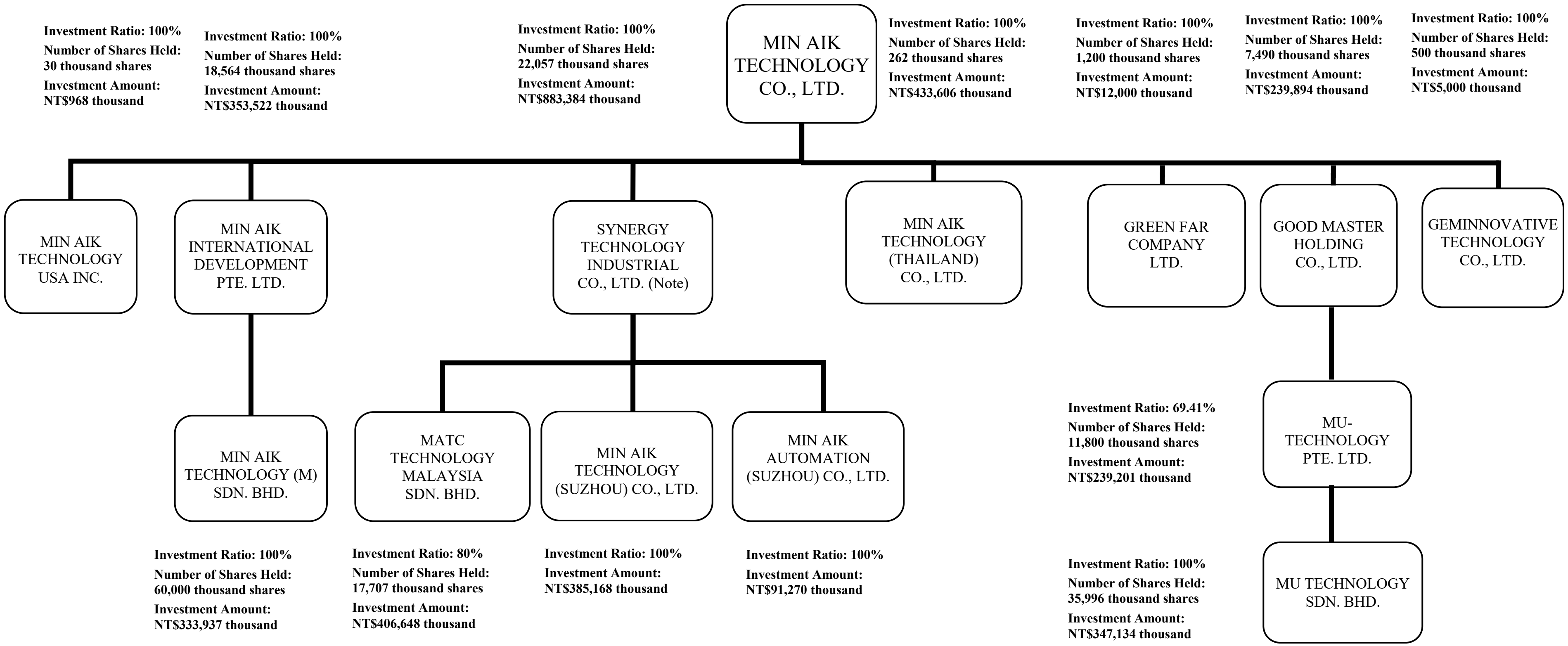
Ch 8. Special Disclosure

I. Information on Affiliates

(I) Information on Affiliates

Baseline date: December 31, 2022

1. Organizational Chart of Affiliated Companies



2. Basic Information on Affiliates

Baseline date: December 31, 2022

Corporate name	Date of Establishment	Address	Paid-in capital	Scope of business/production
MIN AIK TECHNOLOGY USA INC.	1998.12	1059 Bright Oak Place San Jose, California 95120,USA	USD30,000	Trading, after-sales service, and R&D of HDD
MIN AIK INTERNATIONAL DEVELOPMENT PTE. LTD.	2001.02	136 Joo Seng Road #04-01 Singapore 368360	USD10,582,317	Import and export, agency, warehousing management, and after-sales service of products
MIN AIK TECHNOLOGY (M) SDN. BHD.	2001.02	ST814,Kawasan Perindustrian Masjid Tanah,78300 Masjid Tanah, Melaka, Malaysia	RM60,000,000	HDD manufacturing and trading
SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD.	2004.04	Level 2,Lotemau Centre, Vaea Street, Apia Samoa	USD22,056,508	Holdings Company
MIN AIK TECHNOLOGY (SUZHOU) CO., LTD.	2004.03	High-tech Zone Export Processing Zone, Suzhou City, Jiangsu Province	USD12,000,000	Manufacturing, trading, after-sales service, and R&D of HDD
MATC TECHNOLOGY MALAYSIA SDN. BHD.	2007.09	LOT684,Kawasan Perindustrian Masjid Tanah,78300 Masjid Tanah,Melaka,Malaysia	RM22,133,500	HDD manufacturing and trading
MIN AIK TECHNOLOGY (THAILAND) CO., LTD.	2005.12	40/4, Moon 5, Rojana Industrial Park, Tambol U-Thai, Amphur U-Thai Ayutthaya 13210, Thailand	THB52,474,800	HDD manufacturing and trading
GOOD MASTER HOLDING CO., LTD.	2011.05	1st Floor, Windward 1,Regatta Office Park, P.O. Box 10338, Grand Cayman, KYI-1003, Cayman Islands.	USD7,490,000	Holdings Company
MU-TECHNOLOGY PTE. LTD.	2008.06	9 Raffles Place # 32-00 Republic Plaza Singapore 048619	USD17,000,000	Holdings Company
MU TECHNOLOGY SDN. BHD.	2009.03	PTD 42929,Jalan Murni 12, Kawasan Perindustrian Mumi, 81400 Senai, Johor, Malaysia.	USD10,707,172	HDD manufacturing and trading
GREEN FAR COMPANY LTD.	2012.03	4F.-3, No. 492-1, Sec. 1, Wanshou Rd., Guishan Dist., Taoyuan City	NTD12,000,000	Energy technology service industry and renewable energy power generation
GEMINNOVATIVE TECHNOLOGY CO., LTD.	2018.08	4F.-3, No. 492-1, Sec. 1, Wanshou Rd., Guishan Dist., Taoyuan City	NTD5,000,000	Electronic materials wholesale and retail
MIN AIK AUTOMATION (SUZHOU) CO., LTD.	2018.04	Flat. 16, No. 122, Yongan Road, High-tech District, Suzhou City	USD3,000,000	Automated equipment manufacturing and trading

USD：29.89NTD；THB：0.8572NTD；RM：6.9954 NTD

3. Businesses activities covered by affiliated companies:

Baseline date: December 31, 2022

By Industry	Name of Affiliated Company	Affiliation With the Operations of Affiliated Company
Trading Business	MIN AIK TECHNOLOGY USA INC.	Trading, after-sales service, and R&D of HDD
Trading Business	MIN AIK INTERNATIONAL DEVELOPMENT PTE. LTD.	Import and export, agency, warehousing management, and after-sales service of products
Manufacturing Business	MIN AIK TECHNOLOGY (M) SDN. BHD.	HDD Manufacturing and Trading
Investment Business	SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD.	Holdings Company
Manufacturing Business	MIN AIK TECHNOLOGY (SUZHOU) CO., LTD.	Manufacturing, trading, after-sales service, and R&D of HDD
Manufacturing Business	MATC TECHNOLOGY MALAYSIA SDN. BHD.	HDD manufacturing and trading
Manufacturing Business	MIN AIK TECHNOLOGY (THAILAND) CO., LTD.	HDD manufacturing and trading
Investment Business	GOOD MASTER HOLDING CO., LTD.	Holdings Company
Investment Business	MU-TECHNOLOGY PTE. LTD.	Holdings Company
Manufacturing Business	MU TECHNOLOGY SDN. BHD.	HDD manufacturing and trading
Manufacturing Business	GREEN FAR COMPANY LTD.	Energy technology service industry and renewable energy power generation
Trading Business	GEMINNOVATIVE TECHNOLOGY CO., LTD.	Electronic materials wholesale and retail
Manufacturing Business	MIN AIK AUTOMATION (SUZHOU) CO., LTD.	Automated equipment manufacturing and trading

4. Information on related shareholders assumed to be in a controlling and subordinate relationship: None.

5. Information on directors, supervisors, and presidents of affiliated corporations

Baseline date: December 31, 2022 ; Unit: thousand shares; %

Corporate name	Title	Name of individual or representative(s)	Number of shares held	
			Number of shares	Ratio of shareholding
MIN AIK TECHNOLOGY USA INC.	Director	Lee Khay Soon	0	0
	Director	Chia Kin Heng	0	0
MIN AIK INTERNATIONAL DEVELOPMENT PTE. LTD.	Director	Chia Kin Heng	0	0
	Director	Kuan Seow Thong	0	0
MIN AIK TECHNOLOGY (M) SDN. BHD.	Director	Chia Kin Heng	0	0
	Director	Yang Hung Jen	0	0
	Director	Wee Cheong Ann	0	0
SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD.	Director	MIN AIK TECHNOLOGY CO., LTD.	22,057	100
MIN AIK TECHNOLOGY (SUZHOU) CO., LTD.	Director	Chia Kin Heng	0	0
	Director	Tsai Chen Shan	0	0
	Director	Sung Tsan Yung	0	0
	Supervisor	Yang Hung Jen	0	0
	President	Wang Yao Hung	0	0
MATC TECHNOLOGY MALAYSIA SDN. BHD.	Director	Chia Kin Heng	0	0
	Director	Wee Cheong Ann	0	0
MIN AIK TECHNOLOGY (THAILAND) CO., LTD.	Director	Kuan Seow Thong	0	0
	Director	Yang Hung Jen	0	0
GOOD MASTER HOLDING CO., LTD.	Director	MIN AIK TECHNOLOGY CO., LTD.	7,490	100
MU-TECHNOLOGY PTE. LTD.	Director	Kuan Seow Thong	0	0
	Director	Yang Hung Jen	0	0
MU TECHNOLOGY SDN. BHD.	Director	Kuan Seow Thong	0	0
	Director	Yang Hung Jen	0	0

Corporate name	Title	Name of individual or representative(s)	Number of shares held	
			Number of shares	Ratio of shareholding
GREEN FAR COMPANY LTD.	Director/ President	MIN AIK TECHNOLOGY CO., LTD. Representative: Chia Kin Heng	1,200	100
	Director	MIN AIK TECHNOLOGY CO., LTD. Representative: Yang Hung Jen	1,200	100
	Director	MIN AIK TECHNOLOGY CO., LTD. Representative: Sun Te Wen	1,200	100
	Supervisor	MIN AIK TECHNOLOGY CO., LTD. Representative: Chen Yu Jhen	1,200	100
GEMINNOVATIVE TECHNOLOGY CO., LTD.	Director/President	MIN AIK TECHNOLOGY CO., LTD. Representative: Chia Kin Heng	500	100
	Director	MIN AIK TECHNOLOGY CO., LTD. Representative: Lee Lung Fang	500	100
	Director	MIN AIK TECHNOLOGY CO., LTD. Representative: Sun Te Wen	500	100
	Supervisor	MIN AIK TECHNOLOGY CO., LTD. Representative: Chen Yu Jhen	500	100
MIN AIK AUTOMATION (SUZHOU) CO., LTD.	Director/ President	Wang Yao Hung	0	0
	Director	Sung Tsan Yung	0	0
	Director	Sun Te Wen	0	0
	Supervisor	Chen Yu Jhen	0	0

6. Operating overview of affiliated corporations:

Baseline date: December 31, 2022 ; Unit: NT$ thousand

Corporate name	Capital	Total assets	Total Liabilities	Net worth	Operating income	Operating benefit	Current income (loss) (after tax)	Earnings Per Share (NT$) (after tax)
MIN AIK TECHNOLOGY USA INC.	968	3,938	563	3,375	9,713	(486)	(503)	(16.77)
MIN AIK INTERNATIONAL DEVELOPMENT PTE. LTD.	353,522	1,733,877	147,457	1,586,420	1,099,297	(54,581)	1,312	0.07
MIN AIK TECHNOLOGY (M) SDN. BHD.	333,937	1,695,825	143,956	1,551,869	1,110,321	(51,215)	6,339	0.11
SYNERGY TECHNOLOGY INDUSTRIAL CO., LTD.	716,222	936,469	455,472	480,997	1,051,750	623	(6,094)	(0.28)
MIN AIK TECHNOLOGY (SUZHOU) CO., LTD.	400,857	634,387	115,356	519,031	807,048	83,764	70,893	6.15
MIN AIK AUTOMATION (SUZHOU) CO., LTD.	91,270	11,191	107,485	(96,294)	(132)	2,321	(2,374)	(0.79)
MATC TECHNOLOGY MALAYSIA SDN. BHD.	298,868	290,882	232,632	58,250	244,834	(85,461)	(93,267)	(1.77)
MIN AIK TECHNOLOGY (THAILAND) CO., LTD.	47,487	76,889	18,434	58,455	0	(4,028)	(3,857)	(14.72)
GOOD MASTER HOLDING CO., LTD.	239,894	33,496	195	33,301	0	(831)	(1,224)	(0.16)
MU-TECHNOLOGY PTE. LTD.	526,396	33,273	100	33,173	0	(426)	6,163	0.52
MU TECHNOLOGY SDN. BHD.	347,134	220	95	125	0	(320)	7,039	0.20
GREEN FAR COMPANY LTD.	12,000	80,399	63,038	17,361	10,651	2,645	1,506	1.26
GEMINNOVATIVE TECHNOLOGY CO., LTD.	5,000	86,647	57,847	28,800	187,156	16,165	16,619	33.24

(II) Consolidated Financial Statements of Affiliated Companies: Please refer to the 2022 consolidated financial statements audited and certified by the external auditors referred to in Paragraph 4 of the “Overview of Finances”.

(III) Affiliation report: Not applicable.

II. Private placement of securities in the most recent year and up to the date of publication of the Annual Report: None.

III. The shares in the Company held or disposed of by subsidiaries in the most recent years up to the publication of this annual report: None.

IV. Other important supplementary information: None.

Ch 9. Events occurred in the most recent year or up to the publication of this annual report, which significantly affect shareholders' equity or price of shares pursuant to Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act: None.

MIN AIK TECHNOLOGY CO., LTD.

Chairman: Chia Kin Heng