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TAI-SAW TECHNOLOGY CO.,LTD.



2022 Annual Report

Your Best Partner for Frequency Devices

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TAI-SAW TECHNOLOGY CO., LTD.

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I. Letter to Shareholders

Dear Shareholders,

With sincere appreciation for your continuous support, in 2022, TAI-SAW TECHNOLOGY (TST) had a consolidated annual revenue of NT 3.358 billion, a 14.58% YoY increase compared to last year, with gross profit increasing by 27.64% and an EPS of NT$ 3.18 per share. In addition, operating income grew by 14.24%.

Due to the impact of the Russo-Ukrainian War, the deteriorating inflation rate and the strict Zero-Covid policy in China, the global economic recovery has been faltering. As a result, the Company's overall operations in 2022 had a lukewarm start and ended poorly. Beginning in Q3, we experienced a gradual decrease in demand from our consumer electronics and ICT customers as well as pressure on inventory depletion. The impact progressively spread to industrial control and other areas of professional applications. Region-wise, the effect spread from mainland China to Taiwan and Asia, then to the customers in Europe and America. Due to the impact of inflation and the interest rate hike in the market, the economy and purchasing power have declined significantly and the effect is estimated to continue at least until H1 of this year (2023), with a chance for a slow recovery in H2.

After the COVID-19 pandemic eased in the latter half of last year, our customers, despite the pressure to deplete their inventories, have increasingly acknowledged our importance and value as their key component supplier, allowing the industry's upstream and downstream to return to a healthier and more balanced relationship. TST's revenue and gross profit continued to grow in 2022. Besides the sales contribution from the rapid test kits of our subsidiary tstbio, the growth can be mainly attributed to the overall demand recovery of consumer electronics, ICT products, telecommunications, automotive electronics and industrial applications. At the same time, we have also gained more pricing power in product lines focusing on niche markets to improve operations and profitability successively. Performance in each of our intercorporate investments has also been improving continuously. Sawnics Inc. in South Korea has reclaimed momentum in its revenue and plans to complete the IPO this year. Cirocomm Technology Corp. also continued to enhance its competitiveness, which reflects the Group's operational synergies as a whole, to provide customers with a better one-stop solution for frequency components, differentiating ourselves further within the industry and bringing forth growth to the Company.

The emerging applications of AI in recent years have given rise to the applications of telecommunications, information technology, data storage & computing, and 5G/6G mobile and satellite communications technologies. The market for the core product portfolios we have developed, Frequency Devices and Timing Devices, is expected to accelerate in growth, as well as for the automotive electronics to increasingly adopt and apply frequency components due to variations in their communication specifications. The post-pandemic demand will speed up the development of the industries in small cell stations, satellite communication at millimeter waves, endpoint devices, and telecommunications equipment, turning them into new driving forces of growth. In the future, driven by the increasing network speed, the applications will further expand to services in media and entertainment, healthcare, financial services, public transportation, automotive markets, the internet of vehicles, artificial intelligence, self-driving cars, etc. These applications will swiftly integrate with the massive endpoint demands used in IoT and drive the global visibility and competitiveness of the Company's various core products of frequency components. By

enhancing the product lines with our strategic alliance partners and generating stronger synergies through our product's market applications, we can expand our businesses and continue to fuel the Company's growth in terms of both speed and momentum in the coming years. We will also continue to accelerate product development to drive and grow our first-curve products rapidly in the coming years and invest more in intellectual property buildup to sustain our long-term competitiveness.

In addition, the second-curve biomedical sensing product developed by our subsidiary tstbio based on our core SAW frequency component technology is progressively gaining a global leadership position. The quality system has also been certified by ISO13485, QMS, and GMP for quality medical appliances, and the SAW biosensor immunoassay platform, iProtin® assay cartridge kit and reader, has been licensed by TFDA in Taiwan and approved by CE in the EU. We are ready to meet the market demand for quantitative or rapid testing of infectious diseases in the post-pandemic era and for general healthcare management of chronic disease patients; for example, our products have already been adopted by healthcare professionals involved in home healthcare and community health services successively. Furthermore, the Company has incorporated the immunoassay platform and associated iProtin® assay cartridge kit for cardiovascular signal analyses and initiated the "Sub-optimal Health Management Demo Program," which has the potential to be gradually applied to employee care in the technology and service industries as well as the community healthcare system. While we continue to expand our businesses, we will also take care of the community and strive for a better outcome in ESG sustainability. The Company will continue to develop and market our core frequency component technologies for application on the innovative Point of Care Testing (POCT) biomedical products, with the vision to become the role model in provisioning health and well-being for employees and community health.

The post-epidemic global recovery has been hit by the Russian-Ukrainian war and the geopolitical and economic turmoil around the world, aggravating inflation and putting uncertainties as to when will the Federal Reserve in various countries end their fiscal tightening policies. However, even though the global economy is undergoing significant fluctuations and tension, our strategy to provide a one-stop solution in frequency components, along with the strong customer demand in the niche markets, will position us even more solidly in the industry. Under the management philosophy of "Dedication, Trustworthiness, Exactitude, Innovation, and Excellence" TST will continue to work together with our partners to build the TST frequency component collaboration platform, targeting to become "The Best Partner of Frequency Devices" in the information and communication industry now led by 5G/6G, to accelerate and drive smart manufacturing, and improve information flow and logistics. We will gradually implement smart manufacturing and smart operations and continue to improve our operational efficiency and return on investment in the components industry. We will also effectively integrate our affiliates and strategic partners for better operational synergies to increase the medium- and long-term value of the Company, enhance employee career opportunities, raise shareholders' equity, and fulfill our corporate social responsibilities.

2022 Business Report and 2023 Business Plan is as Below:

Business Report

(I) 2022 Business Overview

1. Implementation result of business plan:

Unit: NT$ Thousand

Item	2022	2021	Increase/Decrease amount	Increase/Decrease percentage (%)
Operating revenue	3,357,990	2,930,605	427,385	14.58%
Gross profit	928,229	724,012	204,217	28.21%
Net income after tax	337,364	509,342	(171,978)	(33.76%)

2. Analysis of receipts, expenditures, and profitability:

Item		2022	2021
Financial structure (%)	Debt to assets ratio (%)	33.39	35.34
	Ratio of long-term capital to property, plant and equipment (%)	321.79	294.40
Solvency (%)	Current ratio (%)	237.78	205.82
	Quick ratio (%)	178.04	148.12
Profitability (%)	Return on total assets (%)	9.36	16.14
	Return on equity (%)	14.01	24.29
	Net profit margin (%)	10.05	17.38
	Basic earnings per share (NT$)	3.18	5.28

3. Budget Implementation

The Company did not publish the financial forecast for the year 2023.

4. Research and Development:

Coping with the industry needs and the technology development, the Company maintains its R&D focus on the products for various frequency bands and characteristics to address the demand for continuous improvements on telecommunication reliability and coverage rate. The Company's R&D expense for the year 2022 was NT$194,174 thousand, which accounted for 5.78% of the sales revenue and grew with the market needs for modularized telecommunication components. In 2021, the Company introduced the GPS radio frequency front end module built with the SAW Filter and developed the dual-band SAW Filter in response to the popularization of satellite communication.

(II) Summary of 2023 Business Plan:

1. Business, sales and production policies

TAI-SAW is a professional manufacturer of frequency components and is the only company that offers the full-band frequency components in Taiwan. It is also the only company equipped with both the surface acoustic wave components and bulk acoustic wave components product lines in Taiwan, not to mention the only company in Taiwan that is capable for the whole manufacturing process of surface acoustic wave components. The Company's strategy is to focus on both own products and contract manufacturing products while endeavoring to organize its operations, integrate products and go global. The management team has proposed its business strategy for 2022 as follows:

(1) Capacity plan

In addition to the continuing expansion of the production capacity for module packaging products, the capacity for the high-frequency filters for front-end wafer film processing is also the priority of the year; the Company's aims to satisfy the market demands and catch up with the global trend through its production lines of miniature bulk acoustic wave components and modularized surface acoustic wave components supplemented with the integration of various packaging technologies along with its full-band product portfolio.

(2) Contract manufacturing products

In addition to the existing contract manufacturing customers, the Company will continue to invest more resources into engineering, sales and management to explore more opportunities in OEM and ODM services for module assembly.

(3) Marketing Strategy

In terms of marketing system, it continues to strengthen its ability in big data analysis to provide faster and more comprehensive services. Meanwhile, as the market supply chain is under reorganization, the Company takes initiative in cross-marketing, mixing and matching the existing products, and furnishing its customers with comprehensive solutions.

(4) Quality enhancement

The Company is committed in the management policy for continuous improvement. On the basis of a 25-year quality system, the Company advances the manufacturing process and quality control through the internal trainings and education, the periodical external audits and the requests from customers of various fields, to ensure customer satisfaction and for its pursuit of endless quality enhancement.

(5) R&D

The development of frequency components will lean towards miniaturization and high precision, and, by taking the future demands for high frequency components into consideration, the Company will develop the filters suitable for the 5G/6G high frequency bands based on the SAW principle and integrated with the characteristics of bulk acoustic wave. Tailoring to customers' applications in various fields, the Company will continue to invest resources into product R&D and manufacturing process technology development with the expectation to extend its product

portfolio, expand customer base and further increase the Company’s competitiveness.

2. Sales volume forecast and the basis thereof

   Considering the industry development and market trend, the Company constantly invests resources into product technologies, engineering capability and quality enhancement. As the capacities of its domestic and overseas production bases increase, a non-linear growth of the group’s overall business scale is foreseeable, and the sales volume is likely to maintain the growth momentum in 2023 in comparison to 2022.

(III) The Company's future development strategy, and the effect of external competition, the legal environment, and the overall business environment:

Facing the mixed market factors, including the severe competition for frequency components, the lifting of COVID-19 restrictions, the geopolitical effects and the elevating global economic uncertainty, the Company will still be prudent in the assessment of future market changes and be agile in the adjustment of its product mix and sales strategy by utilizing the application characteristics of the existing products to explore opportunities in the automotive, medical and 5G markets. At the same time, it will refine the development of professionals to effectively improve the quality and reaction speed of customer service in the hope of more customer verifications fueling the Company’s growth.

Chairman： President： Director of Finance and Accounting Dept.：

II. Company Profile

1 Establishment Date

November 10, 1997

2 Company History

November, 1997	In response to the government's promotion of strategic industries, TAI-SAW TECHNOLOGY CO., LTD. was established.
June, 1998	Conducted a capital increase of NT$50 million in cash, which increased the paid-in capital to NT$100 million.
July, 1998	Being certified by the Industrial Development Bureau, Ministry of Economic Affairs as a high-tech business and completed the phase I factory construction at Pingzhen Industrial Park.
January, 1999	The development of intermediate frequency surface acoustic wave filter and crystal was included in the "New Leading Product Development Plan" by the Industrial Development Bureau, Ministry of Economic Affairs.
June, 1999	Conducted a capital increase of NT$50 million in cash, which increased the paid-in capital to NT$150 million.
June, 1999	Received overseas manufacturing orders and officially mass-produced surface acoustic wave filters.
December, 1999	Passed the ISO9002:1994 certification.
January, 2000	The development of radio-frequency surface acoustic wave filters for mobile communications systems was included in the "New Leading Product Development Plan" by the Industrial Development Bureau, Ministry of Economic Affairs.
March, 2000	Conducted a capital increase of NT$45 million in cash, which increased the paid-in capital to NT$195 million.
June, 2000	Conducted a capital increase of NT$105 million in cash, which increased the paid-in capital to NT$300 million, and expanded the construction of the main factory.
August, 2000	Purchased the manufacturing plant at Gongye 2nd Rd. in Pingzhen Industrial Park, which is 6611.6 square meters in size in order to ramp up production capacity.
June, 2001	Conducted a capital increase of NT$45 million through capital surplus Conducted a capital increase of NT$41 million in cash, which increased the paid-in capital to NT$386 million.
June, 2001	Added bulk acoustic wave crystal component products and product lines of crystal, crystal filters, crystal oscillators, voltage-controlled oscillators (VCO) and voltage-controlled temperature compensated crystal oscillators (VCTCXO) to product portfolio.
January, 2002	The development of GPRS tri-band radio frequency front end module was included in the "New Leading Product Development Plan" by the Industrial Development Bureau, Ministry of Economic Affairs.
June, 2002	Conducted a capital increase of NT$16,824,000 through earnings Conducted a capital increase of NT$6,176,000 through capital surplus, which increased the paid-in capital to NT$409 million
July, 2002	Passed the QS9000:1998 and ISO9001:2000 certifications
September, 2002	The registration for the retroactive handling of public issuance was approved by the Securities Exchange Commission of the Ministry of Finance. (The paid-in capital was NT$409 million.)
October, 2002	Selected as a Quality Supplier by RF Waves of Israel.
January, 2003	Founded the offshore holding company, Tai-Saw Tech., Inc.
March, 2003	Founded Tai-Saw Technology (Wuxi) Inc. in Mainland China with the approval from the Investment Commission
July, 2003	Obtained the patent right No. 575950 in R.O.C.
September, 2003	Obtained the patent right No. 557591 in R.O.C.

March, 2004	Obtained the patent certificate No.190269 in R.O.C.
June, 2004	Obtained the patent certificate No.196887 in R.O.C.
July, 2004	Shares were listed on the Emerging Stock Board. (The paid-in capital was NT$409 million.)
September, 2004	Obtained the patent certificate No.220691 in R.O.C.
March, 2005	Obtained the invention patent certificate No. I 228285 in R.O.C.
April, 2005	Passed the ISO/TS16949:2002 certification
May, 2005	Obtained the invention patent certificate No. I 231976 in R.O.C.
August, 2005	Conducted a capital increase of NT$20,450,000 through earnings, NT$8,500,000 through employee bonus, and NT$20,450,000 through capital surplus. The paid-in capital was increased to NT$458,400,000.
August, 2005	The “Mask Layout and Exposing Method for Reducing Diffraction Effects” obtained the invention patent No. 10/273267 in the U.S. The Patent No. US6924083 B2 was granted.
	The Wuxi factory passed the ISO9001 certification.
October, 2005	Passed the ISO14001 certification.
December, 2005	Obtained the invention patent certificate No. I 245383 in R.O.C.
February, 2006	Shares are listed and traded on the Taipei Exchange
March, 2006	Conducted a capital increase of NT$57,300,000 in cash, which increased the paid-in capital to NT$515,700,000.
June, 2006	Obtained the U.S. invention patent certificates No. 7064452 and No. 7067358
August, 2006	Conducted a capital increase of NT$39,093,500 through earnings and NT$23,206,500 through capital surplus. The paid-in capital was increased to NT$578 million.
February, 2007	Obtained the patent certificate No. 7227293 in the U.S for invention “Surface Acoustic Ware Device with Electro-static Discharge Protection”.
	Obtained the patent certificate No. ZL200410068698.7. in China for the “Package Assembly for Electronic Device and Method of Making Same”
April, 2007	Issued common shares amounting NT$3,835,000 million due to exercise of employee warrants, which increased the paid-in capital to NT$581,835,000
July, 2007	Obtained the U.S. invention patent certificate No.7239023
August, 2007	Conducted a capital increase of NT$53,335,000 through earnings and issued common shares amounting NT$4,075,000 due to exercise of employee warrants. The paid-in capital was increased to NT$635,410,000.
August, 2007	Tai-Saw Technology (Wuxi) passed the ISO/TS16949:2002 certification
December, 2007	Obtained the patent certificate No. I 290733 in R.O.C. for invention “the mask layout and exposing method for reducing diffraction effects by using a single mask in the process of semiconductor production”
	Issued common shares amounting NT$230,000 due to exercise of employee warrants, which increased the paid-in capital to NT$635,640,000.
April, 2008	Obtained the patent certificate No. 7361964 in the U.S. for invention “Surface Acoustic Ware Device with Electro-static Discharge protection”.
	Issued common shares amounting NT$6,370,000 due to exercise of employee warrants, which increased the paid-in capital to NT$642,010,000.
August, 2008	Conducted a capital increase of NT$47,200,000 through earnings and issued common shares amounting NT$850,000 due to exercise of employee warrants. The paid-in capital was increased to NT$690,060,000.
August, 2008	Established the U.S. subsidiary TST Technology USA Inc.
November, 2008	Issued common shares amounting NT$130,000 due to exercise of employee warrants, which increased the paid-in capital to NT$690,190,000.
January, 2009	Obtained the patent certificate No. 7477000 in the U.S. for invention “Surface Acoustic Ware Device with Electro-static Discharge protection”.

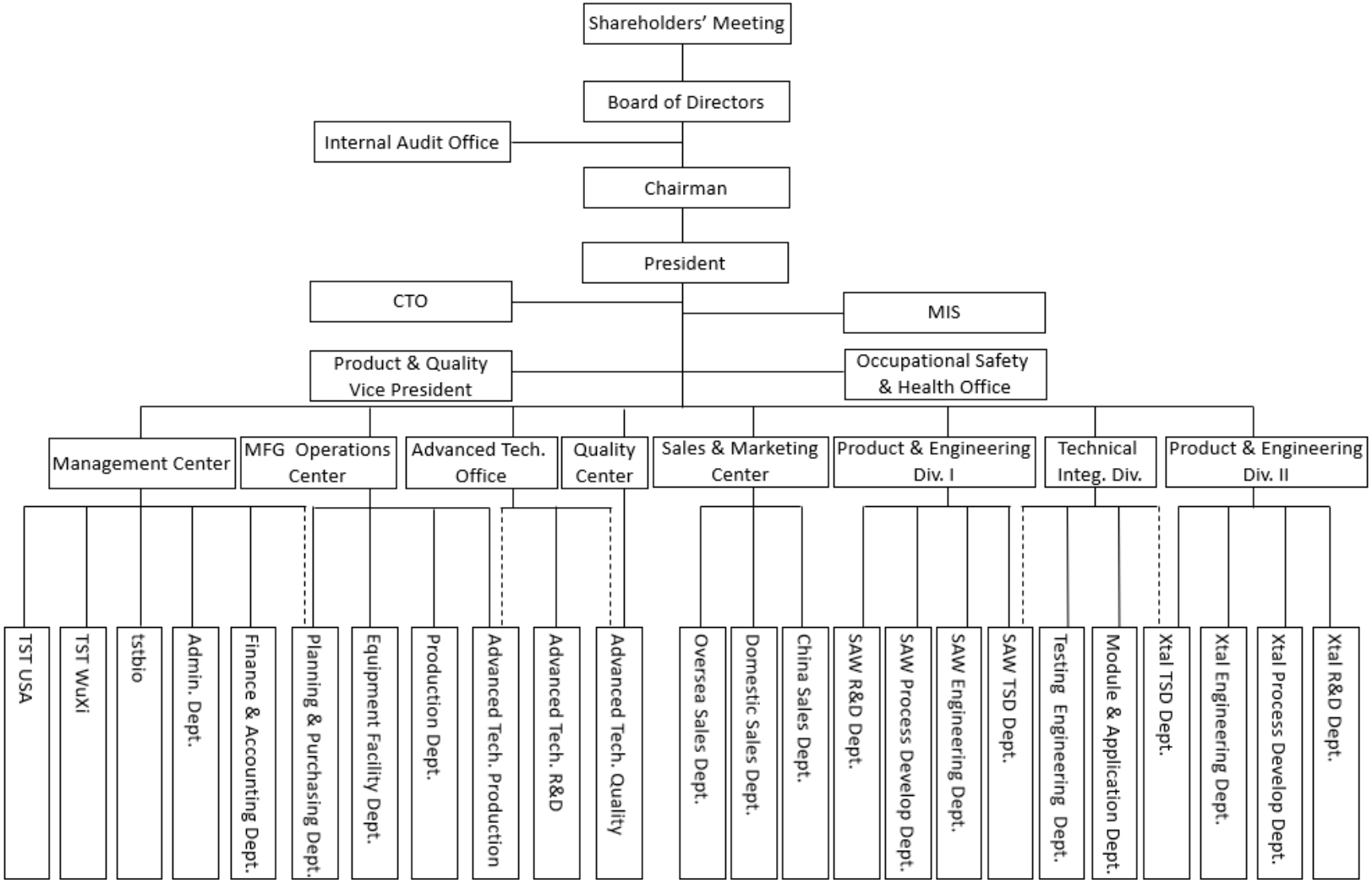
March, 2009	Obtained the invention patent certificate No. I 307214 in R.O.C.
March, 2009	Established the subsidiary in Hong Kong, SNT Devices Limited, to strengthen the sales channel of communication components
June, 2009	TAI-SAW passed the AEC-Q200 evaluation testing and, at the same time, established the OCXO Business Group subordinated to TFE Company in Mainland China
July, 2009	Obtained the invention patent certificate No. DE 10 2004 040 465 B4 in Germany.
July, 2009	Founded the Korean subsidiary SNT Inc. to strengthen the sales channel of communication components.
August, 2009	Conducted a capital increase of NT$14,810,000 through earnings, which increased the paid-in capital to NT$705 million.
October, 2009	Issued common shares amounting NT$2,765,000 due to exercise of employee warrants, which increased the paid-in capital to NT$707,765,000.
December, 2009	Founded TFE Wu Xi Inc. in Mainland China with the approval from the Investment Commission
March, 2010	Issued common shares amounting NT$2,520,000 due to exercise of employee warrants, which increased the paid-in capital to NT$710,285,000.
June, 2010	Issued common shares amounting NT$725,000 due to exercise of employee warrants, which increased the paid-in capital to NT$711,010,000.
July, 2010	Expanded factory size and added equipment in TAI-SAW and Wuxi factory
August, 2010	Conducted a capital increase of NT$110 million in cash, which increased the paid-in capital to NT$821,010,000.
January, 2011	Obtained the patent certificate No. I336560 in R.O.C. for invention “Surface Acoustic Ware Device with Electro-static Discharge protection”
March, 2011	Conducted a capital reduction of NT$2,870,000 by treasury shares cancellation, which decreased the paid-in capital to NT$818,140,000
August, 2011	Conducted a capital increase of NT$16,362,800 through earnings and NT$16,362,800 through capital surplus. The paid-in capital was increased to NT$850,865,600.
August, 2013	Issued 1,150,000 shares of restricted stock, which increased the paid-in capital to NT$862,365,600.
June, 2014	Issued common shares amounting NT$5,920,000 due to exercise of employee warrants, which increased the paid-in capital to NT$868,285,600.
August, 2014	Issued common shares amounting NT$1,815,000 due to exercise of employee warrants, which increased the paid-in capital to NT$870,100,600.
October, 2014	Issued common shares amounting NT$1,100,000 due to exercise of employee warrants and cancelled 309,000 treasury shares expired and 112,000 restricted shares issued. The paid-in capital was changed to NT$866,000,600 (390,000 treasury shares were transferred to employees)
December, 2014	Cancelled 500,000 treasury shares expired, which decreased the paid-in capital to NT$861,000,600
January, 2015	Won the 2015 Taiwan Excellence Award
March, 2015	Issued common shares amounting NT$900,000 due to exercise of employee warrants, which increased the paid-in capital to NT$861,900,600
March, 2015	Obtained the patent certificate No. I 475749 in R.O.C. for invention “Improved antenna”
September, 2015	Cancelled 44,100 shares of restricted stock, which changed the paid-in capital to NT$861,459,600
November, 2015	Cancelled 2,700 shares of restricted stock, which changed the paid-in capital to NT$861,432,600
March, 2016	Issued 1,200,000 shares of restricted stock and 8,000 common shares for the exercise of employee warrants, and cancelled 6,750 shares of restricted stock. The paid-in capital was changed to NT$873,445,100
April, 2016	Obtained the patent certificate NO. US 9312608 B2 in the U.S. for invention “Multiple-Input Multiple-Output Antenna Device”

July, 2016	Invention patent “Conducting packaging structure and manufacturing method thereof” obtained the patent certificate No. 5970567 in Japan.
August, 2016	Issued 32,000 shares for the exercise of employee warrants and cancelled 17,700 shares of restricted shares. The paid-in capital was changed to NT$873,588,100
December, 2016	Conducted a capital increase of NT$189 million in cash with the issuance of 9 million new shares, which increased the paid-in capital to NT$963,588,100.
April, 2017	Issued 70,000 shares for the exercise of employee warrants and cancelled 22,000 shares of restricted shares. The paid-in capital was changed to NT$964,068,100.
May, 2017	Issued 40,000 shares for the exercise of employee warrants and cancelled 26,000 shares of restricted shares. The paid-in capital was changed to NT$964,208,100.
October, 2017	Obtained the patent certificate No. US 9807888 B2 in the U.S. for invention “Conducting Package Structure and Manufacturing Method Thereof”
November, 2017	Issued 40,000 shares for the exercise of employee warrants and cancelled 92,400 shares of restricted shares. The paid-in capital was changed to NT$963,684,100
November, 2017	Issued 40,000 shares for the exercise of employee warrants and cancelled 92,400 shares of restricted shares. The paid-in capital was changed to NT$963,684,100
May, 2018	Cancelled 24,200 shares of restricted stock, which changed the paid-in capital to NT$963,442,100
August, 2018	Issued 4,000 shares for the exercise of employee warrants. The paid-in capital was changed to NT$963,482,100
August, 2018	Conducted a capital increase through private placement of 6 million common shares, which increased the paid-in capital to NT$1,023,482,100
December, 2018	Founded the subsidiary TST Biomedical Electronics, which mainly is engaged in sale of medical devices.
February, 2019	Cancelled 24,600 shares of restricted stock, which changed the paid-in capital to NT$1,023,236,100
July, 2019	Cancelled 19,200 shares of restricted stock, which changed the paid-in capital to NT$1,023,044,100
November, 2019	Founded the U.S. subsidiary RFMi, which is engaged in the marketing of electronic parts and components.
June, 2020	Issued 18,000 shares for the exercise of employee warrants. The paid-in capital was changed to NT$1,023,224,100
October, 2020	Issued 151,000 shares for the exercise of employee warrants and 1,200,000 shares of restricted stock. The paid-in capital was changed to NT$1,036,734,100
February, 2021	Completed the expansion of Factory No. 5.
May, 2021	Cancelled 208,000 shares of restricted stock and 565,000 treasury shares expired. The paid-in capital was changed to NT$1,029,004,100
October, 2021	Signed the equity and strategic development agreement with Akoustis Technologies, Inc., and transferred 51% equity of RFMi, a subsidiary of the Company, to Akoustis Technologies, Inc.
November, 2021	Cancelled 28,000 shares of restricted stock, which changed the paid-in capital to NT$1,028,724,100
April, 2022	Transferred 49% equity of RFMi, a subsidiary of the Company, to Akoustis Technologies, Inc.
July, 2022	Cancelled 16,000 shares of restricted stock, which changed the paid-in capital to NT$1,028,564,100
October, 2022	Cancelled 12,000 shares of restricted stock, which changed the paid-in capital to NT$1,028,444,100
December, 2022	Issued 1,200,000 shares of restricted stock, which increased the paid-in capital to NT$1,040,444,100

III. Corporate Governance

1 Company Organization

1.1 Organization Structure



1.2 Responsibilities of Major Divisions

Division	Responsibilities
Internal Audit Office	A. Formulating and maintaining internal control system B. Setting annual audit plan, conducting audit according to the audit plan and following up improvements C. Conducting annual self-inspection of internal audit system D. Conducting special audits periodically
MIS	A. Laying out overall network and managing servers B. Adding and maintaining software and hardware and supervising the legitimacy thereof C. Designing and implementing perfect secrecy of information D. Handing data accuracy and backup E. Setting access privileges of information system F. Managing affairs related to office machines and telephone switching system G. Planning information security system, and monitoring and implementing information security management
Occupational Safety & Health Office	A. Planning, supervising and executing safety and health management in the factory campus and facilitating relevant tasks B. Facilitating environmental protection initiatives and ensuring compliance with environmental protection laws and regulations C. Contact window for authorities in regard to environmental/ occupational safety data
Sales & Marketing Center	A. Collecting, analyzing and forecasting market conditions B. Projecting sales C. Executing annual sales goal and reviewing performance D. Providing after-sales services E. Exploring emerging markets
Product & Engineering Div. I Product & Engineering Div. I II Technical Integ. Div. Advanced Tech. Office	A. Formulating the development trend and plans of new products, conducting feasibility analysis, and arranging new product development schedule B. Developing manufacturing processes, new materials and suppliers, and verifying engineering capability, and establishing and amending operational procedures C. Responsible for manufacturing products commissioned domestically or internationally and coordinating manufacturing progress of each division. D. Revamping, designing and repairing machinery and equipment
MFG Operations Center	A. Manufacturing, controlling manufacturing process, maintaining yields, and conducting level 1 maintenance of equipment B. Managing machinery and equipment, setting review and maintenance plan, maintaining and replenishing facilities in factories.
Quality Center	A. Implementing IQC, IPQC and OQC operations B. Conducting analysis on quality performance statistics, following up and reviewing

Management Center	C. Planning human resource and coordinating administrative affairs D. Managing funding, interacting with banks, handling transaction accounting, preparing and analyzing financial statements, making and controlling financial forecasts E. Procuring materials needed for production, setting production plans, calculating capacity load, establishing and revising standards for work hours and production capacity, and formulating and facilitating material requirements plan (MRP) F. Evaluating and developing suppliers, managing relationship with suppliers, planning and procuring strategic products, and negotiating price and reducing costs thereof
Investment Business	A. Managing overall business operations of investees, namely, Tai-Saw Technology (Wuxi) and TST USA

2 Information on Board Directors, President, Vice Presidents, Directors and the Heads of Various Divisions and Branches

2.1 Information on Directors and Supervisors

2.1.1 Information on Directors and Supervisors

April 11 2023

Unit: Share; %

Job title	Nationality or place of registration	Name	Gender, Age	Date of election /appointment to current term	Term of office	Commencement date of first term (	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree		
							No. of shares	Shareholding ratio	No. of Shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio			Job title	Name	Relationship
Chairman	R.O.C	Huang, Yu-Tung	Male 61-70	Jun. 2022	3 years	Feb. 1998	2,732,857	2.66	2,744,557	2.64	668,826	0.64	0	0	Ph.D., Graduate School of Materials Science, University of Illinois Deputy Manager of Development Department, Motorola, Inc. Independent Director of Nichidenbo Corporation Chairman of Quartz Industries Association of Taiwan Director of Piezoelectric Crystal Industries Association of Taiwan Director of Passive Component Industries Association of Taiwan Director of Tecstar Technology Co., Ltd. Chairman of RFMi	Chairman and Chief Technology Officer of TAI-SAW TECHNOLOGY CO., LTD. Chairman of TAI-SAW TECHNOLOGY(WUXI) INC. Chairman of TAI-SAW TECHNOLOGY INC. Chairman of GIA-STONE ELECTRONICS CO., LTD. Chairman of TST TECHNOLOGY USA Chairman of tst biomedical electronics CO., LTD. Chairman of CIROCOMM TECHNOLOGY CORPORATION irector of SAWNICS Inc.	None	None	None

Job title	Nationality or place of registration	Name	Gender, Age	Date of election/appointment to current term	Term of office	Commencement date of first term (	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree		
							No. of shares	Shareholding ratio	No. of Shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio			Job title	Name	Relationship
Director	R.O.C	Wu, Chih-Hsyong	Male 51-60	Jun. 2022	3 years	Aug. 1998	712,147	0.69	712,147	0.68	815,257	0.78	0	0	Ph.D., Graduate School of Materials Science, University of Illinois General Manager of TAI-SAW TECHNOLOGY CO., LTD. President of Sinonar Solar Corporation Senior Vice President of Global Marketing and Sales Center, Motech Industries Inc. Director of SAWNICS Inc.	Director and President of KAORI HEAT TREATMENT CO., LTD.	None	None	None
Director	R.O.C.	Yeh, Chun-Chia	Male 51-60	Jun., 2022	3 years	Oct. 1997	734,509	0.71	734,509	0.71	0	0	0	0	Master, Department of Construction Engineering, the University of Oklahoma Manager of Administration Department, TAI-SAW TECHNOLOGY CO., LTD. Director, Wen Xiang Ji	Director of CHENTAI CONSTRUCTION CO., LTD.	Director	Yeh, Mei-Yu	Sibling
Director	R.O.C.	Yeh, Mei-Yu	Female 61-70	Jun. 2022	3 years	Jun. 2009	898,033	0.87	898,033	0.86	0	0	0	0	Master, University of Pittsburgh Supervisor of Chengtai Construction Co., Ltd. Special Assistant to Chairman, Chengtai Construction Co., Ltd.	Director of TAI-SAW TECHNOLOGY (WUXI) INC.	Director	Yeh, Chun-Chia	Sibling
Director	R.O.C.	Wistron NeWeb Corporation	-	Jun. 2022	3 years	Jun. 2017	2,500,000	2.43	2,500,000	2.4	0	0	0	0	N.A.	N.A.	-	-	-

Job title	Nationality or place of registration	Name	Gender, Age	Date of election/appointment to current term	Term of office	Commencement date of first term (	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree		
							No. of shares	Shareholding ratio	No. of Shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio			Job title	Name	Relationship
		Representative: Gau, Jiahn-Rong	Male 51-60	Jun. 2022	3 years	Jun. 2017	0	0	0	0	0	0	0	0	Ph. D of Electrical Engineering, the Ohio State University Postdoctoral researcher at the ElectroScience Laboratory, the Ohio State University COO, Vice President of Satcom Division, Assistant Vice President of Satcom Product Center, and Antenna R&D Manager of Wistron NeWeb Corporation Senior Engineer of ABICO AVY Co., Ltd.	Director, President and Chief Executive officer of Wistron NeWeb Corporation	None	None	None
Director	R.O.C.	Chen, Joen-Ray	Male 61-70	Jun., 2022	3 years	Jun. 2022	453,000	0.44	453,000	0.44	0	0	0	0	MBA, Eastern Illinois University, U.S.A. Bachelor of Economics, National Taiwan University Independent Director of Kayee International Group Co., Ltd. Supervisor of Forcecon Tech. Co., Ltd.	Chairman of RAY WING RESEARCH & INVESTMENT CORP. Independent Non-executive Director of VEDAN INTERNATIONAL (HOLDINGS) LTD. Independent Director of PILI INTERNATIONAL MULTIMEDIA CO., LTD. Director of FORCECON Tech. CO., LTD. Independent Director of LONGWELL COMPANY	None	None	None
Independent Director	R.O.C.	Lin, Huei-Yuh	Male 51-60	Jun. 2022	3 years	Jun. 2007	0	0	0	0	48,379	0.05	0	0	MBA, University of Scranton Product Manager of Solid Year Co., Ltd. Capital Securities Corp.; Direct Investment Department, China Development Industrial Bank	Partner of BUENA VENTURE MANAGEMENT CORP. Chairman of GLORY SUN OPTO-ELECTRONICS CORP. Independent Director of Plotech Technology Co., Ltd	None	None	None

Job title	Nationality or place of registration	Name	Gender, Age	Date of election/appointment to current term	Term of office	Commencement date of first term (	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree		
							No. of shares	Shareholding ratio	No. of Shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio			Job title	Name	Relationship
Independent Director	R.O.C.	Huang, Wen-Ho	Male 61-70	Jun. 2022	3 years	Jun. 2022	0	0	0	0	89,910	0.09	0	0	Master's, Graduate School of Accounting, National Chengchi University Adjunct Assistant Professor of Department of Accounting, China University of Technology Adjunct instructor of Department of Accounting, Fu Jen Catholic University	Partner Accountant (C.P.A.) and Chair of ANSWER CPAs FIRM	None	None	None
Independent Director	R.O.C.	Tseng, Yu-I	Male 61-70	Jun. 2022	3 years	Jun. 2022	0	0	0	0	0	0	0	0	Bachelors in Industrial Engineering, Chung Yuan Christian University Assistant Vice President of Marketing, Cirrus Logic, Inc.	Chairman of EDOM TECHNOLOGY CO., LTD. Director of LARGAN HEALTH AI-TECH CO., LTD. Director of AcSiP TECHNOLOGY CORP.	None	None	None

Note 1: The directors and supervisors were all reelected in the Annual Shareholders' Meeting on June 9, 2022. Gemtek Technology CO., LTD. Representative: Liao, Shyi-An, TriKnight Capital CORP. Representative: Mei, Kai stepped down as Company's Director; Lin, Ken-Huang stepped down as the Company's Independent Director. DEEP & FAR CONSULTANTS CO., LTD. Representative: Tsai, Feng-Der, Eminence Investment CO., LTD. Representative: Hsieh, Daniel, Real Mission CO., LTD. Representative: Huang, Yu-Chia stepped down as the Company's Supervisor; Chen, Joen-Ray, Huang, Wen-Ho, Tseng, Yu-I were elected as the Director and Independent Director, respectively, on June 9, 2022.

Note 2：For a corporate shareholder, the name of the corporate shareholder and its representative shall be listed separately (when listing the representative of a corporate shareholder, the name of the corporate shareholder shall also be noted), and Form 1 below shall also be completed.

Note 3：Please state the actual age, or, alternatively, state the age interval into which the actual age falls, e.g., 41~50 years, 51~60 years.

Note 4：Specify the time the person first began to serve as a director or supervisor of the Company. If there has been any break within a term or between terms, add a note specifying the circumstances

Note 5：Specify experience and qualifications related to the current position. If during a period specified above the person has served in a position at a CPA firm that serves as external auditor/attestor, specify the position held and the duties for which the person was responsible.

Note 6：Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g., increasing the number of independent directors and ensuring that a majority of directors do not concurrently serve as an employee or managerial officer).

2.1.2 Major Shareholders of the Institutional Shareholders

2.1.2.1 Major Shareholders of the Institutional Shareholders

April 19, 2023

Name of Institutional Shareholder	Major Shareholders of the Institutional Shareholder	Shareholding
Wistron NeWeb Corporation	WISTRON CORPORATION	21.48
	Citibank- Yuanta Hong Kong Trust Account	2.90
	Chang Gung Medical Foundation	2.81
	Labor Pension Fund (New Scheme)	2.80
	Mercuries Life Insurance (Discretionary Investment Account)	1.92
	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.- Equity Trading Division (Proprietary Trading Desk)	1.65
	JPMorgan Chase Bank N.A., Taipei Branch in custody for Saudi Arabian Monetary Agency Investment Account	1.64
	Haydn Hsieh	1.48
	Chunghwa Post Co., Ltd.	1.42
	J.P. Morgan Securities PLC	1.40

2.1.2.2 Major Institutional Shareholders of aforementioned Institutional Shareholders

April 19, 2023

Name of Institutional Shareholder	Major Shareholders of the Institutional Shareholder	Shareholding
WISTRON CORPORATION	Yuanta Taiwan Dividend Plus ETF	3.21
	Taipei Fubon Bank Trust Account	2.15
	Acer Incorporated	1.89
	Lin Hsien-Ming	1.40
	Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds	1.39
	Mitsubishi UFJ Morgan Stanley Securities Co.,Ltd.-Equity Trading Division (Proprietary Trading Desk)	1.37
	King's Town Bank	1.34
	Fubon Life Insurance Co., Ltd	1.31
	JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	1.28
	J.P. Morgan Securities PLC	1.03
Chunghwa Post Co., Ltd.	Ministry of Transportation and Communication, R.O.C.	100

2.1.2.3 Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and the Independence of Independent Directors

(1) Professional Qualifications and Experience of Directors and the Independence of Independent Directors

Qualification / Name	Professional qualifications and experience	Independence analysis	No. of other public companies at which the person concurrently serves as an independent director
Director Huang, Yu-Tung	Ph. D, Materials Science and Engineering, University of Illinois. Chairman and Chief Technology Officer of TAI-SAW TECHNOLOGY CO., LTD. Possesses sufficient practical experience and profession required by company for business, and not been a person of conditions defined in Article 30 of the Company Act.	N.A.	None
Director Wu, Chih-Hsyong	Ph. D, Materials Science and Engineering, University of Illinois. Director and President of KAORI HEAT TREATMENT CO., LTD. Possesses sufficient practical experience and profession required by company for business, and not been a person of conditions defined in Article 30 of the Company Act.	N.A.	None
Director Yeh, Chun-Chia	Master, Business Administration, University of Oklahoma Director of CHENTAI CONSTRUCTION CO., LTD. Possesses sufficient practical experience and profession required by company for business, and not been a person of conditions defined in Article 30 of the Company Act.	N.A.	None
Director Yeh, Mei-Yu	Master, University of Pittsburgh. Director of TAI-SAW TECHNOLOGY (WUXI) INC. Possesses sufficient practical experience and profession required by company for business, and not been a person of conditions defined in Article 30 of the Company Act.	N.A.	None
Director Wistron NeWeb Corporation Representative： Gau, Jiahn-Rong	Ph. D of Electrical Engineering at the Ohio State University. Director, President and Chief Executive officer of Wistron NeWeb Corporation. Possesses sufficient practical experience and profession required by company for business, and not been a person of conditions defined in Article 30 of the Company Act.	N.A.	None
Director Chen, Joen-Ray	Master of Business Administration, East Illinois University. Chairman of RAY WING RESEARCH & INVESTMENT CORP. Possesses sufficient practical experience and profession required by company for business, and not been a person of conditions defined in Article 30 of the Company Act.	N.A.	2

Qualification / Name	Professional qualifications and experience	Independence analysis	No. of other public companies at which the person concurrently serves as an independent director
Independent Director Lin, Huei-Yuh	University of Scranton, MBA. Partner of BUENA VENTURE MANAGEMENT CORP. and Chairman of GLORY SUN OPTO-ELECTRONICS CORP. Possesses sufficient practical experience and profession required by company for business, and not been a person of conditions defined in Article 30 of the Company Act.	Independent directors have not been any of the following: 1. An employee of the company or any of its affiliates. 2 A director or supervisor of the company or any of its affiliates. 3. A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings. 4. A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under paragraph 1 or any of the persons in the preceding two paragraphs. 5. A director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. 6. If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company. 7. If the chairperson, President, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution. 8. A director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company. 9. A professional individual who, 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 affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT$500,000, or a spouse thereof ◦ 10. having a material relationship, or a relative within the second degree of kinship to any other director of the company. 11. Elected in the capacity of the government, a juristic person, or a representative thereof, as provided in Article 27 of the Company Act.	1
Independent Director Huang, Wen-Ho	Master of Accounting, National Chengchi University. Partner Accountant (C.P.A.) and Chair of ANSWER CPAs FIRM. Possesses sufficient practical experience and profession required by company for business, and not been a person of conditions defined in Article 30 of the Company Act.		None
Independent Director：Tseng, Yu-I	Bachelor of Industrial and System Engineering, Chung Yuan Christian University. Chairman of EDOM TECHNOLOGY CO., LTD. Possesses sufficient practical experience and profession required companies for business, and not been a person of conditions defined in Article 30 of the Company Act.		None

Note 1: Professional qualifications and experience: Specify the professional qualifications and experience of each director and supervisor. If a member of the Audit Committee, specify their accounting or finance background and work experience. Additionally, specify whether any circumstance under any subparagraph of Article 30 of the Company Act exists with respect to a director or supervisor

Note 2: Describe the status of independence of each independent director, including but not limited to the following: did they or their spouse or any relative within the second degree serve as a director, supervisor, or employee of the Company or any of its affiliates? ; specify the number and ratio of shares of the Company held by the independent director and their spouse and relatives within the second degree (or through nominees); do they serve as a director, supervisor, or employee of any company having a specified relationship with the Company (see Article 3,paragraph 1, subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies)?; specify the amount(s) of any pay received by the independent director for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate thereof within the past 2 years.

Note 3: Regarding the method for disclosure, please refer to the "SAMPLE ANNUAL REPORT" page on the website of the Taiwan Stock Exchange Corporate Governance Center.

(2) Diversity and Independence of the Board of Directors：

(i) Diversity of the board of directors：

In order to strengthen corporate governance and facilitate the healthy development of the composition and structure of the Board of Directors, the Company has established the "Corporate Governance Principles", which indicate, in the Chapter III Enhancing the Functions of the Board of Directors, that diversity shall be taken into consideration for the composition of board members, and that an appropriate policy on diversity based on the Company's business operations, business model, and development needs shall be formulated and include, without being limited to, the following two general standards:

A. Basic requirements and values: Gender, age, nationality, and culture.

B. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience. All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities.
To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities

a. Ability to make operational judgments;

b. Ability to perform accounting and financial analysis;

c. Ability to conduct management administration;

d. Ability to conduct crisis management;

e. Knowledge of the industry;

f. An international market perspective;

g. Ability to lead; and

h. Ability to make policy decisions.

The Company's current board of directors is composed of 9 directors, including 6 directors and 3 independent directors, who are aged from 51 to 70 years old, and they possess rich experience and professional knowledge in the fields of accounting and finance, commerce, management, telecommunication and semi-conductors.

The Company also pays attention to gender equality in the composition of the board members.

Among the 9 directors of the board, at least 1 female director is required (female ratio shall be more than 11%). In 9th term board of directors, there is 1 female director elected who accounts for 11% of directors and have achieved company's gender equality goal. The relevant implementation is detailed in the following table：

Name	Composition				Professional competences							Industry experience				
	Nationality or place of registration	Job title	Gender	age	Business Judgment	Management	Leadership	Domain Knowledge	Financial Accounting	International Perspective	Risk Management	Electronic Technology	Biomedical	Financial	Architecture	Academic Research
Huang, Yu-Tung	R.O.C.	Chairman	Male	61-70	V	V	V	V		V	V	V	V			
Wu, Chih-Hsyong	R.O.C.	Director	Male	51-60	V	V	V	V		V	V	V				
Yeh, Mei-Yu	R.O.C.	Director	Female	61-70	V	V	V		V	V	V	V			V	
Yeh, Chun-Chia	R.O.C.	Director	Male	51-60	V	V	V		V	V	V	V			V	
Wistron NeWeb Corporation Representative：Gau, Jiahn-Rong	R.O.C.	Director	Male	51-60	V	V	V	V	V	V	V	V		V		
Chen, Joen-Ray	R.O.C.	Director	Male	61-70	V	V	V	V		V	V			V		
Lin, Huei-Yuh	R.O.C.	Independent Director	Male	51-60	V	V	V	V		V	V			V		
Huang, Wen-Ho	R.O.C.	Independent Director	Male	61-70	V	V	V		V	V	V			V		
Tseng, Yu-I	R.O.C.	Independent Director	Male	61-70	V	V	V	V		V	V	V				

(ii) Independence of the board of directors：

The number of independent directors' seats, the method of election and the requirements for sitting in a functional committee are stipulated in Chapter III Enhancing the Functions of the Board of Director of the Company's "Corporate Governance Principles".

The Company has 9 directors, and, of whom, 3 are independent directors who comprise 33% of the Board seats, positively contributing to its corporate governance. All independent directors signed the statement that declares their qualifications as independent directors provided in relevant regulations issued by the Securities and Futures Bureau of the Financial Supervisory Commission and set forth in Article 14-2 of the Securities and Exchange Act.

Among the 9 Directors, 2 Directors are relatives in second degree of kinship, which is less than one-fourth of the total director seats (please refer to p.13-16 of the Annual Report); 1 Director is an employee of the Company who comprise 11% of the Board seats, and there is not any circumstance as provided in Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act.

2.1.2.4 Continuing education for the Company's directors in 2022 was as follows:

Title	Name	Date of Election / Appointment to Current Term	Date		Institution	Course	Hours	Total hours of Education
			Start Date	End Date				
Director	Huang, Yu-Tung	2022.06.09	2022.10.21	2022.10.21	Taiwan Corporate Governance Association	Corporate Governance and Securities Laws and Regulations	3	6
			2022.12.23	2022.12.23	Taiwan Corporate Governance Association	Legal Liabilities for "Management Rights Disputes" and Case Study	3	
Director	Wu, Chih-Hsyong	2022.06.09	2022.08.05	2022.08.05	Taiwan Corporate Governance Association	Reflection and Strategy against Inflation	3	6
			2022.11.04	2022.11.04	Taiwan Corporate Governance Association	Corporate Governance and Enactment of Controlled Foreign Company Rule	3	
Director	Yeh, Chun-Chia	2022.06.09	2022.11.08	2022.11.08	Accounting Research and Development Foundation	Enhancing Corporate Governance and Internal Control Compliance through "Intellectual Property Management"	6	6
Director	Yeh, Mei-Yu	2022.06.09	2022.11.08	2022.11.08	Accounting Research and Development Foundation	Enhancing Corporate Governance and Internal Control Compliance through "Intellectual Property Management"	6	6
Director	Wistron NeWeb Corporation representative：Gau, Jiahn-Rong	2022.06.09	2022.09.30	2022.09.30	Taiwan Corporate Governance Association	Principles of Public Relations for Corporate Legal Matters	3	6
			2022.09.30	2022.09.30	Taiwan Corporate Governance Association	2030.2050 Green Industrial Revolution	3	
Director	Chen, Joen-Ray	2022.06.09	2022.08.19	2022.08.19	Taiwan Invest or Relations Institute	Supply Chain Disruption or Strengthening, Crisis or Opportunity	3	6

			2022.07.15	2022.07.15	Taiwan Investor Relations Institute	Global and Taiwan Tax Policy Reforms and Corporate Tax Governance from the Perspectives of ESG Trend and Pandemic	3	
Independent Director	Lin, Huei-Yuh	2022.06.09	2022.12.08	2022.12.08	Accounting Research and Development Foundation	Development trend for Internet Technology and New Mindset for Internal Audit Personnel	6	6
Independent Director	Tseng, Yu-I	2022.06.09	2022.08.12	2022.08.12	Taiwan Corporate Governance Association	Corporate Sustainability Management from the Perspective of Risks - from Corporate Governance to ESG	3	6
			2022.11.08	2022.11.08	Taiwan Corporate Governance Association	Information Securities Governance Strategy for Listed Companies from the Perspective of ESG Corporate Sustainability	3	
Independent Director	Huang, Wen-Ho	2022.06.09	2022.10.21	2022.10.21	CPA Associations R.O.C.	Accounting and Finance Research on Environmental, Social and Governance	3	12
			2022.11.22	2022.11.22	The Institute of Internal Auditors-Chinese	Functions and Duties of Corporate Governance Personnel in the Blueprint of Corporate Governance, and Latest Development of Insider Trading Practices	6	
			2022.11.24	2022.11.24	CPA Associations R.O.C.	Analysis of Company Act and Company Registration Practices	3	

Note: In light of article 4 of Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies, the newly elected independent director- Huang, Wen-Ho- had learned over 12 hrs. in 2022. Additionally, according to Article 3 of Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies, the other directors has served as director of the other TWSE.TPEx listed company and is classified as re-elected director.

2.1.3 Information on President, Vice Presidents, Director and the Head of Various Division and Branche

April 3, 2023

Job title	Nationality	Name	Gender	Date of appointment to position	Shares held		Shares held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications (Note 2)	Positions concurrently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Remarks (Note 3)
					No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio			Job title	Name	Relationship	
Chairman. Chief Technology Officer	R.O.C.	Huang, Yu-Tung	Male	Feb.7 1998	2,744,557	2.64	668,826	0.64	0	0	Ph.D., Graduate School of Materials Science, University of Illinois Deputy Manager of Development Department, Motorola, Inc. Independent Director of Nichidenbo Corporation Chairman of Quartz Industries Association of Taiwan Director of Piezoelectric Crystal Industries Association of Taiwan Director of Passive Component Industries Association of Taiwan Director of Tecstar Technology Co., Ltd. Chairman of RFMi	Chairman and Chief Technology Officer of TAI-SAW TECHNOLOGY CO., LTD. Chairman of TAI-SAW TECHNOLOGY(WUXI) INC. Chairman of TAI-SAW TECHNOLOGY INC. Chairman of GIA-STONE ELECTRONICS CO., LTD. Chairman of TST TECHNOLOGY USA Chairman of tst biomedical electronics CO., LTD. Chairman of CIROCOMM TECHNOLOGY CORPORATION Director of SAWNICS Inc.	None	None	None	None (The employee warrants issued in 2010 expired on August 16, 2020)
President	R.O.C.	Chen, Jui-Hung	Male	Jun. 20 2019	89,000	0.09	0	0	0	0	EMBA, Yuan Ze University Director of Operations Center, TAI-SAW TECHNOLOGY CO., LTD. Vice President, Yangzhou Factory, E Ink Holdings Inc. Factory Manager, Suzhou Factory, Kinsus Interconnect Technology Corp.	Director and General Manager of TAI-SAW TECHNOLOGY (WUXI) INC. Director and General Manager of of CIROCOMM TECHNOLOGY CORPORATION General Manager of TST Tech. USA Director of Beyond Director of tst biomedical electronics CO., LTD.	None	None	None	
Marketing and Sales Center Vice President	R.O.C.	Lei, Te-Fu	Male	Oct. 8 2012	143,200	0.14	0	0	0	0	MBA, University of Wales, UK EMBA with Concentration in Economics and Trade, National Chengchi University Special Assistant to President of EDIMAX Technology Co., Ltd. Sales Vice President of Airvast tech	Supervisor of TAI-SAW TECHNOLOGY (WUXI) Director of INC.SNT Inc. Director Beyond	None	None	None	

Job title	Nationality	Name	Gender	Date of appointment to position	Shares held		Shares held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications (Note 2)	Positions concurrently held in other companies at present	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree			Remarks (Note 3)
					No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio			Job title	Name	Relationship	
Marketing and Sales Center Vice President	R.O.C.	Lee, Kun-Hung	Male	Jul. 1st 2019	133,661	0.13	0	0	0	0	Master's, Department of Electronic Engineering, Chung Yuan Christian University Director of Marketing Department, TAI-SAW TECHNOLOGY CO., LTD.	None	None	None	None	None (The employee warrants issued in 2010 expired on August 16, 2020)
President Office Special Assistant	R.O.C.	Chang, Tun-Hsin	Male	Jul. 1st 2019	135,600	0.13	130	0.00	0	0	Master's, Department of Mechanical Engineering, Tatung Institute of Technology Manager of Manufacturing Department, CTS	Vice President of CIROCOMM TECHNOLOGY	None	None	None	
Finance and Accounting Dept. Director	R.O.C.	Lee, Chin-Hung	Male	Jul. 1st 2019	94,720	0.09	0	0	0	0	Master's, Department of Finance, National Central University Manager of Finance Department, Uniplus Electronics Co., Ltd.	None	None	None	None	

2.1.4 Remuneration to Ordinary Directors, Independent Directors, Supervisors, President, and Vice Presidents

2.1.4.1 Remuneration to Ordinary Directors and Independent Directors (Disclosure of Aggregate Remuneration Plus Disclosure of Names by Remuneration Range)

Unit: Thousand shares; NT$ Thousand; %

Job title	Name	Remuneration to directors								Sum of A+B+C+D and ratio to net income (Note 10)		Remuneration received by directors for concurrent service as an employee								Sum of A+B+C+D+E+F+G and ratio to net income (Note 10)		Remuneration received from investee enterprises other than subsidiaries or from the parent company (Note11)
		Base compensation (A) (Note 2)		Retirement pays and pension (B)		Director profit sharing compensation (C) (Note 3)		Expenses and perquisites (D) (Note 4)				Salary, rewards, and special disbursements (E) (Note 5)		Retirement pays and pension (F)		Employee profit-sharing compensation (G) (Note 6)						
																The Company		All Consolidated Entities (Note 7)				
		The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	Amount in cash	Amount in stock	Amount in cash	Amount in stock	The Company	All Consolidated entities	
Director	Huang, Yu-Tung	776	776	0	0	12,394	12,394	375	375	13,546 4.1691	13,546 4.0153	3,262	3,262	0	0	1,048	0	1,048	0	17,856.8 5.4958	17,856.8 5.2931	None
	Wu, Chih-Hsyong																					
	Yeh, Chun-Chia																					
	Yeh, Mei-Yu																					
	Wistron NeWeb Corporation Representative：Gau, Jiahn-Rong																					
	Chen, Joen-Ray																					
	Gemtek Technology CO., LTD. Representative: Liao, Shyi-An(Stepped down)																					
	TriKnight Capital CORP. Representative: Mei, Kai(Stepped down)																					
Independent Director	Lin, Huei Yuh																					
	Huang, Wen-Ho																					
	Tseng, YU-I																					
	Lin, Ken-Huang (Stepped down)																					

Remuneration Range Table

Ranges of Remuneration Paid to Each of The Company's Directors	Names of Directors			
	Sum of A+B+C+D		Sum of A+B+C+D+E+F+G	
	The Company (Note8)	All Consolidated Entities (Note 9) H	The Company (Note 8)	All Consolidated Entities (Note 9) I
Less than NT$1,000,000				
NT$1,000,000 (incl.) ~NT$2,000,000 (excl.)	Huang, Yu-Tung; Wu, Chih-Hsyong; Yeh, Mei-Yu; Yeh, Chun-Chia; Lin, Huei Yuh; Lin, Ken-Huang; Gemtek Technology CO., LTD. Representative: Liao, Shyi-An; Wistron NeWeb Corporation Representative：Gau, Jiahn-Rong; TriKnight Capital CORP. Representative: Mei, Kai, Chen, Joen-Ray; Huang, Wen-Ho; Tseng, YU-I	Huang, Yu-Tung; Wu, Chih-Hsyong; Yeh, Mei-Yu; Yeh, Chun-Chia; Lin, Huei Yuh; Lin, Ken-Huang; Gemtek Technology CO., LTD. Representative: Liao, Shyi-An; Wistron NeWeb Corporation Representative：Gau, Jiahn-Rong; TriKnight Capital CORP. Representative: Mei, Kai, Chen, Joen-Ray; Huang, Wen-Ho; Tseng, YU-I	Wu, Chih-Hsyong; Yeh, Mei-Yu; Yeh, Chun-Chia; Lin, Huei Yuh; Lin, Ken-Huang; Gemtek Technology CO., LTD. Representative: Liao, Shyi-An; Wistron NeWeb Corporation Representative：Gau, Jiahn-Rong; TriKnight Capital CORP. Representative: Mei, Kai, Chen, Joen-Ray; Huang, Wen-Ho; Tseng, YU-I	Wu, Chih-Hsyong; Yeh, Mei-Yu; Yeh, Chun-Chia; Lin, Huei Yuh; Lin, Ken-Huang; Gemtek Technology CO., LTD. Representative: Liao, Shyi-An; Wistron NeWeb Corporation Representative：Gau, Jiahn-Rong; TriKnight Capital CORP. Representative: Mei, Kai, Chen, Joen-Ray; Huang, Wen-Ho; Tseng, YU-I
NT$2,000,000(incl.) ~NT$3,500,000 (excl.)				
NT$3,500,000(incl.) ~NT$5,000,000 (excl.)			Huang, Yu-Tung	Huang, Yu-Tung
NT$5,000,000 (incl.) ~NT$10,000,000 (excl.)				
NT$10,000,000(incl.) ~NT$15,000,000 (excl.)				
NT$15,000,000(incl.) ~NT$30,000,000 (excl.)				
NT$30,000,000(incl.) ~NT$50,000,000 (excl.)				
NT$50,000,000(incl.) ~NT$100,000,000 (excl.)				
NT$100,000,000 or above				
Total	12	12	12	12

Note 1: There is not appropriation of pension fund for Directors.

Note 2: This refers to director base compensation in the most recent fiscal year (including director salary, duty allowances, severance pay, and various rewards and incentives, etc.).

Note 3: Please fill in the amount of director profit-sharing compensation approved by the board of directors for distribution for the most recent fiscal year.

Note 4: This refers to director expenses and perquisites in the most recent fiscal year (including travel expenses, special disbursements, stipends of any kind, and provision of facilities such as accommodations or vehicles, etc.). If housing, car or other form of transportation, or personalized expenses are provided, disclose the nature and cost of the property provided, the actual or fair market rent, fuel expenses, and any other amounts paid. Additionally, if a driver is provided,

please add a note explaining the relevant base compensation paid by the Company to the driver, but do not include it in the calculation of the director remuneration.

Note 5: This includes any remuneration received by a director for concurrent service as an employee in the most recent year (including concurrent service as general manager, assistant general manager, other managerial officer, or non-managerial employee) including salary, duty allowances, severance pay, rewards, incentives, travel expenses, special disbursements, stipends of any kind, and provision of facilities such as accommodations or vehicles, etc. If housing, car or other form of transportation, or personalized expenses are provided, disclose the nature and cost of the property provided, the actual or fair market rent, fuel expenses, and any other amounts paid. Additionally, if a driver is provided, please add a note explaining the relevant base compensation paid by the Company to the driver, but do not include it in the calculation of the director remuneration. Additionally, salary expenses recognized as share-based payment under IFRS 2—including employee share subscription warrants, new restricted employee shares, and participation in share subscription under a right offering, etc.—should be included in the calculation of remuneration.

Note 6: This refers to employee profit-sharing compensation (including stocks and cash) received by a director for concurrent service as an employee in the most recent fiscal year (including concurrent service as general manager, assistant general manager, another managerial officer, or non-managerial employee). Disclose the amount of profit-sharing compensation approved or expected to be approved by the board of directors for distribution for the most recent fiscal year. If the amount cannot be forecasted, disclose the amount expected to be distributed by calculating pro-rata to the amount that was actually distributed in the preceding fiscal year. Table 1-3 should also be completed.

Note 7: Disclose the total amount of remuneration in each category paid to the directors of the Company by all companies in the consolidated financial report (including the Company).

Note 8: Disclose the names of the directors in the respective ranges into which they fall based on the sum total of the remuneration in the indicated categories paid to each director by the Company.

Note 9: Disclose the names of the directors in the respective ranges into which they fall based on the sum total of the remuneration in the indicated categories paid to each director of the Company by all companies in the consolidated financial report (including the Company).

Note 10: Net income means the net income after tax on the parent company only or individual financial report for the most recent fiscal year.

Note 11: a. In this column, specifically disclose the amount of remuneration received by the directors of the Company from investee enterprises other than subsidiaries or from the parent company (if none, state “None”).

b. If directors of the Company have received remuneration from investee enterprises other than subsidiaries or from the parent company, that remuneration shall be added into the amount in Column I of the Remuneration Range Table, and the name of that column shall be changed to “Parent company and all investee enterprises.”

c. Remuneration means remuneration received by directors of the Company for serving in capacities such as director, supervisor, or managerial officer at investee companies other than subsidiaries or at the parent company, including base compensation, profit-sharing compensation (including employee, director, and supervisor profit-sharing compensation) and expenses and perquisites.

*This table is for information disclosure purposes only and is not intended to be used for tax purposes, as the remuneration disclosed in this table differs from the concept of income under the Income Tax Act

2.1.4.2 Remuneration to Supervisors

Unit: NT$ Thousand; %

Job title	Name	Remuneration to Supervisors						Sum of A+B+C and ratio to net income (Note 8)		Remuneration received from investee enterprises other than subsidiaries or from the parent company (Note 9)
		Base compensation (A) (Note 2)		Profit-sharing compensation (B) (Note 3)		Expenses and perquisites (C) (Note 4)				
		The Company	All Consolidated Entities (Note 5)	The Company	All Consolidated Entities (Note 5)	The Company	All Consolidated Entities (Note 5)	The Company	All Consolidated Entities (Note 5)	
Supervisor	DEEP & FAR CONSULTANTS CO., LTD. Representative: Tsai, Feng-Der Eminence Investment CO., LTD. Representative: Hsieh, Daniel Real Mission CO., LTD. Representative: Huang, Yu-Chia	0	0	1,525	1,525	45	45	1,570 0.4834	1,570 0.4655	None

Remuneration Range Table

Ranges of remuneration paid to each of the Company's supervisors	Names of Supervisors	
	Sum of A+B+C	
	The Company (Note 6)	All Consolidated Entities (Note 7)
Less than NT$1,000,000		
NT$1,000,000 (incl.) ~NT$2,000,000 (excl.)	DEEP & FAR CONSULTANTS CO., LTD. Representative: Tsai, Feng-Der; Eminence Investment CO., LTD. Representative: Hsieh, Daniel; Real Mission CO., LTD. Representative: Huang, Yu-Chia	DEEP & FAR CONSULTANTS CO., LTD. Representative: Tsai, Feng-Der; Eminence Investment CO., LTD. Representative: Hsieh, Daniel; Real Mission CO., LTD. Representative: Huang, Yu-Chia
NT$2,000,000 (incl.) ~NT$3,500,000 (excl.)		
NT$3,500,000 (incl.) ~NT$5,000,000 (excl.)		
NT$5,000,000 (incl.) ~NT$10,000,000 (excl.)		
NT$10,000,000 (incl.) ~NT$15,000,000 (excl.)		
NT$15,000,000 (incl.) ~NT$30,000,000 (excl.)		
NT$30,000,000 (incl.) ~NT$50,000,000 (excl.)		
NT$50,000,000 (incl.) ~NT$100,000,000 (excl.)		
NT$100,000,000 or more		
Total	3	3

Note 1: The name of each supervisor shall be stated separately (for a corporate shareholder, the names of the corporate shareholder and its representative shall be stated separately) based on the amount of the aggregated remuneration items paid to each.

Note 2: This refers to supervisor base compensation in the most recent fiscal year (including supervisor salary, duty allowances, severance pay, and various rewards and incentives, etc.).

Note 3: Please fill in the amount of supervisor profit-sharing compensation approved by the board of directors for distribution for most recent fiscal year.

Note 4: This refers to expenses and perquisites paid to supervisors in the most recent fiscal year (including travel expenses, special disbursements, stipends of any kind, and provision of facilities such as accommodations or vehicles, etc.). If housing, car or other form of transportation, or personalized expenses are provided, disclose the nature and cost of the property provided, the actual or fair market rent, fuel expenses, and any other amounts paid. Additionally, if a driver is provided, please add a note explaining the relevant base compensation paid by the company to the driver, but do not include it in the calculation of the director remuneration.

Note 5: Disclose the total amount of remuneration in each category paid to the supervisors of the Company by all companies in the consolidated financial report (including the Company).

Note 6: Disclose the names of the supervisors in the respective ranges into which they fall based on the sum total of the remuneration in the indicated categories paid to each supervisor by the Company.

Note 7: Disclose the names of the supervisors in the respective ranges into which they fall based on the sum total of the remuneration in the indicated categories paid to each supervisor of the Company by all companies in the consolidated financial reports (including the Company).

Note: 8: Net income means the net income after tax on the parent company only or individual financial report for the most recent fiscal year.

Note 9: a. In this column, specifically disclose the amount of remuneration received by the supervisors of the Company from investee enterprises other than subsidiaries or from the parent company (if none, state “None”).
b. If supervisors of the Company have received remuneration from investee enterprises other than subsidiaries or from the parent company, that remuneration shall be added into the amount in Column D of the Remuneration Range Table, and the name of that column shall be changed to “Parent company and all investee enterprises.”
c. Remuneration means remuneration received by supervisors of the Company for serving in capacities such as director, supervisor, or managerial officer at investee companies other than subsidiaries or at the parent company, including base compensation, profit-sharing compensation (including employee, director, and supervisor profit-sharing compensation) and expenses and perquisites.

*This table is for information disclosure purposes only and is not intended to be used for tax purposes, as the remuneration disclosed in this table differs from the concept of income under the Income Tax Act

2.1.4.3 Remuneration to President(s) and Vice President(s)

Unit: NT$ Thousand

Job title	Name	Salary (Note 2)		Retirement pays and pension (B)		Rewards and special disbursements (C) (Note 3)		Employee profit-sharing compensation (D) (Note 4)				Sum of A+B+C+D and ratio to net income (%) (Note 8)		Remuneration received from investee enterprises other than subsidiaries or from the parent company (Note 9)
		The Company	All Consolidated Entities (Note 5)	The Company	All Consolidated Entities (Note 5)	The Company	All Consolidated Entities (Note 5)	The Company		All Consolidated Entities (Note 5)		The Company	All Consolidated Entities	
								Amount in cash	Amount in stock	Amount in cash	Amount in stock			
President	Chen, Jui-Hung	8,446	8,626	379	379	4,411	4,411	2,447	1,632	2,447	1,632	17,316 5.33	17,496 5.38	None
Chief Technology Officer	Huang, Yu-Tung													
Vice President	Lei, Te-Fu													
Special Assistant	Chang, Tun-Hsin													
Vice President	Lee, Kun-Hung													

Remuneration Range Table

Ranges of remuneration paid to each of the Company's President(s) and Vice President(s)	Names of President(s) and Vice President(s)	
	The Company (Note 6)	All Consolidated Entities (Note 7)
Less than NT$1,000,000		
NT$1,000,000 (incl.) ~NT$2,000,000 (excl.)		
NT$2,000,000 (incl.) ~NT$3,500,000 (excl.)	Lei, Te-Fu; Chang, Tun-Hsin; Lee, Kun-Hung	Lei, Te-Fu; Chang, Tun-Hsin; Lee, Kun-Hung
NT$3,500,000 (incl.) ~NT$5,000,000 (excl.)	Chen, Jui-Hung; Huang, Yu-Tung,	Chen, Jui-Hung; Huang, Yu-Tung,
NT$5,000,000 (incl.) ~NT$10,000,000 (excl.)		
NT$10,000,000 (incl.) ~NT$15,000,000 (excl.)		
NT$15,000,000 (incl.) ~NT$30,000,000 (excl.)		
NT$30,000,000 (incl.) ~NT$50,000,000 (excl.)		
NT$50,000,000 (incl.) ~NT$100,000,000 (excl.)		
NT$100,000,000 or more		
Total	5	5

Note 1: The name of each President and Vice President shall be stated separately, based on the amount of the aggregated remuneration items paid to each. If a director concurrently serves as a President or a Vice President, please complete this table and Table (1-1), or Tables (1-2-1) and (1-2-2).

Note 2: This includes salary, duty allowances, and severance pay to the President(s) and Vice President(s) in the most recent fiscal year.

Note 3: This includes the amounts of all types of rewards, incentives, travel expenses, special disbursements, stipends of any kind, provision of facilities such as accommodations or vehicle, and other compensation to the President(s) and Vice Presidents(s) in the most recent fiscal year. If housing, car or other form of transportation, or personalized expenses are provided, disclose the nature and cost of the property provided, the actual or fair market rent, fuel expenses, and any other amounts paid. Additionally, if a driver is provided, please add a note explaining the relevant base compensation paid by the company to the driver, but do not include it in the calculation of the director remuneration. Additionally, salary expenses recognized as share-based payment under IFRS 2—including employee share subscription warrants, new restricted employee shares, and participation in share subscription under a right offering, etc.—should be included in the calculation of remuneration.

Note 4: This refers to employee profit-sharing compensation (including stocks and cash) received by the President(s) and Vice President(s) as approved or expected to be approved by the board of directors for the most recent fiscal year (including concurrent service as President, Vice President, another managerial officer, or non-managerial employee). If the amount cannot be forecasted, disclose the amount expected to be distributed by calculating pro-rata to the amount that was actually distributed in the preceding fiscal year. Table 1-3 should also be completed.

Note 5: Disclose the total amount of remuneration in each category paid to the President(s) and Vice President(s) by all companies in the consolidated financial report (including the Company).

Note 6: Disclose the names of the President(s) and Vice President(s) in the respective ranges into which they fall based on the sum total of the remuneration in the indicated categories paid to each President and Vice President by the Company.

Note 7: Disclose the names of the President(s) and Vice President(s) in the respective ranges into which they fall based on the sum total of the remuneration in the indicated categories paid to each President and Vice President of the Company by all companies in the consolidated financial report (including the Company).

Note 8: Net income means the net income after tax on the parent company only or individual financial report for the most recent fiscal year.

Note 9: a. In this column, specifically disclose the amount of remuneration received by the President(s) and Vice President(s) of the Company from investee enterprises other than subsidiaries or from the parent company (if none, state “None”).

b. If President(s) or Vice President(s) of the Company have received remuneration from investee enterprises other than subsidiaries or from the parent company, that remuneration shall be added into the amount in Column E of the Remuneration Range Table, and the name of that column shall be changed to “Parent company and all investee enterprises.”

c. Remuneration means remuneration received by the President(s) and Vice President(s) of the Company for serving in capacities such as director, supervisor, or managerial officer at investee companies other than subsidiaries or at the parent company, including base compensation, profit-sharing compensation (including employee, director, and supervisor profit-sharing compensation) and expenses and perquisites.

*This table is for information disclosure purposes only and is not intended to be used for tax purposes, as the remuneration disclosed in this table differs from the concept of income under the Income Tax Act.

2.1.4.4 Names and Distributions of Employee Profit-Sharing Compensation to Managerial Officers

Unit: NT$ Thousand

Item	Job title (Note 1)	Name (Note 1)	Amount in stock	Amount in cash	As a % of net profit
Managerial officers	Chairman / Chief Technology Officer	Huang, Yu-Tung	2,017	3,025	1.55
	President	Chen, Jui-Hung			
	Vice President	Lei, Te-Fu			
	Special Assistant	Chang, Tun-Hsin			
	Vice President	Lee, Kun-Hung			
	Director	Lee, Chin-Hung			
	Senior Manager	Chen, Chi-Yun			

Note 1: Names and job titles should be disclosed individually, but profit distributions received may be disclosed in aggregate.

Note 2: Fill in the amount of employee profit-sharing compensation (including stocks and cash) received by the managerial officers as approved or expected to be approved by the board of directors for the most recent fiscal year. If the amount cannot be forecasted, disclose the amount expected to be distributed by calculating pro-rata to the amount that was actually distributed in the preceding fiscal year. If the Company has already adopted the IFRS, net income means the net income after tax on the parent company only or individual financial report for the most recent fiscal year.

Note 3: The applicable scope of "managerial officers" is defined under the 27 March 2003 FSC Order No. Tai-Cai-Zheng-III-0920001301 as persons in the following positions:
(1) General manager(s) and equivalent level positions
(2) Assistant general manager(s) and equivalent level positions
(3) Deputy assistant general manager(s) and equivalent level positions
(4) Chief officer of the finance division
(5) Chief officer of the accounting division
(6) Other persons who have the power to manage affairs and sign for the Company

Note 4: If any director, general manager, or assistant general manager receives profit-sharing compensation (including stocks or cash), complete this table in addition to Table 1-2

2.1.4.5 Analysis of the ratio of total remunerations for Directors, Supervisor, President and Vice Presidents to Net Income(Loss) in the last two years and description of the policy, standards and packages of remuneration, procedure for making such decision and relation to business performance。

(1) Information of total remunerations for Directors, Supervisor, President and Vice Presidents to Net Income (Loss) in the last two years.

Unit: %

Job Title	Total Remuneration as Percentage (%) of After-tax Net Income (Loss)			
	2021		2022	
	Company	Companies in Consolidated Financial Statement	Company	Companies in Consolidated Financial Statement
Directors	3.777	3.988	5.495	5.293
Supervisors	1.184	1.250	0.483	0.465
President and Vice President	2.323	2.453	5.33	5.38

Note1: Salaries of directors, president and vice presidents consist of basic salary, meal allowance, duty allowance and etc. and may vary based on educational background, experience and number of years of service.

(2) The remuneration paid to directors and supervisors complies with the provisions of the Articles of Incorporation, and the Company's business performance and their contribution to the Company are also taken into account in the consideration of reasonable compensation. Compensation paid to the president and vice presidents is determined by the Remuneration Committee based on the industrial standards for equivalent positions, scope of duties and their contribution to the Company's operational goals.

The standard of remuneration is set reasonably by taking the Company's overall business performance, future operational risks of the industry and development trend into account, plus personal performance and contribution to the Company. Such a standard aims to minimize the possibility of future operational risk and shall be adjusted in alignment with actual business performance and laws and regulations in pursuit of a balance between corporate sustainability and risk management.

3 Implementation of Corporate Governance

3.1 Operation of the Board of Directors：

The Company re-elected directors Independent Directors on June, 9th, 2022 (Effective date of the new appointment:2022.06.09~2025.06.08). The Board of Directors convened 3 meetings before the re-election (A), and 3 meetings after the re-election.

During the most recent year (2022), the Board of Directors convened 12 meetings. The attendance record of individual directors is as follows:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) 【B/A】	Remarks
Directors	Huang, Yu-Tung	6	0	100%	Re-elected/ 6 attendances required
Director	Wu, Chih-Hsyong	6	0	100%	Re-elected/ 6 attendances required
Director	Yeh, Mei-Yu	6	0	100%	Re-elected/ 6 attendances required
Director	Yeh, Chun-Chia	6	0	100%	Re-elected/ 6 attendances required
Director	Gemtek Technology CO., LTD. Representative: Liao, Shyi-An	3	0	100%	Stepped down/ 3 attendances required
Director	Wistron NeWeb Corporation Representative： Gau, Jiahn-Rong	6	0	100%	Re-elected/ 6 attendances required
Director	TriKnight Capital CORP. Representative: Mei, Kai	3	0	100%	Stepped down/ 3 attendances required
Independent director	Lin, Huei Yuh	6	0	100%	Re-elected/ 6 attendances required
Independent director	Lin, Ken-Huang	3	0	100%	Stepped down/ 3 attendances required
Director	Chen, Joen Ray	3	0	100%	Newly elected/ 3 attendances required
Independent director	Huang, Wen-Ho	3	0	100%	Newly elected/ 3 attendances required
Independent director	Tseng, Yu-I	2	1	67%	Newly elected/ 3 attendances required

Other issues to be noted:

1. In the event of either of the following situations, dates, sessions, contents of resolutions of the Board Meetings, opinions from all independent directors, and Company responses to their opinions should be noted: Please refer to p. 70-72 of the Annual Report.
2. In situations where independent directors recuse themselves due to conflict of interest, the director's name, content of the resolution, reason for recusal, and his or her voting participation should be properly recorded:

Meeting Date	Name(s) of Directors	Proposal	Reason for recusal	Participated in Vote or Not
2022.8.4	Huang, Yu-Tung	2022 compensation distribution for director, supervisor, executives and managers, reviewed by Company's Remuneration Committee.	Personally Interested	Recused as provided by law, not participating in discussion and voting
2022.8.4	Lin, Huei-Yuh Huang, Wen-Ho Tseng, Yu-I	The remuneration plan for independent directors.	Personally Interested	Recused as provided by law, not participating in discussion and voting
2022.8.4	Lin, Huei-Yuh Huang, Wen-Ho Tseng, Yu-I	The remuneration plan for the member of Remuneration Committee.	Personally Interested	Recused as provided by law, not participating in discussion and voting
2022.11.3	Huang, Yu-Tung	Distribution list of 2022 Restricted Stock Award	Personally Interested	Recused as provided by law, not participating in discussion and voting

3. For information on the evaluation cycle and period, evaluation scope, method and evaluation content of the board self-evaluation, please refer to next table.
4. Enhancements to the functionality of the board of directors in the current and the most recent year (e.g., Establishment of an Audit Committee, improvement of information transparency etc.), and the progress of such enhancements: The Company has a Compensation Committee and an Audit Committee in place which assist directors to supervise the Company's operations

Note 1: For a director or supervisor that is a juristic person (corporate entity), disclose the name of the corporate shareholder and the name of its representative.

Note 2: (1) If any director or supervisor left office before the end of the fiscal year, specify the date that they left office in the Remarks column. Their in-person attendance rate (%) should be calculated based on the number of board meetings held and the number they attended in person during the period they were in office.
(2) If any by-election for directors or supervisors was held before the end of the fiscal year, the names of the new and old directors and supervisors should be filled in the table, with a note stating whether the director or supervisor left office, was newly serving, or was serving consecutive terms, and the date of the by-election. The in-person attendance rate (%) should be calculated based on the number of board meetings held and the number attended in person during the period of each such person’s actual time in office.

3.2 Implementation of Evaluations of the Board of Directors and functional committee

Evaluation cycle	Evaluation period	Scope of evaluation	Method of evaluation
Annually	2022.01.01~ 2022.12.31	Including the performance evaluation of the board of directors, directors and functional committees	Self- evaluation of Board of Directors, Individual Directors, Remuneration Committee, Audit Committee, Sustainable Development Committee

Evaluation Content

1. The items for the self- evaluation of Board of Directors include the following aspects: Participation in the operation of the company; Improvement of the quality of the board of directors' decision making; Composition and structure of the board of directors; Election and continuing education of the directors; and Internal control. ◦
2. The items for the self- evaluation of the individual directors include the following aspects: Alignment of the goals and missions of the company; Awareness of the duties of a director; Participation in the operation of the company; Management of internal relationship and communication; The director's professionalism and continuing education; and Internal control.
3. The items for the self- evaluation of the Remuneration Committee include the following aspects: The degree of participation in the company's operations; Awareness of the Remuneration Committee's responsibilities; Improvement of board decision quality; Remuneration Committee composition and member selection.
4. The items for the self- evaluation of the Audit Committee include the following aspects: The degree of participation in the company's operations; Awareness of the Audit Committee's responsibilities; Improvement of board decision quality; Audit Committee composition and member selection; Internal control.
5. The items for the self- evaluation of the Sustainable Development Committee include the following aspects: The degree of participation in the company's operations; Awareness of the Sustainable Development Committee's responsibilities; Improvement of board decision quality; Sustainable Development Committee composition and member selection.

2022 Evaluation Result

The company completed the performance evaluation of the board of directors, directors, remuneration committee, audit committee and sustainable development committee and reported it to the board of directors' meeting on March 15th, 2023.

The performance of board of directors, Individual director, and functional committee are assessed as excellent. The weighted average score is from 4.56～4.78 out of 5. The evaluation result of board of directors, Individual director, and each functional committee are as below:

- Board of Directors: Average score is 4.78 out of 5
- Individual Director: Average score is 4.78 out of 5
- Remuneration Committee: Average score is 4.58 out of 5
- Audit Committee: Average score is 4.56 out of 5
- Sustainable development committee: average score is 4.69 out of 5

Overall, the operation of board and functional committees are functioning effectively.

3.3 Operation of the Audit Committee or Supervisor's participation in the board of directors meeting

3.3.1 Operation of the Audit Committee：

The Company re-elected directors and independent directors on June, 9th, 2022(Effective date of the new appointment:2022.06.09~2025.06.08), and establish audit committee in the meanwhile. The major responsibilities of the committee are: 1. The adoption of or amendments to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.; 2. Assessment of the effectiveness of the internal control system.; 3. The adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.; 4. Matters in which a director is an interested party.; 5. Asset transactions or derivatives trading of a material nature.; 6. Loans of funds, endorsements, or provision of guarantees of a material nature.; 7. The offering, issuance, or private placement of equity-type securities.; 8.The hiring or dismissal of a certified public accountant, or their compensation.; 9. The appointment or discharge of a financial, accounting, or internal audit officer. 10. Annual and semi-annual financial reports.; 11. Other material matters as may be required by this Corporation or by the competent authority.

3.3.1.1 Information on Audit Committee Members

The Audit Committee is composed of 3 independent directors. The main function of the Audit Committee is to supervise the following matters:1. Fair presentation of the financial reports of the company. 2.The hiring (and dismissal), independence, and performance of certificated public accountants of the company. 3. The effective implementation of the internal control system of the company. 4. Compliance with relevant laws and regulations by the company. 5. Management of the existing or potential risks of this Corporation. Following is the professional qualification and experience of Audit Committee members:

Identify	Name	Professional Qualifications and Experience	Remark
Independent director (Convener)	Huang, Wen-Ho	Master of Accounting, National Chengchi University. Partner Accountant (C.P.A.) and Chair of ANSWER CPAs FIRM. Possesses sufficient practical experience and profession required companies for business.	For information on qualification and independence analysis of Audit Committee members, please refer to p.19 of the Annual Report
Independent director	Tseng, Yu-I	University of Scranton, MBA. Partner of BUENA VENTURE MANAGEMENT CORP. and Chairman of GLORY SUN OPTO-ELECTRONICS CORP. Possesses sufficient practical experience and profession required companies for business.	
Independent director	Lin, Huei-Yuh	University of Scranton, MBA. Partner of BUENA VENTURE MANAGEMENT CORP. and Chairman of GLORY SUN OPTO-ELECTRONICS CORP. Possesses sufficient practical experience and profession required companies for business.	

3.3.1.2 Operation of the Audit Committee

During the most recent year (2022), the Audit Committee convened 3 meetings. The attendance record of independent directors is as follows：

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) 【B/A】	Remarks
Independent director	Lin, Huei Yuh	3	0	100%	Newly-elected/ 3 attendances required
Independent director	Huang, Wen-Ho	3	0	100%	Newly-elected/ 3 attendances required
Independent director	Tseng, Yu-I	2	1	67%	Newly-elected/ 3 attendances required

Other issues to be noted:

1. Resolutions of the audit committee and company's handling of audit committee shall be described if any of following circumstance occur during operation of audit committee, the board meeting date, dates, sessions, proposal contents.

(1) Issues specified in Article 14-5 of the Securities and Exchange Act

Meeting Date	Proposals	Resolution of Audit Committee	Company's handling of Audit Committee Member's Opinion
2022.6.16	Approved the adjustment of 2021 legal reserve and profit distribution table.	The proposal was approved by the members of audit committee unanimously	The proposal was approved by directors present at the meeting.
	Approved the endorsements/guarantees to re-investment company- TAI-SAW TECHNOLOGY (WUXI) INC.		
2022.8.4	Approved change of certified public accountant in accordance with KPMG's personnel re-arrangement		
	Approved FY22H1 Financial Statements		
	Approved to increase the shareholding in subsidiary CIROCOMM TECHONOLOGY CORPORATION.		
	Approved the endorsements/guarantees to subsidiary CIROCOMM TECHONOLOGY CORPORATION.		
2022.11.3	Report on the examination of the Company's "Ability of Preparing Financial Reports"		
	Review of the Company's 2023 Annual Audit Plan		
	Ratification of the amendments to the Company's "Regulations for the first issuance of restricted stocks in 2022"		
	Distribution of the "First Issuance of Restricted Stocks in 2022"		
	Proposal of investment in venture capital		
	Amendments to the Company's "General Information of Internal Control Policy" and "Internal Audit Implementation Rules"		

(2) Other matters not passed by the Audit Committee, which were then agreed upon by two-thirds of the entire membership of the Board of Directors: None

2. In situations where independent directors recuse themselves due to conflict of interest, the independent director's name, content of the resolution, reason for recusal, and his or her voting participation should be properly recorded: None

3. Communication between Independent Directors, head of internal audit, and CPAs (including communication methods and results for material issues and the Company's finances and businesses):

(1) Communication policy for Independent Directors and head of internal audit:

(i) Head of internal auditors shall submit an audit report and correction follow-up report at the end of each month to the Independent Directors, stating the status of annual audit plan execution and follow-up on internal control corrections.

(ii) Work progress shall be reported to the Director at least once a quarter. In event of material and abnormal events, reports will be made and submitted to independent directors.

Meeting Date	Discussed Item
2022.6.16	Internal audit report
2022.8.4	Internal audit report
2022.11.3	Internal audit report

(2) Communication policy for independent directors and CPAs:

(i) Independent directors and CPAs auditors communicate and discuss at least once a year. The scope of communication includes the independence and relevant responsibilities of independent auditors in auditing consolidated financial statements; matters in relation to audit planning; material deficiencies identified in audits (including significant flaws in entry adjustments and internal control); contents of reviewed reports; and review results of interim financial statements.

(ii)The Audit Committee completes review reports by referring to the audited Company’s consolidated financial statements and audit opinions.

Meeting Date	Discussed Item
2022.8.4	Change of certified public accountant
2022.11.3	3Q22 financial report

3.3.2 Supervisor's Participation in board of directors meeting：

The Company re-elected directors and independent directors on June, 9th, 2022(Effective date of the new appointment:2022.06.09~2025.06.08), and establish audit committee to replace supervisors.

During the most recent year (2022), the Board of Directors convened 3 meetings before the re-election. The attendance record of independent directors is as follows：

Title	Name	No. of meetings attended in person (B)	In-person attendance rate (%) 【B/A】 (Notes 1 and 2)	Remarks
Supervisor	DEEP & FAR CONSULTANTS CO., LTD. Representative: Tsai, Feng-Der	3	100%	Stepped down/ 3 attendances required
Supervisor	Real Mission CO., LTD. Representative: Huang, Yu-Chia	3	100%	Stepped down/ 3 attendances required
Supervisor	Eminence Investment CO., LTD. Representative: Hsieh, Daniel	3	100%	Stepped down/ 3 attendances required

Other issues to be noted:

1. Composition and Duties

(1) Communication between supervisor, employee and stakeholders: Supervisors will communicate and discuss with employee, and stakeholder directly when necessary.

(2) Communication between supervisor, head of internal audit, and CPAs:

(i) Supervisors regularly communicate with Internal Audit Officer in the board meetings or supervisors' meetings or when it is necessary, and they maintain the good communication through phone calls or e-mail.

(ii) Supervisors have good communication with the CPAs with regard to financial conditions occasionally.

2. Company's handling of supervisor's opinions shall be described if any of following circumstance occur during operation of board of director meeting the board meeting date, dates, sessions, proposal contents, resolutions of the board of director meeting: None

Note 1: If there is any supervisor resigning before the end of a fiscal year, the date of resignation shall be indicated in the note, and the actual attendance rate (%) shall be calculated based on the number of actual attendances during his or her service.

Note 2: Before the end of a fiscal year, if there is any re-election of supervisor, both former and incumbent supervisors shall be stated, and in the note, whether a supervisor is former, incumbent or re-elected, and the election date shall be indicated. Actual attendance rate (%) is calculated using the actual number of attendances during his or her term of office.

3.4 Corporate Governance- Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons：

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
1. Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?	V		The Company has adopted the “Corporate Governance Principles” and disclosed on its official website. http://www.taisaw.com	There is no deviation from the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies”.
2. Shareholding Structure and Shareholders’ Rights				
(1) Does the Company have Internal Operation Procedures for handling shareholders’ suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly?	V		The Company has the spokesperson, deputy spokesperson, spokesperson’s mailbox and professional stock affairs agent handling shareholders’ suggestions and disputes.	There is no deviation from the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies”.
(2) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders?	V		Pursuant to Article 25 of the Securities and Exchange Act, the movement of shares held by insiders, including directors, supervisors, executive officers and shareholders who hold more than 10% of the total shares, shall be filed monthly to the Market Observation Post System designated by the Securities and Futures Bureau.	There is no deviation from the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies”.
(3) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates?	V		In addition to the risk control mechanism adopted by the Company, the Company has established the “Regulations for the supervision of subsidiaries”, “Ethical Code of Conduct” and “Regulations Governing Finance and Business of Group Enterprise Company and Specific Companies” and assisted its subsidiaries in establishing internal control system in writing and adopting the “ Procedures for the Acquisition and Disposal of Assets”, “Procedures for Making Endorsements and Guarantees” and “Procedures for loaning to others” in alignment with those of the parent company to implement the risk management mechanism for subsidiaries.	There is no deviation from the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies”.
(4) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	V		The “Procedures for Handling Material Inside Information and Preventing Insider Trading “has been included in the Company’s internal control system, and these procedures prohibit insiders of the Company from any trading of securities using undisclosed	There is no deviation from the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies”.

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			information.	
3. Composition and responsibilities of the board of directors				
(1) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?	V		Indicated in Chapter III Enhancing the Functions of the Board of Director of the Company's "Corporate Governance Principles", the composition of board members shall take diversity into account, and an appropriate policy on diversity shall be formulated based on the Company's operation, business model and development needs. The Company's board members shall come from various professional backgrounds and fields, and elected at least 1 female director accounted for 11% of directors. In 9th term board of directors, one female director has been appointed and has achieved the goal of 11%. Also, the board members are aged from 51~70 years old. The composition of the board meets the requirements for age, nature, experience and professionality, and is in line with the policy on board diversity. (Please refer to p.20-21 of the Annual Report)	There is no deviation from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies".
(2) Has the Company voluntarily established other functional committees in addition to the remuneration committee and the audit committee?	V		The Company has lawfully established the Remuneration Committee and Audit Committee, and founded the Sustainable Development Committee in 2022.	There is no deviation from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies".
(3) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms?	V		The Company has adopted the "Regulations Governing the Evaluation of Board Performance" and conducts the performance evaluation annually. The result of performance evaluation is then submitted to the board of directors' meeting and used as a reference for individual director's remuneration, selection and nomination for directors. Following are the evaluation aspects for board of directors, individual director and each functional committee: 1. The items for the self- evaluation of Board of Directors include the following aspects: Participation in the operation of the company; Improvement of the quality of the board of	There is no deviation from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies."

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			directors' decision making; Composition and structure of the board of directors; Election and continuing education of the directors; and Internal control. 2. The items for the self- evaluation of the individual directors include the following aspects: Alignment of the goals and missions of the company; Awareness of the duties of a director; Participation in the operation of the company; Management of internal relationship and communication; The director's professionalism and continuing education; and Internal control. 3. The items for the self- evaluation of the Remuneration Committee include the following aspects: The degree of participation in the company's operations; Awareness of the Remuneration Committee's responsibilities; Improvement of board decision quality; Remuneration Committee composition and member selection. 4. The items for the self- evaluation of the Audit Committee include the following aspects: The degree of participation in the company's operations; Awareness of the Audit Committee's responsibilities; Improvement of board decision quality; Audit Committee composition and member selection; Internal control. 5. The items for the self- evaluation of the Sustainable Development Committee include the following aspects: The degree of participation in the company's operations; Awareness of the Sustainable Development Committee's responsibilities; Improvement of board decision quality; Sustainable Development Committee composition and member selection. The company completed the performance evaluation of the board of directors, directors, remuneration committee, audit committee and sustainable development committee and reported it to the board of directors' meeting on March 15th, 2023. The performance of board of directors, Individual director, and	

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			functional committee are assessed as excellent. The weighted average score is from 4.56～4.78 out of 5. The evaluation result of board of directors, Individual director, and each functional committee are as below: 1. Board of Directors: Average score is 4.78. The company will provide corporate information timelier to strengthen the structure and operation of board of directors. 2. Individual Director: Average score is 4.78. The company will increase the communication opportunities between directors and the management team, and among directors as well to make communication between directors and the management team more efficient. 3. Remuneration Committee: Average score is 4.58. The company will provide education information to committee members to strength their professional knowledge in relevant fields. 4. Audit Committee: Average score is 4.56. The company has arranged the communication opportunity for CPA and committee members twice a year to assist the committee member in understanding the scope of their duties and enhancing the function of the board 5. Sustainable development committee: Average score is 4.69 The company will assist committee members in enrolling in sustainable development courses to help them understand the scope of their duties, so that the committee members can provide timely and objective suggestions and further enhance the functions of the board.	
(4) Does the Company regularly evaluate its external auditors' independence?	V		The Audit Committee of the company periodically evaluates the independence and competency of CPAs, and subsequently submit to the board of directors' meeting for discussion. The latest evaluation is on 2023.3.15 assessed by audit committee and approved on 2023.3.15 by board of directors meeting. Evaluation mechanism: The company refers to article 47 of	There is no deviation from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies."

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			Certified Public Accountant Act and The Bulletin of Norm of Professional Ethics for Certified Public Accountant of the Republic of China No. 10- Integrity, Objectivity and Independence-to set the evaluation mechanism as below: 1. The CPA has no direct or material indirect financial interest in the auditor. 2. The CPA has no significant close business relationship with the audit 3. The CPA hasn't entered into a potential employment negotiation with the audit 4. The CPA hasn't lent or borrowed funds to or from the company 5. The CPA hasn't accepted gifts or hospitality from Director, managerial officer. (The value is abnormally higher than normal social matters) 6. The CPA hasn't provided audit services to the company for seven consecutive years. 7. The CPA doesn't hold any share of the company 8. The CPA, the spouse and dependents thereof, and member of audit engagement team haven't previously served for the client or audited entity as a director, supervisor, managerial officer, or an employee with material influence over attestation, and has been separated from the position for less than two years. 9. The CPA meets the criteria of independency of The Bulletin of Norm of Professional Ethics for Certified Public Accountant of the Republic of China No. 10, and provide "Declaration of Independence" to the company. Evaluation result: The CPAs meet the aforementioned independency criteria and competency requirements. There is no doubt about the reliability of the financial statement issued by CPA.	

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
4. Does the TWSE/TPEx listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?		V	Corporate governance officer, being responsible for corporate governance relevant affair, will be designated by 2023H1	The company will appoint the corporate governance officer to align with corporate governance spirit.
5. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders' section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	V		The Company has the spokesperson system and official website to provide the latest news of the Company and the communication window as a communication channel for stakeholders.	There is no deviation from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies."
6. Has the Company appointed a professional shareholder services agent to handle matters related to its shareholder meetings?	V		The Company has assigned KGI Securities as its stock affairs agency to assist it in handling stock related affairs.	There is no deviation from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies."
7. Information Disclosure				
(1) Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status?	V		The Company has set up its website at https://www.taisaw.com, to provide information regarding financials and business, and it is maintained and updated by the designated personnel. With regard to the disclosure of corporate governance information, the Company has assigned the dedicated personnel responsible for collecting information and disclosing material information of the Company, and the spokesperson speaks publicly. The Company has disclosed information such as the material information, financials, status of board meetings and shareholders' meetings, operation of internal audit organization, major regulations and relevant rules on its official website for investors' reference.	There is no deviation from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies."

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
(2) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?	V		There is English version of the official website to provide relevant information of the Company.	There is no deviation from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies."
(3) Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?		V	The Company announces and reports the annual financial statements within three months after the end of a fiscal year according to relevant laws and regulations, and it announces and reports the first-, second- and third-quarter financial statements and monthly operational results prior to the prescribed time limits.	The Company will evaluate relevant procedures in advocacy for corporate governance spirit.
8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?	V		1. Employee rights and benefits/ employee care: The Company handles relevant employee rights and benefits in compliance with the Labor Standards Act, and it has established the Employee Welfare Committee, implemented pension system, encouraged employees to participate in domestic and overseas training courses and technology conferences, planned employee group insurance and arranged regular check-ups, focused on labor relationship and provided equal opportunities. 2. Supplier relationship/ stakeholders' rights: They are handled pursuant to corresponding regulations of the Company, and the partnering suppliers perform duties provided in contracts to maintain legal rights and interests of both parties. 3. Investor relationship: The Company stresses on investors' rights and interests, and in addition to prompt announcement of material information on the designated Market Observation Post System according to relevant regulations, the Company also discloses relevant material information on its official website to protect the basic rights of investors and fulfill its responsibility to investors. 4. Continuing education of directors and supervisors: The Company's directors and supervisors participate in continuing education courses in finance- and business-related fields every year.	There is no deviation from the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies."

Evaluation item	Implementation status (Note)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary description	
			5. Liability insurance purchased for directors and supervisors: the Company purchases liability insurance for its directors every year and report such a purchase to the board of directors. Implementation of risk management policy and risk measurement standards: the Company has set relevant risk management policy, organizational structure and related risk management operations and continuously monitored the projects, in which, potential risk may exist in order to build a sound risk management mechanism.	
9. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement. (If the Company was not included among the companies evaluated for the given recent year, this item does not need to be completed.) ： -The prior improvements and measures to be taken in 2023 based on the result of 2022 corporate governance evaluation: Appointment of corporate governance officer.				

3.5 Duties, Composition and Operation of the Remuneration Committee：

The Company established the “Remuneration Committee” by the passage of the Board of Directors on October 28, 2011, and its duties are: 1. Periodically reviewing this Charter and making recommendations for amendments. 2. Establishing and periodically reviewing the performance assessment standards, annual and long-term performance goals, and the policies, systems, standards, and structure for the compensation of the directors, supervisors, and managerial officers of the company. 3. Periodically assessing the degree to which performance goals for the directors and managerial officers of the company have been achieved, setting the types and amounts of their individual compensation based on the results of the reviews conducted in accordance with the performance.

3.5.1 Information on Remuneration Committee Members

The 5th term Remuneration Committee is composed of 3 independent directors. Following is the professional qualification and experience of Remuneration Committee members:

Identify	Name	Professional Qualifications and Experience	Independence Analysis	Number of other public companies at which the person concurrently serves as remuneration committee member	Remark
Independent director (Convener)	Lin, Huei-Yuh	University of Scranton, MBA. Partner of BUENA VENTURE MANAGEMENT CORP. and Chairman of GLORY SUN OPTO-ELECTRONICS CORP. Possesses sufficient practical experience and profession required companies for business, and not been a person of conditions defined in Article 30 of the Company Act.	Independent directors have not been any of the following: 1. An employee of the company or any of its affiliates. 2 A director or supervisor of the company or any of its affiliates. 3. A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings. 4. A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under paragraph 1 or any of the persons in the preceding two paragraphs.	None	
Independent director	Huang, Wen-Ho	Master of Accounting, National Chengchi University. Partner Accountant (C.P.A.) and Chair of ANSWER CPAs FIRM. Possesses sufficient practical experience and profession required companies for business, and not been a person of conditions defined in Article 30 of the Company Act.		None	

Independent director	Tseng, Yu-I	University of Scranton, MBA. Partner of BUENA VENTURE MANAGEMENT CORP. and Chairman of GLORY SUN OPTO-ELECTRONICS CORP. Possesses sufficient practical experience and profession required companies for business, and not been a person of conditions defined in Article 30 of the Company Act.	5. A director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. 6. If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company. 7. If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution. 8. A director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company. 9. A professional individual who, 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 affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT$500,000, or a spouse thereof ◦ 10. having a material relationship, or a relative within the second degree of kinship to any other director of the company. 11. Elected in the capacity of the government, a juristic person, or a representative thereof, as provided in Article 27 of the Company Act.	None	

Note 1: Please specifically fill in the number of years of relevant work experience, and the professional qualifications and experience, and the status of independence, of each remuneration committee member. If the member is an independent director, you may add a note directing readers to refer to the relevant information in Table 1 Information on Directors and Supervisors (1) on p. ____. For “Capacity,” please specify whether the member is an independent director or other (if the member is the convener, please note that fact).

Note 2: Professional qualifications and experience: Describe the professional qualifications and experience of each member of the remuneration committee.

Note 3: Independence analysis: Describe the status of independence of each remuneration committee member, including but not limited to the following: whether the member or their spouse or relative within the second degree of kinship serves or has served as a director, supervisor, or employee of the Company or any of its affiliates; the number and ratio of shares of the Company held by the member, their spouse, and their relatives with the second degree (or through their nominees); whether the member has served as a director, supervisor or employee of a “specified company” (see Article 6, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); the amount(s) of any pay received by the remuneration committee member for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate thereof within the past 2 years.

Note 4: Regarding the method for disclosure, please refer to the “SAMPLE ANNUAL REPORT” page on the website of the Taiwan Stock Exchange Corporate Governance Center.

3.5.2 Operation of the Remuneration Committee

The Company re-elected directors Independent Directors on June, 9th, 2022, and appointed the members of remuneration committee on June, 16th, 2022 (Effective date of the new appointment:2022.06.09~2025.06.08). The remuneration committee convened 3 meetings before the re-election (A), and 2 meetings after the re-election.

During the most recent year (2022), the remuneration convened 5 meetings. The attendance record of individual directors is as follows:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) (B / A) (Notes)	Remarks
Convener	Lin, Huei-Yuh	5	0	100%	Re-elected/ 5 attendances required
Member	Lin, Ken-Huang	3	0	100%	Stepped down/ 3 attendances required
Member	Cheng, Tun-Jen	3	0	100%	Stepped down / 3 attendances required
Member	Huang, Wen-Ho	2	0	100%	Newly elected / 2 attendances required
Member	Tseng, Yu-I	1	1	50%	Newly elected / 2 attendances required

Other information required to be disclosed：

1. Remuneration Committee's suggestions that are not accepted or amended by the Board of Directors: None
2. The resolutions of the Remuneration Committee which Committee member has oppositions or reservations which had been recorded or written: None
3. The matter for discussion and resolutions of the Remuneration Committee in 2022 and the Company's handling of members' opinions

Meeting Date	Proposals	Resolutions of Remuneration Committee	Company's handling of Remuneration Committee member's opinion
2022.01.24	2021 year-end bonuses plan for executives and managers	The proposal was approved by the members of remuneration committee unanimously	The proposal was approved by attending directors unanimously
2022.03.17	2021 compensation distribution for director, supervisor, and employee		
2022.04.28	Employee stock ownership trust plan and setting up the corresponding committee.		
2022.08.04	2022 mid-year bonuses plan for executives and managers.		
	2022 compensation distribution for director, supervisor, executives and managers	For the part of this proposal that involves remuneration to individual independent director, the interested independent director did not participate in the discussion and voting, and the remaining part was passed unanimously by all Committee members present.	
	Remuneration plan for independent directors		
	Remuneration plan for the member of Remuneration Committee.		
	Remuneration plan for the executives and managers	The proposal was approved by the members of remuneration committee unanimously	
	The distributions for the executives and managers and record date for 2022 restricted stocks awards.		
2022.11.03	The distributions for the executives and managers for 2022 restricted stocks awards.	For the part of this proposal that involves the employee who serves as a director, the interested director did not participate in the discussion and voting, and the remaining part was passed unanimously after the Chairman consulted all members present.	

Notes 1: If any remuneration committee member left the committee before the end of the fiscal year, specify the date that they left the committee in the Remarks column. Their in-person attendance rate (%) should be calculated based on the number of remuneration committee meetings held and the number they attended in person during the period they were on the committee.

Notes 2: If any by-election for remuneration committee members was held before the end of the fiscal year, the names of the new and old committee members should be filled in the table, with a note stating whether the member left office, was newly serving, or was serving consecutive terms, and the date of the by-election. The in-person attendance rate (%) should be calculated based on the number of remuneration committee meetings held and the number attended in person during the period of each such person's actual time on the committee.

3.6 Promotion of Sustainable Development- Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons

Since its establishment, TAI-SAW TECHNOLOGY CO., LTD. has upheld the business concepts of “Dedication, Trustworthiness, Exactitude, Innovation and Excellence”. In addition to deliver solid business performance, it also cares about the interests of stakeholders and provides a safe and healthy work environment to its employees. With the commitment to environmental protection as its corporate responsibility, it implements and fosters environment preservation and energy saving policies and further extends such efforts to related supply chain.

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
1. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	V		1. In order to enhance the operation of Sustainable Development Committee and show the Company’s determination, the board of directors chose Chairman Huang, Yu-Tung, Independent Directors Lin, Huei Yuh, Huang, Wen-Ho and Tseng, Yu-I, and President Chen, Jui-Hung as the committee members on August 4, 2022. The committee members come from various fields including risk management, business administration, energy technology and environmental protection. The functional teams for “Environmental Protection” and “Safety and Health” subordinated to the Committee assist in the facilitation of topics such as “Green Product Design”, “Supplier Management”, and “Safety and Health”. The Company has adopted the “Sustainable Development Best Practice Principles” for compliance by directors, executive officers and all employees. (Please refer to p.62 of the Annual Report) 2. The first Sustainable Development Committee of the Company nominated and elected Chairman Huang, Yu-Tung to act as chair and convener of the Committee on November 3, 2022 and passed the “Sustainable Development Committee Charter”. 3. The Sustainable Development Committee holds a meeting at least twice a year and when it is necessary, and the status of the Board’s status of supervision over Sustainable Development in 2022 is as follows: ・ The board of directors’ meeting on August 4, 2022: passed the Company’s “Selection of Sustainable Development Committee Members” and “Progress Report of Greenhouse Inventory Accounting and Verification”. ・ The board of directors’ meeting on November 3, 2022: passed the	There is no deviation from the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.”

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			Company's "Sustainable Development Committee Charter" and "Progress Report of Greenhouse Inventory Accounting and Verification".	
2. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies? (Note 2)	V		Based on the principle of materiality, the Company sets measures against risks in connection to environmental, social and corporate governance topics related to its operation. Such measures are initiated by the Company at first and subsequently and horizontally carried to its subsidiaries. 1. Environmental topics: Carbon emission management and risks related to environmental loads. (1) Environmental loads: ・The Company has passed the ISO14001:2015 certification (Validity of Certificate: Aug. 13th, 2020~Aug. 12th, 2023) and taken initiatives in energy and water preservation, waste reduction, manufacturing process improvement, pollution control and resource recycle and reuse with periodical review of its environmental policy. ・In order to facilitate the green supply chain management and introduce green products, it has established the procedures for restricted substances and green supply chain management, procedures for supplier management and procedures for environmental aspect management. ・For the effective waste management, the Company is committed to hazardous substance management in order to reduce the discharge of pollutants, hazardous substances and waste. Moreover, it shall duly handle waste and waste recycle and enhance recycling system to maximize sustainability and availability of renewable resources. ・The company plans to purchase mix bed and recycling facilities in 2023 to recycle and reuse the wastewater. It's expected to achieve the water conservation goal by reducing water usage by about 20%. (2) Carbon emission management: ・The Company gradually reduces carbon emission through its equipment plan, and by 2024, it is expected to lessen electricity consumption of entire factory by more than 15%. In 2022, the total green purchase reached	There is no deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies."

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			NT$1,133,681. ・ The Company plans to conduct the ISO14064-1 greenhouse gases accounting and verification in 2023. 2. Social topics: Risks related to occupational safety and health, labor-management relations, and human right protection. (1) Occupational safety and health: The Company have passed the ISO 45001:2018 certification and built a safe work environment through the implementation and maintenance of such a system. (2) Human rights protection: The Company has set the “Responsible Business Alliance (RBA) Management Booklet” and “Responsible Business Alliance (RBA) Operational Procedures”, periodically reviewed such procedures and signed the “Responsible Business Alliance (RBA) Letter of Undertaking” to ensure that it meets the requirements of international standards. (3) Labor-management relations: In addition to employee welfare measures and training programs, the Company has the whistleblowing and complaint system to ensure a fair and reasonable work environment for all employees. 3. Corporate governance: Risks related to management system implementation, information security and legal compliance. (1) Management system: The Company has established the “Corporate Governance Principles” and “Sustainable Development Best Practice Principles”, which prescribe that the Company shall respect social ethics and pay attention to the interests of other stakeholders while fulfilling its corporate social responsibilities; it shall emphasize on environmental, social and corporate governance factors and include such factors in its supply chain management and operation evaluation while pursuing sustainability and profitability. (2) Information security: In order to protect the confidentiality, completeness and availability of information of the Company and that provided by related parties, it has adopted the “Regulations for Cyber Security Management” to enhance cyber security through an effective cyber security plan and implementation thereof. (3) Legal Compliance: The Company implements legal compliance through updates and regular audits of operational procedures to reduce risk of	

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			violation.	
3、Environmental Issues				
(1) Has the Company set an environmental management system designed to industry characteristics?	V		The Company passed the ISO 14001:2015 certification. (Certificate No: EMS 97757; Validity of Certificate: Aug. 13th, 2020~Aug. 12th, 2023).	There is no deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies."
(2) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	V		The Company has appointed the dedicated environmental engineering personnel who plan, manage and oversee environmental matters in accordance with legal requirements and internal policies.	
(3) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	V		By taking the impact on ecological benefits and concept of promoting and educating consumers about sustainable consumption into account, the Company carries out operational activities in R&D, production and service pursuant to the following principles in order to reduce impact of its operation on the natural environment. 1. Energy-saving: Reducing the consumption of resources and energy of its products and services. 2. Hazardous substance management: Decreasing the discharge of pollutants, hazardous substances and waste, and properly handling and recycling waste. 3. Increasing recyclability and reusability of raw materials or products. 4. Maximizing sustainability and availability of renewable resources. 5. Green products: Extending the durability of products and increasing the performance of products and services. Encouraging employees to use reusable cutlery, implementing waste classification, reusing recycled paper and fostering a paperless office. Not only setting the rigorous environmental protection requirements for itself, but also focusing on environmental safety management of its suppliers.	
(4) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	V		The Company takes initiatives in energy and water preservation, waste reduction, manufacturing process improvement, pollution control and resource recycle and reuse, and implements ISO14001:2015 environmental management system proactively and aggressively with the periodical review of its environmental policy. (Please refer to p.118-120 of the Annual Report)	

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			In response to government's energy saving and carbon reduction policy, it expects to conduct the ISO14064-1 greenhouse gases accounting and verification in 2023.	
4. Social Issues				
(1) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	V		The Company strictly follows international human rights treaties and labor laws and regulations, in addition to basic human rights protection, the provisions of internal rules and regulations related to employees are in compliance with or better than those of labor laws and regulations so as to protect employees' basic rights. The Company handles relevant employee rights and benefits in compliance with the Labor Standards Act, and it has established the Employee Welfare Committee, implemented pension system, encouraged employees to participate in domestic and overseas training courses and technology conferences, planned employee group insurance and arranged regular health check-ups, focused on labor relationship and provided equal opportunities.	There is no deviation from the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies."
(2) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?	V		The Company adopts the employee share subscription plan to realize the idea that employees are owners, and allocates at least 10% of shares issued for each cash capital increase to be subscribed by employees as a mean to achieve the goal of joint management. Regarding profit distribution, it is addressed detail in Article 19 of Articles of Incorporation. (Please refer to p.85 of the Annual Report)	
(3) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	V		The Company passed the ISO 45001:2018 certification (Certificate No: OHS630963, Validity of Certificate: Aug. 2nd, 2020~Aug. 1st, 2023). The key of facilitating occupational safety and health is to build a safe work environment: 1. The Company has appointed the dedicated occupational safety and health personnel lawfully and conducted regular work environment monitoring and risk management. 2. Equipment management: The Company categorizes its equipment and regulates hazardous equipment according to laws with detailed inspection to ensure safe operation of equipment and actively prevent occupational injuries and diseases. 3. Occupational safety performance: It reaches 6,642,552 accident-free hours cumulatively.	

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
			4. Safety protection measures in workplace: 1 filing of fire safety equipment maintenance and 2 drills every year. 5. Employee health check-up every year. 6. Education and training: In order to maintain employees' awareness of occupational safety and health and physical and mental wellness, it regularly holds education and training for employees inside factory or assigns employees to attend external on-the-job training, which thereby deepens all employees' awareness of and sense of responsibility for environmental protection and occupational safety and health, and meanwhile sculpts the Company's culture of environmental protection and occupational safety and health. Frequency-Severity Indicator (FSI) in 2022: 0	
(4) Has the Company established effective career development training programs for employees?	V		The Company adopts the "Procedures for Education and Training Management" and plans training courses based on the requirements for competence and professionalism.	
(5) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	V		The Company has the spokesperson system and official website, which provides the latest news of the Company, communication window and access for consumer right protection and complaints, and acts as the communication channel for its stakeholders.	
(6) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?	V		In its operation, the Company interacts with its stakeholders properly and correctly. In accordance with internal rules and regulations, it signs agreements with partnering vendors and performs based on provisions of agreements to protect the interests of both parties and jointly foster sustainability.	
5. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?		V	The Company does not prepare a sustainability report currently.	It will conduct evaluation as soon as possible with the expectation of meeting the requirements of the Sustainable Development Best Practice Principles for TWSE/TPEx Listed

Item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
				Companies.
6. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviation from the principles in the Company's operations: the Company has adopted the "Sustainable Development Best Practice Principles", and there is no material deviation from the its operation and the principles.				
7. Other important information to facilitate better understanding of the company's promotion of sustainable development: (1) Emphasizing on employees' rights and creating employment opportunities: It has 530 employees, and, with whom, maintains good labor-management relations, and there has never been any labor dispute. (2) Beneficiaries of social responsibility programs and implementation status: Eden Social Welfare Foundation: Assistance in facilitating career service for handicapped Taiwan Nurses Association: Donation of rapid test kits (500 kits)				

Note 1: If "Yes" is ticked in the "Implementation status" column, please concretely describe the major policies, strategies, and measures adopted and the status of their implementation. If "No" is ticked in the "Implementation status" column, please explain the deviations and the reasons in the "Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons" column and explain the Company's plans for adoption of related policies, strategies, and measures in the future.

Note 2: The materiality principle refers to focusing on environmental, social and corporate governance issues likely to have a material impact on the Company's investors and other stakeholders.

Note 3: Regarding the method for disclosure, please refer to the "SAMPLE ANNUAL REPORT" page on the website of the Taiwan Stock Exchange Corporate Governance Center.

3.6.1 Duties, Composition and Operation of the Sustainable Development Committee：

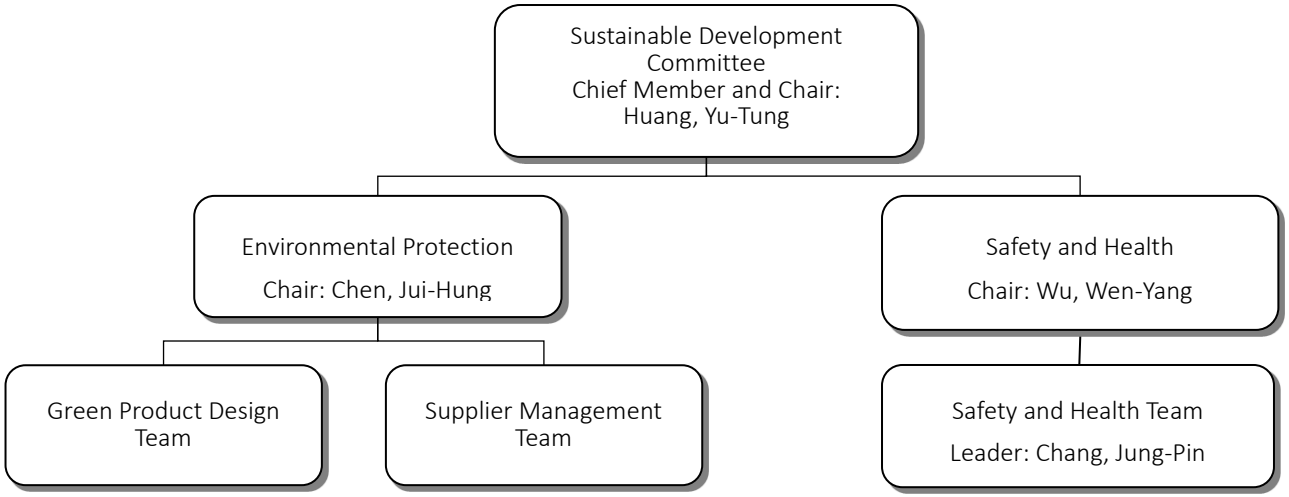
The Company's Board of Directors selected 5 Sustainable Development Committee members on August 4, 2022, and whose responsibilities are: 1. formulating Sustainable Development policy; 2. setting goal, strategy and execution plan for Sustainable Development, including aspects in environment, society, sustainable governance and ethical management ; 3. overseeing the implementation of Sustainable Development plan and evaluating implementation result; 4. reviewing Sustainable Development report; 5. reporting annual implementation result of Sustainable Development plan to the board every year; 6. other matters assigned to the Committee by resolutions of the board of directors' meeting.

3.6.1.1 Information on Sustainable Development Committee Members

Identify	Name	Qualification and Experience	Independent Director
Chair and Convener	Huang, Yu-Tung	Received a Ph.D. degree from the Graduate School of Materials Science, University of Illinois; having work experience and professional knowledge in corporate governance and fields necessary for the business of the Company; currently serving as the Chairman and CTO of TAI-SAW TECHNOLOGY CO., LTD., Chairman of Tai-Saw Technology (Wuxi), Chairman of Tai-Saw Technology Inc., Chairman of GIA-STONE ELECTRONICS CO., LTD. Chairman of TST Technology USA, Chairman of tst biomedical electronics Co., Ltd., Chairman of Cirocomm Technology Corp. and Director of Sawnics Inc.	
Member	Lin, Huei-Yuh	Received an MBA degree from University of Scranton; having more than 5 years of work experience and professional knowledge in fields necessary for the business of the Company; currently serving as the partner of Direct Investment Department of Sheng Ye Asset Management Co., Ltd., and Chairman of Glory Sun Opto-Electronics Corp.	V
Member	Huang, Wen-Ho	Received a master's degree from the Graduate School of Accounting, National Chengchi University; possessing professional knowledge in corporate governance, finance and taxation; currently serving as the Partner (Director) of Answer CPAs Firm.	V
Member	Tseng, Yu-I	Received a bachelor's degree from the Department of Industrial Engineering, Chung Yuan Christian University; having work experience and professional knowledge in corporate governance and fields necessary for the business of the Company; currently serving as the Chairman of EDOM Technology Co., Ltd.	V
Member	Chen, Jui-Hung	Received an EMBA degree from Yuan Ze University; having work experience and professional knowledge in corporate governance and fields necessary for the business of the Company; currently serving as the President of TAI-SAW TECHNOLOGY CO., LTD., Director and President of Tai-Saw Technology (Wuxi), Director and President of Cirocomm Technology Corp., President of TST Tech. USA, Director of Beyond, and Director of tst biomedical electronics Co., Ltd.	

3.6.1.2 Organizational Structure of Sustainable Development Committee

There are the “Environmental Protection” and “Safety and Health” functional teams subordinated to the Sustainable Development Committee to assist in the facilitation of topics in “Green Product Design”, “Supplier Management” and “Safety and Health”.



3.6.1.3 Operation of the Sustainable Development Committee

The term of office of incumbent Sustainable Development Committee members is from August 4, 2022 to June 8, 2025, and the first general meeting was held on November 3, 2022.

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) (B / A) (Notes)	Remarks
Convener	Huang, Yu-Tung	1	0	100%	Newly elected / 1 attendances required
Member	Lin, Huei-Yuh	1	0	100%	Newly elected / 1 attendances required
Member	Huang, Wen-Ho	1	0	100%	Newly elected / 1 attendances required
Member	Tseng, Yu-I	1	0	100%	Newly elected / 1 attendances required
Member	Chen, Jui-Hung	1	0	100%	Newly elected / 1 attendances required

Other information required to be disclosed：

1. Sustainable development committee's suggestions that are not accepted or amended by the board of directors: None

2. The resolutions of the sustainable development committee which committee member has oppositions or reservations which had been recorded or written: None

3. The matter for discussion and resolutions of the sustainable development committee in 2022 and the Company's handling of members' opinions

Meeting Date	Proposals	Resolutions of Sustainable Development Committee	Company's handling of Sustainable Development Committee Member's Opinion
2022.11.03	Nominated and elected the chair and convener of Sustainable Development Committee.	The proposal was approved by the members of Sustainable Development committee unanimously	The proposal was approved by attending directors unanimously
	Establishment of the Company's "Sustainable Development Committee Charter"		
	Report of the Company's greenhouse gas inventory verification and its progress.		

3.7 Ethical Corporate Management- Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons：

Matters related to ethical management are provided in the Company's "Ethical Code of Conduct" and "Rules of Procedure for Board of Directors Meetings" to foster business ethics and professional ethics of labors and management. The directors and executive officers are also required to lead by example and follow the principles of trustworthiness so as to build a corporate culture of integrity. The Company will also uphold the business concepts of integrity, transparency and responsibility and continue to promote policies that are based on honesty. Moreover, it will furnish a sustainable business environment with excellent corporate governance and risk management mechanism.

Item	Implementation status (Note)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
1. Establishment of ethical corporate management policies and programs				
(1) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?	V		The Company has adopted the "Ethical Corporate Management Best Practice Principles", which has been approved by the board, and actively implemented policy of ethical management.	There is no material deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.
(2) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?	V		The Company has adopted the "Ethical Code of Conduct" for its directors, supervisors and employees, and planned to formulate the preventive programs for unethical conducts for future implementation. Nevertheless, the Company has set the mailbox for internal and external complaints.	
(3) Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?	V		In the formulation of annual audit plan by internal audit unit of the Company, it includes the operating activities that involve higher risk of unethical conducts into the audit.	
2. Ethical Management Practice				
(1) Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?	V		All agreements signed by the Company clearly state an ethical clause.	There is no material deviation from the Ethical Corporate

Item	Implementation status (Note)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
(2) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year) report to the board of directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?	V		Legal Department and Administration Department are the concurrent units for promoting ethical corporate management and report to the board of directors if there is any irregularity noticed.	Management Best Practice Principles for TWSE/GTSM Listed Companies.
(3) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?	V		The Company has adopted the "Ethical Corporate Management Best Practice Principles" and actively implemented policy of ethical management.	
(4) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?	V		In the formulation of annual audit plan by internal audit unit of the Company, it includes the operating activities that involve higher risk of unethical conducts into the audit.	
(5) Does the company provide internal and external ethical corporate management training programs on a regular basis?	V		The Company plans to promote the regulations for ethical management periodically in accordance with the "Ethical Corporate Management Best Practice Principles".	
3. Implementation of Complaint Procedures				
(1) Has the company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistleblowers?	V		The Company has set the mailbox for internal and external whistleblowing and complaints.	There is no material deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.
(2) Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?	V		Once a whistleblowing report is accepted, the Administration Department and Legal Department are responsible for investigation and keeping it confidential.	
(3) Has the company adopted proper measures to protect whistleblowers from retaliation for filing complaints?	V		Once a whistleblowing report is accepted, the Administration Department and Legal Department are responsible for investigation and keeping it confidential. The whistleblower will be protected, and whose identity will be kept secret in accordance to relevant regulations.	

Item	Implementation status (Note)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary description	
4. Strengthening Information Disclosure				
Does the company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?	V		The Company will disclose the content and procedures of its Ethical Corporate Management Best Practice Principles on its website in accordance with provisions thereof after the passage by the shareholders' meeting.	There is no material deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.
5. If the Company has established integrity management principles in accordance with "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies," please describe its current practices and any deviations from the Best Practice Principles: None				
6. Other important information to facilitate a better understanding of the status of operation of the company's ethical corporate management policies (e.g., the company's reviewing and amending of its ethical corporate management best practice principles): None				

3.8 If the company has adopted corporate governance best-practice principles or related bylaws, disclose how these are to be searched

The Company has set the Corporate Governance Principles, and based on such principles subsequently adopted the "Regulations for the Supervision of Subsidiaries", "Regulations Governing Finance and Business of Group Enterprise Company and Specific Companies", "Ethical Corporate Management Best Practice Principles" and "Procedures for Handling Material Inside Information". These regulations and principles are disclosed on the Company's website www.taisaw.com

3.9 Other significant information that will provide a better understanding of the state of the company's implementation of corporate governance may also be disclosed

Please refer to the Company's website for the company's Corporate Governance Principles.

3.10 Disclosure of Internal Control System Implementation

Statement on Internal Control System of a Public Company

Stating Material Deficiency in Design or Operation

TAI-SAW TECHNOLOGY CO., LTD.

Statement on Internal Control System

Date：Mar. 15. 2023

Based on the findings of self-assessment, the Company states the following with regard to its internal control system during the fiscal year 2022.

1. The Company is fully aware that establishing, operating, and maintaining an internal control system are the responsibility of its Board of Directors and management. The Company has established such a system aiming at providing reasonable assurance of the achievement of objectives in the effectiveness and efficiency of operations (including profits, performance, and safeguard of asset security), the reliability, timeliness, and transparency of reporting, and compliance with applicable norms and applicable laws, regulations, and bylaws.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing the three objectives mentioned above. Furthermore, the effectiveness of an internal control system may be subject to change along with changes in environment or circumstances. The internal control system of the Company contains self-monitoring mechanisms, however, and the Company takes remedial actions as soon as a deficiency is identified.
3. The Company evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (hereinbelow, the "Regulations"). The criteria adopted by the Regulations identify five key components based on the process of management control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communications, and (5) monitoring activities. Each component also includes several items. Please refer to the Regulations for details.
4. The Company has assessed the design and operating effectiveness of its internal control system according to the aforesaid criteria.
5. The Company's assessment has found the following material deficiency(ies): No material deficiency has found during the fiscal year 2022 and no material impact on the achievement of the objectives mentioned above
6. Based on the findings of the assessment mentioned in the preceding paragraph, the Company believes that as of Dec., 31, 2022 (date)[Note 2] its internal control system (including its supervision and management of subsidiaries), encompassing internal controls for understanding the degree of achievement of operational effectiveness and efficiency objectives, the reliability, timeliness, and transparency of reporting, and compliance with applicable norms and applicable laws, regulations, and bylaws, is effectively designed and operating in all respects except as stated in the preceding paragraph.
7. This Statement will become a major part of the content of the Company's Annual Report and Prospectus and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
8. This Statement has been passed by the Board of Directors Meeting of the Company held on Mar., 15, 2023(date), where 0 of the 9 attending directors expressed dissenting opinions, and the remainder all affirmed the content of this Statement.

TAI-SAW TECHNOLOGY CO., LTD.
Chairman: Huang, Yu-Tung (signature)
President: Cheng, Jui-Hung (signature)

Where a CPA has been hired to carry out a special audit of the internal control system, furnish the CPA audit report：None.

3.11 If there has been any legal penalty against the company or its internal personnel, or any disciplinary penalty by the company against its internal personnel for violation of the internal control system, during the most recent fiscal year or during the current fiscal year as of the publication date of the annual report, where the result of such penalty could have a material effect on shareholder equity or securities prices, the annual report shall disclose the penalty, the main shortcomings, and condition of improvement

None.

3.12 Material resolutions of a shareholders meeting or a board of directors meeting during the most recent fiscal year or during the current fiscal year as of the date of publication of the annual report

3.12.1 Important resolutions by the Board of Directors in 2022 and as of end of 2022

Date	Proposal and Discussion	Resolutions
2022.01.25	1. Approval of company's FY22 budget. 2. Approval of 2021 year-end bonuses plan for executives and managers, reviewed by the Company's Remuneration Committee. 3. Approval of the change of chief internal audit officer and the promotion of chief financial and accounting officer. 4. Amendments to internal regulation "Corporate Social Responsibility Principles" and rename it as "Sustainable Development Principles" 5. Approval of application for, and increase of, credit lines from financial institutions. 6. Approval of the endorsements/guarantees to subsidiary company Cirocomm Technology Corp.	All the proposals were accepted as proposed by all directors present at the meeting.
2022.03.17	1. Approval of 2021 Business Report and Financial Statements 2. Approval of 2021 Earnings Distribution 3. Approval of cash dividends distribution from capital reserve 4. Approval of 2021 compensation distribution for director, supervisor, and employee 5. Approval of Internal Control System Statements 6. Proposal of discontinuation of FY21 common shares issuing through private placement 7. Proposal of capital increase in cash and/or through private placement 8. Proposal of issuance of new restricted employee shares. 9. Proposal of re-election of directors and independent directors for the new term 10. Proposal of the time period and place for acceptance of proposals presented in Shareholders' meeting and the nomination of directors and supervisors for the new term from shareholders 11. Proposal of the convening of the 2022 Annual Shareholders' Meeting 12. Proposal of application for, and increase of, credit lines from financial institutions 13. Amendments to The Company's Articles of Incorporation 14. Amendments to Directors Election Procedures 15. Amendments to Endorsements or Guarantees Procedures 16. Amendments to Lending Funds to Others Procedures 17. Amendments to Acquisition or Disposal of Assets Procedures 18. Amendments to Trading in Derivatives Procedures 19. Amendments to Codes of Ethical Conduct 20. Amendments to Performance Evaluation Rule for the Board of Directors Policy 21. Amendments to Remuneration Committee Constitution 22. Amendments to Application of Suspension and Resumption of Trading Procedures 23. Amendments to Ethical Management Principle 24. Amendments to Corporate Governance Principle 25. Amendments to the Rule of Directors Meeting 26. Amendments to Corporate Group, Specific Company and Related Party Transactions Procedures 27. Amendments to Internal Material Information Procedures 28. Amendments to Prevention of Insider Trading Procedures 29. Amendment to the Evaluation Rule for the Independence and Competence for Certified Public Accountant 30. Amendments to Subsidiary Governance Procedures 31. Amendments to Management Rule of Approval Authority	All the proposals were accepted as proposed by all directors present at the meeting
2022.04.28	1. Approval of FY22Q1 financial statements 2. Approval of the record date for withdrawal and cancellation of restricted stock. 3. Approval of the nomination list of directors and independent directors. 4. Proposal of release the directors and independent directors of next term from non-competition restrictions 5. Proposal of the retroactive handling public issuance procedure for privately placed securities 6. Proposal of employee stock ownership trust plan and setting up the corresponding committee. 7. Approval of the establishment of Audit Committee Charter 8. Amendment to Rules of Procedure for Shareholders Meetings 9. Establishment of Rules of Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises 10. Approval on behalf of subsidiary company -Tai-Saw Technology Inc.- for the establishment of its internal management rules.	All the proposals were accepted as proposed by all directors present at the meeting

	11. Approval on behalf of subsidiary company -Tai-Saw Technology (WuXi) Inc.- or the establishment of its internal management rules. 12. Proposal of application for, and increase of, credit lines from financial institutions 13. Proposal of the endorsements/guarantees to subsidiary company Cirocomm Technology Corp. 14. Approval on the transaction of transferring 49% shares of RFM Integrated Device Inc. to Akoustis 15. Proposal of Loans and the Quota of Subsidiary tst biomedical electronics Co., Ltd.	
2022.06.16	1. Approval of the appointment of 5th Remuneration Committee members 2. Approval of the adjustment of 2021 legal reserve and profit distribution table. 3. Approval of cash dividends distribution from 2021 profits and capital reserve 4. Proposal of application for, and increase of, credit lines from financial institutions 5. Proposal of the endorsements/guarantees to re-investment company- TAI-SAW TECHNOLOGY (WUXI) INC.	All the proposals were accepted as proposed by all directors present at the meeting
2022.08.04	1. Approval of change of certified public accountant in accordance with KPMG's personnel re-arrangement 2. Approval of FY22H1 Financial Statements 3. Approval of 2022 mid-year bonuses plan for executives and managers, reviewed by the Company's Remuneration Committee. 4. Approval of 2022 compensation distribution for director, supervisor, executives and managers, reviewed by Company's Remuneration Committee. 5. Approval of the remuneration plan for independent directors. 6. Approval of the remuneration plan for the member of Remuneration Committee. 7. Approval of the remuneration plan for the executives and managers 8. Approval of issuance guidelines for 2022 restricted stocks awards. 9. Approval of the distributions of the executives and managers and record date for 2022 restricted stocks awards. 10. Approval of the record date for withdrawal and cancellation of 2020 restricted stocks 11. Approval of Greenhouse Gas Inventory and Verification Plan. 12. Approval of application for, and increase of, credit lines from financial institutions 13. Approval of increase the shareholding in subsidiary CIROCOMM TECHONOLOGY CORPORATION. 14. Approval of the endorsements/guarantees to subsidiary CIROCOMM TECHONOLOGY CORPORATION. 15. Approval of capital expenditure 16. Approval of new appointment member of 1st Sustainable Development Committee	All the proposals were accepted as proposed by all directors present at the meeting Note: 1. For the part of the 4th proposal that involves remuneration to individual directors, the interested director did not participate in the discussion and voting, and the remaining part was passed unanimously by all Committee members present. 2. For the part of the 5th proposal that involves remuneration to individual independent directors, the interested independent director did not participate in the discussion and voting, and the remaining part was passed unanimously by all Committee members present. 3. For the part of the 6th proposal that involves remuneration to individual Independent Director who also serves as a Remuneration Committee member, the interested Independent Director did not participate in the discussion and voting, and the remaining part was passed unanimously by all Committee members present.
2022.11.03	1. Approval of the Company’s third-quarter financial statements of 2022.	All the proposals were

	2. Report on the examination of the Company's "Ability of Preparing Financial Reports" . 3. Review of the Company's 2023 Annual Audit Plan. 4. Approval of the amendments to the Company's "Regulations for the first issuance of restricted stocks in 2022". 5. Distribution of the "First Issuance of Restricted Stocks in 2022". 6. Proposal of investment in venture capital. 7. Report of the Company's greenhouse gas inventory verification and its progress. 8. Establishment of the Company's "Sustainable Development Committee Charter" 9. Amendments to the Company's "General Information of Internal Control Policy" and "Internal Audit Implementation Rules". 10. Amendments to the Company's "Procedures for Handling Material Inside Information". 11. Amendments to the Company's "Procedures for Preventing Insider Trading". 12. Amendments to the Company's "Corporate Governance Principles". 13. Amendments to the Company's "Ethical Corporate Management Best Practice Principles". 14. Amendments to the Company's "Regulations Governing the Evaluation of Board Performance" 15. Proposal of applications for new and additional loan facilities to various financial institutions.	accepted as proposed by all directors present at the meeting Note: For the part of the 5th proposal that involves the employee who serves as a director, the interested Director did not participate in the discussion and voting, and the remaining part was passed unanimously after the Chairman consulted all directors and independent directors present.
2023.01.18	1. Approval of company's FY23 budget. 2. Approval of 2021 year-end bonuses plan for executives and managers. 3. Pre-approval of general principles of non-assurance engagement policy 4. Approval of the endorsements/guarantees to subsidiary company Cirocomm Technology Corp. (for Taishin Bank) 5. Approval of the endorsements/guarantees to subsidiary company Cirocomm Technology Corp. (for CHB bank)	All the proposals were accepted as proposed by all directors present at the meeting
2023.3.15	1. Approval of canceling Sawnics' call option of their RCPS. 2. Approval of 2023 Business Report and Financial Statements 3. Approval of 2022 Earnings Distribution 4. Approval of cash dividends distribution from capital reserve 5. Approval of 2022 compensation distribution for director, supervisor, and employee 6. Approval of 2022 Internal Control System Statements 7. Proposal of discontinuation of FY22 common shares issuing through private placement 8. Proposal of capital increase in cash and/or through private placement 9. Proposal of the convening of the 2022 Annual Shareholders' Meeting 10. Proposal of the time period and place for acceptance of proposals presented in Shareholders' meeting and the nomination of directors and supervisors for the new term from shareholders 11. Evaluation of independency and capability for 2023 independent auditor. 12. Report of the Company's greenhouse gas inventory verification and its progress. 13. Proposal of increasing the shareholding of Sawnics common shares. 14. Approval of increasing capital expenditure. 15. Report of the Company's greenhouse gas inventory verification and its progress. 16. Proposal of application for, and increase of, credit lines from financial institutions.	1. Except for 1~5th and 13th ~14th proposals, All the proposals were accepted as proposed by all directors present at the meeting 2. For the part of the 1~5th and 13th ~14th proposals, based on directors' suggestion, the proposals will be proposed to next board of directors' meeting.
2023.3.22	1. Approval of canceling Sawnics' call option of their RCPS. 2. Approval of 2023 Business Report and Financial Statements 3. Approval of 2022 Earnings Distribution 4. Approval of cash dividends distribution from capital reserve 5. Approval of 2022 compensation distribution for director, supervisor, and employee 6. Proposal of increasing the shareholding of Sawnics' common shares. 7. Approval of increasing capital expenditure. 8. Proposal of the convening of the 2022 Annual Shareholders' Meeting (Adding new item)	1. Except for the part of 6th and 7th proposals, all the proposals were accepted as proposed by all directors present at the meeting 2. For the part of the 6th and 7th proposals, the directors suggested the proposals could be proposed after evaluated once market become more stable.

1.12.2 Resolutions and implementation by all the attending shareholders at the annual shareholders' meeting on June 9, 2022:

Date	Resolutions	Execution
2022.06.09	1. Approval of 2021 Business Report and Financial Statements 2. Approval of the proposal for Distribution of 2021 Profits 3. Approval of cash dividends distribution from capital reserve 4. Approval of capital Increase in cash and/or through private placement 5. Approval of issuing new restricted employee shares. 6. Amendments to the Company's Articles of Incorporation 7. Amendments to Directors Election Procedures 8. Amendments to Shareholders' Meeting Procedures 9. Amendments to Acquisition or Disposal of Assets Procedures 10. Amendments to Lending Funds to Others Procedures 11. Amendments to Endorsements or Guarantees Procedures Approved amendments to Trading in Derivatives Procedures 12. Amendment to Trading in Derivatives Procedures 13. The 9th Election of Directors and Independent Directors 14. Approval of releasing the prohibition on directors from participation in competitive business	1. The proposal was executed as resolved. 2. The cash dividend of NT$1.60 per share as resolved in the 2nd proposal. Ex-dividend record date was July 17, 2022. All the cash dividend was distributed on July 28, 2022. 3. The cash dividend of NT$0.5 per share as resolved in the 3rd proposal. Ex-dividend record date was July 17, 2022. All the cash dividend was distributed on July 28, 2022. 4. The proposals are executed as resolved. 5. The issued restricted stocks as resolved in the 5th proposal was transferred to a trust on December 29, 2022. 6. The registration as resolved in the 6th proposal was approved by the Ministry of Economic Affairs on July 19, 2022 and posted on the company's website after then. 7. The resolved amendment version has been executed. 8. The amendment version was posted on the company's website and has been executed. 9. The amendment version was posted on the company's website and has been executed. 10. The amendment version was posted on the company's website and has been executed. 11. The amendment version was posted on the company's website and has been executed as amendment version. 12. The amendment version was posted on the company's website and executed as amendment version. 13. The list of elected members of the 9th board of directors in the 13th proposal has been registered with and approved by the Ministry of Economic Affairs on July 19, 2022, where the 6 elected directors are Huang, Yu-Tung; Wu, Chih-Hsyong; Yeh, Chun-Chia; Yeh, Mei-Yu; Wistron NeWeb Corporation Representative, Gau, Jiahn-Rong; and Chen, Joen Ray; and the 3 elected Independent Directors are Lin, Huei Yuh; Huang, Wen-Ho; and Tseng, Yu-I. The term of office of all elected members is from June, 9th, 2022 to June, 8th, 2025. 14. The proposal was executed as resolved.

1.13 Written opinions or declarations made by Directors or Supervisors against board resolutions in the most recent year, up till the printing date of this annual report:

None.

1.14 A summary of resignations and dismissals, during the most recent fiscal year or during the current fiscal year as of the date of publication of the annual report, of the company's chairperson, general manager, chief accounting officer, chief financial officer, chief internal auditor, chief corporate governance officer, and chief research and development officer

None.

2. Information on CPA (External Auditor) Professional Fees

2.1 Information on CPA (External Auditor) Professional Fees

Unit: NT$ Thousand

Name of accounting firm	Names of CPAs	Period covered by the CPA audit	Audit fees	Non-audit fees	Total	Remarks
KPMG	Heidi Huang Allan Yu	2022.01.01 ~2022.12.31	2,640	250	2,890	Certification of Business/Income Tax

Please specify the services for which the non-audit fees were paid: (e.g., tax certification, assurance, or other financial consultation and advisory services)

Note: If the company changed its CPAs or accounting firm during the fiscal year, list the audit periods before and after the change separately, and specify the reason for the change in the "Remarks" column and disclose sequentially the audit and non-audit fees paid. For non-audit fees, additionally specify the content of the services.

2.2 If the CPA Firm Changes, and the Audit Fee Paid in the Year of Such Change Is Reduced from the Audit Fee of the Previous Year, the Amounts of the Audit Fees Before and After such Change and the Reason of Such Change Should Be Disclosed

N.A.

2.3 If the Audit Fee Is Reduced by More than 15% from Last Year, the Amount, Ratio, and Reason for the Reduction of the Audit Fee Should Be Disclosed

None.

3 Information on Change of Accountant's Information

None

4 Where The Company's Chairman, President or Any Officer in Charge of Finance or Accounting Matters Has in The Most Recent Year Held a Position at The Accounting Firm of Is CPA or At an Affiliated Enterprise of The Accounting, The Name and Position of The Person and The Period During Which the Position Was Held

None

5 Changes In Shareholding of Directors, Supervisors, Managerial Officers, And Major Shareholders Holding More Than 10% Of the Share During the Most Recent Year and As of The Publication Date of Annul Report

5.1 Changes in Shareholding of Directors, Supervisors, Managerial Officers, and Major Shareholders holding more than 10% of the share.

Job title (Note 1)	Name	2022		As of April 3, 2023	
		Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)	Shareholding increase (or decrease)	Pledged shareholding increase (or decrease)
Director	Huang, Yu-Tung	11,700	0	0	0
Director	Wu, Chih-Hsyong	0	0	0	0
Director	Yeh, Mei-Yu	0	0	0	0
Director	Yeh, Chun-Chia	0	0	0	0
Director	Chen, Joen-Ray (Note2)	0			
Independent director	Lin, Huei-Yuh	0	0	0	0
Independent director	Lin, Ken-Huang (Note3)	0	0	N.A.	N.A.
Independent director	Huang, Wen-Ho (Note2)	0	0	0	0
Independent director	Tseng, Yu-I (Note2)	0	0	0	0
Director	TriKnight Capital CORP.	0	0	N.A.	N.A.
	Representative: Mei, Kai	0	0	N.A.	N.A.
Director	Wistron NeWeb CORP.	0	0	0	0
	Representative： Gau, Jiahn-Rong	0	0	0	0
Director	Gemtek Technology CO., LTD.	0	0	N.A.	N.A.
	Representative: Liao, Shyi-An (Note3)	0	0	N.A.	N.A.
Supervisor	DEEP & FAR CONSULTANTS CO., LTD.	0	0	N.A.	N.A.
	Representative: Tsai, Feng-Der (Note3)	0	0	N.A.	N.A.
Supervisor	Eminence Investment CO., LTD.	-148,000	0	N.A.	N.A.

	Representative: Hsieh, Daniel (Note3)	0	0	N.A.	N.A.
Supervisor	Real Mission CO., LTD.	0	0	N.A.	N.A.
	Representative: Huang, Yu-Chia (Note3)	0	0	N.A.	N.A.
President	Chen, Jui-Hung	-16,000	0	0	0
Vice President	Lei, Te-Fu	6,000	0	0	0
Special Assistant	Chang, Tun-Hsin	6,000	0	0	0
Vice President	Lee, Kun-Hung	6,300	0	0	0
Director	Park Byunghoon	0	0	0	0
Director	Ham Hongduk	0	0	0	0
Senior Manager	Chen, Chi-Yun	4,500	0	0	0
Director	Lee, Chin-Hung	5,400	0	0	0

Note1: The Company has no major shareholders holding more than 10% of the shares.

Note2: Director Joen-Ray Chen, Independent Director Wen-Ho Huang, and Independent Director Yu-I Tseng were newly elected on June 9, 2022. The shares they hold is according to the information at that time.

Note3: Independent Director Ken-Huang Lin, Director TriKnight Capital CORP., Director Gemtek Technology CO., LTD., Supervisor DEEP & FAR CONSULTANTS CO., LTD., Supervisor Eminence Investment CO., LTD., and Supervisor Real Mission CO., LTD. were term expired on June 9, 2022. The shares they hold is according to the information at that time.

5.2 Information on Share transfers and Share Pledges

5.2.1 Information on Transfers of Shareholding：None.

5.2.2 Information on Pledges of Shareholding：None.

6 Relationships Among the Top 10 Shareholders

Relationships Among the Top 10 Shareholders

April 3, 2023

Name (Note 1)	Shareholding		Shareholding of spouse and minor children		Total shareholding by nominee arrangements		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree (Note 3)		Remarks
	Shares	%	Shares	%	Shares	%	Name of entity or individual	Relationship	
Huang, Yu-Tung	2,744,557	2.64	668,826	0.64	-	-	Huang, Yu-Chia	Sibling	Chairman
Wistron NeWeb Corporation Responsible Person: Hsieh, Hung-Po	2,500,000	2.4	-	-	-	-	-	-	-
Chen, Chien-Ming	1,465,548	1.41	-	-	-	-	-	-	-
Sinopac Bank Trust Account for Investment Agent	1,379,960	1.33	-	-	-	-	-	-	-
Mega Bank Trust Account for TST	1,200,000	1.15	-	-	-	-	-	-	-
Huang, Yu-Chia	1,068,812	1.03	-	-	-	-	Huang, Yu-Tung	Sibling	-
Yeh, Mei-Yu	898,033	0.86	-	-	-	-	Yeh, Mei-Yen	Sibling	Director
Yeh, Mei-Yen	852,387	0.82	-	-	-	-	Yeh, Mei-Yu	Sibling	-
Chen, Ching-Min	815,257	0.78	712,147	0.68	-	-	-	-	-
Huang, Ching-Lin	807,071	0.78	-	-	-	-	-	-	-

Note 1: All of the top 10 shareholders should be listed, and the names of corporate/juristic person shareholders and their representatives should be listed separately.

Note 2: The shareholding ratio (%) is calculated as the total numbers of shares respectively held by the shareholder, their spouse and minor children, or through nominees.

Note 3: Disclose the relationships among the above-listed shareholders, including corporate/juristic person shareholders and natural person shareholders, in accordance with the provisions of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

7 Shares Held by the Company, Directors, Managers and Companies Directly or Indirectly Controlled by the Company, and the Comprehensive Shareholding Ratio Based on Combined Calculation

December 31, 2022

Investee enterprise (Note)	Investment by the Company		Investment by the Directors, Supervisors, Managerial Officers and Directly or Indirectly Controlled Entities of the Company		Total investment	
	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio
TAI-SAW TECHNOLOGY INC.	21,252,595	100%	0	0	21,252,595	100%
TAI-SAW TECHNOLOGY (WUXI) INC.	0	100%	0	0	0	100%
GIA-STONE ELECTRONICS CO., LTD.	50,000	100%	0	0	50,000	100%
TST TECHNOLOGY USA INC	1,000,000	100%	0	0	1,000,000	100%
SNT DEVICES LTD.	140,000	70%	0	0	140,000	70%
SNT INC.	Note1	50%	0	0	0	50%
BEYOND FOUNTAIN CO., LTD.	515,400	100%	0	0	515,400	100%
tst biomedical electronics Co., Ltd.	9,750,000	84.78%	0	0	9,750,000	84.78%
CIROCOMM TECHNOLOGY CORP.	8,461,363	65.49%	0	0	8,461,363	65.49%

Note1：Unissued shares: 51 thousand USD.

IV. Capital and Shares

1 Capital and Shares

1.1 Types of Stock

April 3, 2023
Unit: Share

Type of stock	Authorized Capital			Remarks
	Outstanding shares (Note)	Remarks	Total	
Common Stock	104,044,410	45,955,590	150,000,000	OTC Listed Stocks

Note: Whether the stock is stock of a TWSE or TPEx listed company (if it is a company under restrictions with respect to TWSE or TPEx listing/trading, this should be noted).

1.2 Capitalization

Unit: Share, NT$

Year / Month	Issued price	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount (NT$)	Shares	Amount (NT$)	Sources of capital	Capital paid in by assets other than cash	Other
1997.11	10	20,000,000	200,000,000	5,000,000	50,000,000	Registered Capital	--	--
1998.06	10	20,000,000	200,000,000	10,000,000	100,000,000	Cash capital Increase	--	Note 1
1999.06	10	20,000,000	200,000,000	15,000,000	150,000,000	Cash capital Increase	--	Note 2
2000.03	10	20,000,000	200,000,000	19,500,000	195,000,000	Cash capital Increase	--	Note 3
2000.06	10	60,000,000	600,000,000	30,000,000	300,000,000	Cash capital Increase	--	Note 4
2001.06	10	60,000,000	600,000,000	34,500,000	345,000,000	Capital Increase by capital surplus	--	Note 5
2001.06	10	60,000,000	600,000,000	38,600,000	386,000,000	Cash capital Increase	--	Note 5
2002.06	10	60,000,000	600,000,000	40,282,400	402,824,000	Capital Increase by earning	--	Note 6
2002.06	10	60,000,000	600,000,000	40,900,000	409,000,000	Capital Increase by capital surplus	--	Note 6
2005.08	10	60,000,000	600,000,000	45,840,000	458,400,000	Capital Increase by retained earning	--	Note 7
2006.02	10	60,000,000	600,000,000	51,570,000	515,700,000	Cash capital Increase	--	Note 8
2006.08	10	100,000,000	1,000,000,000	57,800,000	578,000,000	Capital Increase by retained earning	--	Note 9
2007.04	10	100,000,000	1,000,000,000	58,183,500	581,835,000	Employee stock options exercised	--	Note 9
2007.08	10	100,000,000	1,000,000,000	63,541,000	635,410,000	Capital Increase by earning Employee stock options exercised	--	Note 10
2007.12	10	100,000,000	1,000,000,000	63,564,000	635,640,000	Employee stock options exercised	--	Note 11
2008.04	10	100,000,000	1,000,000,000	64,201,000	642,010,000	Employee stock options exercised	--	Note 11
2008.08	10	100,000,000	1,000,000,000	69,006,000	690,060,000	Capital Increase by earning	--	Note 12

						Employee stock options exercised		
2008.11	10	100,000,000	1,000,000,000	69,019,000	690,190,000	Employee stock options exercised	--	Note 13
2009.08	10	100,000,000	1,000,000,000	70,500,000	705,000,000	Capital Increase by earning	--	Note 14
2009.01	10	100,000,000	1,000,000,000	70,776,500	707,765,000	Employee stock options exercised	--	Note 15
2010.03	10	100,000,000	1,000,000,000	71,028,500	710,285,000	Employee stock options exercised	--	Note 16
2010.06	10	100,000,000	1,000,000,000	71,101,000	711,010,000	Employee stock options exercised	--	Note 17
2010.08	10	100,000,000	1,000,000,000	82,101,000	821,010,000	Cash capital Increase	--	Note 18
2011.01	10	100,000,000	1,000,000,000	81,814,000	818,140,000	Capital decrease in treasury stock	--	Note 19
2011.08	10	100,000,000	1,000,000,000	83,450,280	834,502,800	Capital Increase by earning	--	Note 20
2011.08	10	100,000,000	1,000,000,000	85,086,560	850,865,600	Capital Increase by capital surplus	--	Note 20
2013.08	10	100,000,000	1,000,000,000	86,236,560	862,365,600	Restricted stock award issuance	--	Note 21
2014.07	10	100,000,000	1,000,000,000	86,828,560	868,285,600	Employee stock options exercised	--	Note 22
2014.08	10	100,000,000	1,000,000,000	87,010,060	870,100,600	Employee stock options exercised	--	Note 23
2014.11	10	100,000,000	1,000,000,000	86,600,060	866,000,600	Employee stock options exercised Capital decrease in treasury stock Restricted stock award cancellation	--	Note 24
2015.01	10	100,000,000	1,000,000,000	86,100,060	861,000,600	Capital decrease in treasury stock	--	Note 24
2015.04	10	100,000,000	1,000,000,000	86,190,060	861,900,600	Employee stock options exercised	--	Note 26
2015.09	10	100,000,000	1,000,000,000	86,145,960	861,459,600	Restricted stock award cancellation	--	Note 27
2015.11	10	100,000,000	1,000,000,000	86,143,260	861,432,600	Restricted stock award cancellation	--	Note 28
2016.05	10	100,000,000	1,000,000,000	87,343,260	873,432,600	Restricted stock award issuance	--	Note 29
2016.05	10	100,000,000	1,000,000,000	87,344,510	873,445,100	Employee stock options exercised Restricted stock award cancellation		
2016.08	10	100,000,000	1,000,000,000	87,358,810	873,588,100	Employee stock options exercised Restricted stock award cancellation	--	Note 30
2016.12	10	100,000,000	1,000,000,000	96,358,810	963,588,100	Cash capital Increase	--	Note 31
2017.03	10	100,000,000	1,000,000,000	96,406,810	964,068,100	Employee stock options exercised Restricted stock award cancellation	--	Note 32
2017.05	10	100,000,000	1,000,000,000	96,420,810	964,208,100	Restricted stock award cancellation Employee stock options exercised	--	Note 33

2017.11	10	100,000,000	1,000,000,000	96,368,410	963,684,100	Restricted stock award cancellation Employee stock options exercised	--	Note 34
2018.05	10	100,000,000	1,000,000,000	96,344,210	963,442,100	Restricted stock award cancellation	--	Note 34
2018.08	10	100,000,000	1,000,000,000	96,348,210	963,482,100	Employee stock options exercised	--	Note 36
2018.08	10	150,000,000	1,500,000,000	102,348,210	1,023,482,100	Privately placed common shares	--	Note 37
2019.02	10	150,000,000	1,500,000,000	102,323,610	1,023,236,100	Restricted stock award cancellation	--	Note 38
2019.07	10	150,000,000	1,500,000,000	102,304,410	1,023,044,100	Restricted stock award cancellation	--	Note 39
2020.06	10	150,000,000	1,500,000,000	102,322,410	1,023,224,100	Employee stock options exercised	--	Note 40
2020.01	10	150,000,000	1,500,000,000	103,673,410	1,036,734,100	Employee stock options exercised Restricted stock award issuance	--	Note 41
2021.05	10	150,000,000	1,500,000,000	102,900,410	1,029,004,100	Restricted stock award cancellation Capital decrease in treasury stock	--	Note 42
2021.11	10	150,000,000	1,500,000,000	102,872,410	1,028,724,100	Restricted stock award cancellation	--	Note 43
2022.07	10	150,000,000	1,500,000,000	102,856,410	1,028,564,100	Restricted stock award cancellation	--	Note 44
2022.10	10	150,000,000	1,500,000,000	102,844,410	1,028,444,100	Restricted stock award cancellation	--	Note 45
2022.12	10	150,000,000	1,500,000,000	104,044,410	1,040,444,100	Restricted stock award cancellation	--	Note 46

Note 1：192009.08.28 Jing 87 Shang 125061

Note 2：192010.06.08 Jing 88 Shang 120119

Note 3：2000.03.17 Jing 89 Shang 108290

Note 4：2000.06.13 Jing 89 Shang 118515

Note 5：2001.07.12 Jing 90 Shang 09001262930

Note 6：2002.06.28 Jing-Shou-Shang-Zi No. 09101237430

Note 7：2005.08.22 Jing-Shou- Zhong-Zi No. 09432683320

Note 8：2006.01.03 Jing-Guan-Zheng-Zi No. 0940160323；2006.03.21 Jing-Shou-Shang-Zi No. 09501049480

Note 9：2007.04.10 Zheng-Gui-Jian-Zi No. 0960009290, 2005 1st Employee stock option exerted and listed.

Note 10：2007.07.06 Jing-Guan-Zheng-Zi No. 0960034741, 2007.08.24 Jing-Shou-Shang-Zi No. 09601205380

Note 11：2007.11.14 Jing-Shou-Shang-Zi No. 09601280060

Note 12：2008.09.02 Jing-Shou-Shang-Zi No. 09701224500

Note 13：2008.11.25 Jing-Shou-Shang-Zi No. 09701300730

Note 14：2009.08.27 Jing-Shou-Shang-Zi No. 09801195710

Note 15：2009.11.18 Jing-Shou-Shang-Zi No. 09801265740

Note 16：2010.03.15 Jing-Shou-Shang-Zi No. 09901048990

Note 17：2010.07.06 Jing-Shou-Shang-Zi No. 09901140990

Note 18：2010.09.23 Jing-Shou-Shang-Zi No. 09901215120

Note 19：2011.03.11 Jing-Shou-Shang-Zi No. 10001040600

Note 20：2011.08.24 Jing-Shou-Shang-Zi No. 10001197810

Note 21：2013.09.09 Jing-Shou-Shang-Zi No. 10201183390

Note 22：2014.07.17 Jing-Shou-Shang-Zi No. 10301139470

Note 23：2014.08.22 Jing-Shou-Shang-Zi No. 10301175220

Note 24：2014.11.26 Jing-Shou-Shang-Zi No. 10301233020

Note 25：2015.01.14 Jing-Shou-Shang-Zi No. 10301271810

Note 26：2015.04.01 Jing-Shou-Shang-Zi No. 10401055950

Note 27：2015.09.14 Jing-Shou-Shang-Zi No. 10401181290

Note 28：2015.11.23 Jing-Shou-Shang-Zi No. 10401245080

Note 29：2016.05.18 Jing-Shou-Shang-Zi No. 10501092230

Note 30：2016.08.24 Jing-Shou-Shang-Zi No. 10501209070

Note 31：2017.01.06 Jing-Shou-Shang-Zi No. 10601000630

Note 32：2017.04.12 Jing-Shou-Shang-Zi No. 10601040610

Note 33：2017.05.17 Jing-Shou-Shang-Zi No. 10601662080

Note 34：2017.11.28 Jing-Shou-Shang-Zi No. 10601159100

Note 35：2018.05.18 Jing-Shou-Shang-Zi No. 10701054330

Note 36：2018.08.03 Jing-Shou-Shang-Zi No. 10701095620

Note 37：2018.08.20 Jing-Shou-Shang-Zi No. 10701099670

Note 38：2019.02.14 Jing-Shou-Shang-Zi No. 10801014810

Note 39：2019.07.26 Jing-Shou-Shang-Zi No. 10801084210

Note 40：2020.06.02 Jing-Shou-Shang-Zi No. 10901091640

Note 41：2020.10.27 Jing-Shou-Shang-Zi No. 10901195190

Note 42：2021.06.10 Jing-Shou-Shang-Zi No. 11001096800

Note 43：2021.12.02 Jing-Shou-Shang-Zi No. 11001218350

Note 44：2022.07.19 Jing-Shou-Shang-Zi No. 11101110640

1.3 Information Relating to the Shelf Registration System

Type of securities	Amount to be issued		Amount to be issued		The purpose and anticipated benefits of the portion already issued	The purpose and anticipated benefits of the portion already issued	The purpose and anticipated benefits of the portion already issued
	Total no. of shares	Total no. of shares	Total no. of shares	Total no. of shares			
--	--	--	--	--	--	--	--

1.4 Composition of Shareholders

April 3, 2023

Type of Shareholders	Government Agencies	Financial Institutions	Other Juridical Persons	Individuals	Foreign Institutions & Persons	Total
No. of shareholders	0	7	230	28,638	58	28,933
No. of shares held	0	24,983,620	70,125,180	903,988,960	41,346,340	104,044,410
Shareholding ratio	0%	2.4%	6.74%	86.89%	3.97%	100%

Note: Primary TWSE and TPEx listed companies and Emerging Stock companies should disclose the shareholding ratio of Mainland Chinese investors. “Mainland Chinese investors” means citizens, legal entities, groups, or other institutions of the mainland China area, or a company in which the same have invested in a third jurisdiction as provided in Article 3 of the Regulations Governing Permission for People from the Mainland Area to Invest in the Taiwan Area.

1.5 Distribution of Shareholding

Par value per share: NT$10；April 3, 2023

Range of no. of shares held	Range of no. of shares held	Range of no. of shares held	Range of no. of shares held
1 to 999	16,411	322,152	0.31%
1,000 to 5,000	10,011	20,106,718	19.33%
5,001 to 10,000	1,340	10,922,633	10.50%
10,001 to 15,000	336	4,384,893	4.21%
15,001 to 20,000	247	4,650,453	4.47%
20,001 to 30,000	201	5,218,722	5.02%
30,001 to 40,000	86	3,063,710	2.94%
40,001 to 50,000	81	3,791,480	3.64%
50,001 to 100,000	102	7,469,330	7.18%
100,001 to 200,000	52	7,143,454	6.87%
200,001 to 400,000	30	8,122,871	7.81%
400,001 to 600,000	15	7,469,650	7.18%
600,001 to 800,000	11	7,646,719	7.35%
800,001 to 1,000,000	4	3,372,748	3.24%
Add additional ranges above 1,000,001, if necessary, based on actual circumstances	6	10,358,877	9.95%
Total	28,933	104,044,410	100.00%

Preferred shares：None

1.6 List of Major Shareholders

April 3, 2023

Unit: Share; %

Names of major shareholders / Shares	Shareholding (shares)	Shareholding (shares)
Huang, Yu-Tung	2,744,557	2.64
Wistron NeWeb Corporation Responsible Person: Hsieh, Hung-Po	2,500,000	2.4
Chen, Chien-Ming	1,465,548	1.41
Sinopac Bank Trust Account for Investment Agent	1,379,960	1.33

Mega Bank Trust Account for TST	1,200,000	1.15
Huang, Yu-Chia	1,068,812	1.03
Yeh, Mei-Yu	898,033	0.86
Yeh, Mei-Yen	852,387	0.82
Chen, Ching-Min	815,257	0.78
Huang, Ching-Lin	807,071	0.78

1.7 Market Price, Net Worth, Earnings, Dividends per Common Share

Item \ Fiscal year			Year 2021	Year2022	Current year to March 31 (Note 8)
Market price per share (Note 1)	Highest		47.60	43.00	31.10
	Lowest		17.75	22.55	25.30
	Average		33.96	36.07	29.17
Net worth per share (Note 2)	Before distribution		23.24	22.54	22.69
	After distribution		21.14	20.04	haven't been distributed.
Earnings per share	Weighted average shares		101,908	102,332	102,569
	Earnings per share (Note 3)		5.28	3.18	0.01
Dividends per share	Cash dividends		2.10	2.50	N.A.
	Stock dividends	0	0	N.A.	N.A.
		0	0	N.A.	N.A.
	Accumulated undistributed dividends (Note 4)		N.A.	N.A.	N.A.
Return on investment analysis	Price/earnings ratio (Note 5)		6.43	11.34	729.25
	Price/dividend ratio (Note 6)		16.17	14.43	N.A.
	Cash dividend yield (Note 7)		6.18%	6.93%	N.A.

* If shares are distributed in connection with a capital increase out of earnings or capital reserve, further disclose information on market prices and cash dividends retroactively adjusted based on the number of shares after distribution.

Note 1: List the highest and lowest market price of common shares in each fiscal year and calculate the average market price by weighing transacted prices against transacted volumes in each respective fiscal year.

Note 2: Calculate the net worth per share based on the number of outstanding shares at year-end. Calculate the amount of distribution based on the amount resolved by the board of directors or resolved in the next year's shareholders meeting.

Note 3: If retrospective adjustments are required because of issuance of stock dividends, the earnings per share should be disclosed in the amounts before and after the retrospective adjustments.

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

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

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

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

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

1.8 Dividend Policy and implementation Status

1.8.1 Dividend Policy under the Articles of Incorporation

When the Company makes a profit in a fiscal year, it shall appropriate employees' compensation and directors' remuneration; of which, employees' compensation is distributed in the form of either shares or cash by a resolution of the board of directors' meeting, and employees entitled to receive such compensation include the employees of controlled companies or subsidiaries of the Company meeting certain specific requirements; directors' remuneration may be solved by the meeting of the board of directors based on abovementioned profit. The distribution of employees' compensation and directors' remuneration shall be reported to the shareholders' meeting, and where:

(1) Directors' remuneration shall not be more than 5%;

(2) Employees' compensation shall not be less than 8%;

however, if the Company has accumulated losses, it shall first set aside a sufficient amount to offset its losses and subsequently appropriate employees' compensation and directors' remuneration at the percentages set forth above.

When the Company records earnings in a fiscal year, it shall first allocate earnings to pay taxes in compliance with laws and regulations, offset accumulated losses, and set aside a legal capital reserve at 10% of the remaining earnings provided that the amount of accumulated legal capital reserve has not reached the amount of the paid-in capital of the Company. Then, a special capital reserve shall be set aside or reversed in accordance with laws and regulations. The remaining balance, if any, plus the accumulated undistributed earnings shall be allocated as shareholders' dividend and bonus according to the earnings distribution plan proposed by the board of directors and resolved in a shareholders' meeting.

Taking the Company's operation and maximization of shareholders' interests into account, and in light of that the Company is situated in a volatile technology-intensive industry, the Company adopts a residual dividend policy for its long-term development need. In consideration of the Company's projected capital expenditure and funding needs in the future, dividends are distributed appropriately where the amount of cash dividend shall not be less than 10% of the total dividend amount. Provided, the Company may make such earnings distribution in form of cash or shares subject to actual profit and funding condition of that year, and an adjustment may be made by a resolution of the shareholders' meeting.

1.8.2 Dividend distribution proposal to be resolved in this shareholders' meeting：

Proposal passed by the meeting of the board of directors on March 22, 2023:

(1) It is proposed to distribute employees' compensation of NT$42,220,000and directors' and supervisors' remuneration of NT$13,920,000.

(2) The Company plans to distribution the cash dividend of NT$2.5 per share (the cash dividend of NT$2.0 per share through earnings and the cash dividend of NT$0.5 per share through capital surplus) where 104,044,410 outstanding shares are used in the calculation of dividend payout ratio.

(3) Abovementioned distribution plan will be proceeded after the discussion and resolution of the shareholders' meeting on June 1, 2023.

1.9 Abovementioned distribution plan will be proceeded after the discussion and resolution of the shareholders' meeting on June 1, 2023. Effects of share dividend proposed to the shareholders' meeting on the Company business performance, earnings per share and return on investment of shareholders：

Unit: NT$ Thousand

Item			2023 (Estimated)
Paid-in capital at beginning of the year			1,040,444
Dividend distribution of the year	Cash dividend per share		2.5 (Note 1)
	Share dividend per share through earnings		0(Note 1)
	Share dividend per share through capital surplus		0(Note 1)
Change of business performance	Operating income		N.A. (Note 2)
	% increase (decrease) in operating income in comparison to last year		
	Net income after tax		
	% increase (decrease) in net income after tax in comparison to last year		
	Earnings per share		
	Annualized average return on investment (inverse of annualized annual price-to-earning ratio)		
Pro forma earnings per share and price-to-earnings ratio	If share dividend through earnings is all paid in cash	Pro forma earnings per share	N.A. (Note 2)
		Pro forma annualized average return on investment	
	If there is no share dividend through capital surplus	Pro forma earnings per share	
		Pro forma annualized average return on investment	
	If there is no share dividend through capital surplus, and share dividend through earnings is all paid in cash	Pro forma earnings per share	
		Pro forma annualized average return on investment	

Note 1: To be resolved in this shareholders' meeting.

Note 2: Pursuant to the provision of the "Regulations Governing the Publication of Financial Forecasts of Public Companies", the Company is not required to publish its financial forecast for the year 2022.

1.10 Employees' bonus and directors' remuneration：

1.10.1 Percentage and scope of employees' bonus and directors' remuneration prescribed in the Articles of Incorporation：

(1) Employees' bonus shall not be less than 8%.

(2) Directors' remuneration shall not be more than 5%.

1.10.2 The basis for estimating the amount of employees' compensation and directors' remuneration, for calculating the number of shares to be distributed as employees' compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

The Company's employees' compensation and directors' remuneration are estimated to the certain percentage set forth in the Articles of Incorporation, and when there is any discrepancy between the actual distributed amount and the estimated figure, the discrepancy is treated as a change in accounting estimate and recognized in the year of actual distribution.

1.10.3 Proposal of employees' bonus distribution passed by the board of directors:

(1) Amounts of employees' cash bonus, dividend bonus and directors' remuneration:

(2) The proposal for distributing employees' compensation of NT$42,220,000 and directors' and supervisors' remuneration of NT$13,920,000 was passed in the meeting of the board of directors on March 22, 2023.

(3) Number of employee bonus shares proposed and that as a percentage of capital increase through earnings: N.A.

(4) Estimated earnings per share after the distribution of proposed employees' bonus and directors' and supervisors' remuneration: N.A.

1.10.4 Earnings of the previous year (2021) used for the distribution of employee bonus and directors' and supervisors' remuneration:

Unit: NT$

Item	Distribution originally resolved by the board of directors' meeting	Distribution actually resolved by the shareholders' meeting	Reason of discrepancy
Employees compensation	60,150,000	60,150,000	No discrepancy
Directors' remuneration	22,560,000	22,560,000	No discrepancy

1.11 Repurchase of Company Shares:

Share Repurchases by the Company (Repurchases Already Completed)

April 30, 2023

Repurchase no. (Note)	4th Repurchase
Purpose of repurchase	Transfer to employees
Repurchase period	2018.3.26-2018.5.25
Repurchase price range	NT$13-NT$25
Types and numbers of shares bought back	1,689,000 Shares Common Share
Number of shares bought back (NT$)	NT$ 33,170,358
Ratio of the number of shares already repurchased to the number of shares intended to be repurchased (%)	60.32%
The number of repurchased shares that have been cancelled or transferred	1,689,000 Shares
Accumulated number of the Company's shares held by the Company	0
Ratio of the accumulated number of the Company's shares held by the Company to the total number of issued shares (%)	0%

Note: Adjust the number of columns based on the actual number of share repurchases.

2 Issuance of Corporate Bonds

None.

3 Status of Private Placement Corporate Bond

None.

4 Preferred Shares

None.

5 Global Depositary Receipts (GDR)

None.

6 Employee Share Subscription Warrants

None.

7 New Restricted Employee Shares

7.1 Status of New Restricted Employee Shares

April 3, 2023

Type of new restricted employee shares (Note 1)	3rd Restricted Stock Award
Effective registration date and total number of shares	2020.08.25
Issue date (Note 2)	2020.08.31
Number of new restricted employee shares issued	1,200,000
Number of new restricted employee shares still available for issuance	0
Issue price	0
Ratio of the number of new restricted employee shares issued to the total number of issued shares	1.16%
Vesting conditions of the new restricted employee shares	I. Starting from the record date of issuance, employees who remain employed at the end of each vesting period and score a C or above for all annual performance appraisals in the past years. (i)Employees who remain employed one year after being granted restricted shares and score a C or above for the first year of the vesting period may vest 30% of the restricted shares, share dividend and cash dividend awarded by installment. (ii)Employees who remain employed two years after being granted restricted shares and score a C or above for the second year of the vesting period may vest 30% of restricted shares, share dividend and cash dividend awarded by installment. (iii)Employees who remain employed three years after being granted restricted shares and score a C or above for the third year of the vesting period may vest 40% of restricted shares, share dividend and cash dividend awarded by installment. Within one month after an employee meets vesting conditions, the Company transfers the vested shares and share dividend and cash dividend awarded to the employee's personal depository account from the trust account as agreed. II. Employees who have never violated laws and regulations, employee ethical code of conduct and non-disclosure agreement and other internal regulations.
Restrictions on rights in the new restricted employee shares	1.Rights restricted after being granted restricted share and while not meeting vesting conditions: I. Employees may not sell, pledge, transfer or donate the restricted shares to others when meeting vesting conditions are not met, and may not create encumbrances over or otherwise handle in other manners, except who are inheritors. II. Before the vesting conditions of the restricted shares herein are met, rights to attend, propose, speak and vote in a shareholders' meeting shall be executed by the trust custodian as agreed. Once employees meet the vesting conditions, shares will be transferred from the trust account to employees' personal depository account in accordance with the trust custodial agreement. III. In addition to restrictions above, other rights are the same as those of the Company's outstanding common shares.

Custody of the new restricted employee shares	The restricted shares issued by the Company shall be kept in custody of a share trust before being vested.
Treatment of the new restricted shares for which the grantee fails to meet the vesting conditions after receiving or subscribing to the shares	Vesting conditions not met: After employees are awarded or subscribe restricted shares, if the vesting conditions are not met, except otherwise agreed by the Company under special circumstances, the Company will take back and cancel the shares without any compensation. Inheritance: After an employee is awarded or subscribe restricted shares, if the employee passes away before the vesting conditions are met, except otherwise agreed by the Company that the employee's inheritors are deemed to meet the vesting conditions on the date of the employee's death, the Company will take back and cancel the shares without any compensation. Retirement: After an employee is awarded or subscribes restricted shares and he or she retires pursuant to laws and regulations, if the vesting conditions are not met, except otherwise agreed by the Company under special circumstances, the Company will take back and cancel the shares without any compensation. Transfer: After an employee was awarded or subscribes restricted shares, he or she is transferred to an affiliate of the Company due to the Company's operational needs and upon the Company's decision, fulfillment of the vesting conditions set forth herein is still required after his or her transfer. In an event of violation of these regulations, the Company will take back and cancel the shares without compensation. Unpaid leave, severance in accordance with the Labor Standards Act and termination of employment for other reasons: When an employee who is awarded or subscribes restricted shares is unable to meet the vesting conditions, the Company will take back and cancel the shares without compensation.
Number of new restricted employee shares that have been retired or bought back	279,000
Number of new restricted shares that have vested	645,900
Number of unvested new restricted shares	275,100
The ratio of the number of unvested new restricted shares to the total number of issued shares (%)	0.26%
The effect on shareholders' equity	To attract and retain technology and professional talents, and increase the team spirit and sense of belonging of employees. As a result, employees will jointly create benefits for the Company and its shareholders, leading to a positive impact on the shareholders' equity.

Note 1: Adjust the number of columns according to the actual number of issues.
Note 2: Fill in all the required information separately for new restricted employee shares of different issue dates.

Type of new restricted employee shares (Note 1)	4th Restricted Stock Award
Effective registration date and total number of shares	2022.09.02
Issue date (Note 2)	2022.11.30
Number of new restricted employee shares issued	1,200,000
Number of new restricted employee shares still available for issuance	
Issue price	0
Ratio of the number of new restricted employee shares issued to the total number of issued shares	1.20%
Vesting conditions of the new restricted employee shares	Starting from the record date of issuance, employees who remain employed at the end of each vesting period and score a C or above for all annual performance appraisals in the past years. Employees who remain employed one year after being granted restricted shares and score a C or above for the first year of the vesting period may vest 30% of the restricted shares, share dividend and cash dividend awarded by installment. Employees who remain employed two years after being granted restricted shares and score a C or above for the second year of the vesting period may vest 30% of restricted shares, share dividend and cash dividend awarded by installment. Employees who remain employed three years after being granted restricted shares and score a C or above for the third year of the vesting period may vest 40% of restricted shares, share dividend and cash dividend awarded by installment. Within one month after an employee meets vesting conditions, the Company transfers the vested shares and share dividend and cash dividend awarded to the employee's personal depository account from the trust account as agreed. Employees who have never violated laws and regulations, employee ethical code of conduct and non-disclosure agreement and other internal regulations.
Restrictions on rights in the new restricted employee shares	Rights restricted after being granted restricted share and while not meeting vesting conditions: Employees may not sell, pledge, transfer or donate the restricted shares to others when meeting vesting conditions are not met, and may not create encumbrances over or otherwise handle in other manners, except who are inheritors. Before the vesting conditions of the restricted shares herein are met, rights to attend, propose, speak and vote in a shareholders' meeting shall be executed by the trust custodian as agreed. Once employees meet the vesting conditions, shares will be transferred from the trust account to employees' personal depository account in accordance with the trust custodial agreement. In addition to restrictions above, other rights are the same as those of the Company's outstanding common shares.
Custody of the new restricted employee shares	The restricted shares issued by the Company shall be kept in custody of a share trust before being vested.
Treatment of the new	Vesting conditions not met: After employees are awarded or subscribe

restricted shares for which the grantee fails to meet the vesting conditions after receiving or subscribing to the shares	restricted shares, if the vesting conditions are not met, except otherwise agreed by the Company under special circumstances, the Company will take back and cancel the shares without any compensation. Inheritance: After an employee is awarded or subscribe restricted shares, if the employee passes away before the vesting conditions are met, except otherwise agreed by the Company that the employee's inheritors are deemed to meet the vesting conditions on the date of the employee's death, the Company will take back and cancel the shares without any compensation. Retirement: After an employee is awarded or subscribes restricted shares and he or she retires pursuant to laws and regulations, if the vesting conditions are not met, except otherwise agreed by the Company under special circumstances, the Company will take back and cancel the shares without any compensation. Transfer: After an employee was awarded or subscribes restricted shares, he or she is transferred to an affiliate of the Company due to the Company's operational needs and upon the Company's decision, fulfillment of the vesting conditions set forth herein is still required after his or her transfer. In an event of violation of these regulations, the Company will take back and cancel the shares without compensation. Unpaid leave, severance in accordance with the Labor Standards Act and termination of employment for other reasons: When an employee who is awarded or subscribes restricted shares is unable to meet the vesting conditions, the Company will take back and cancel the shares without compensation.
Number of new restricted employee shares that have been retired or bought back	0
Number of new restricted shares that have vested	0
Number of unvested new restricted shares	1,200,000
The ratio of the number of unvested new restricted shares to the total number of issued shares (%)	1.15%
The effect on shareholders' equity	To attract and retain technology and professional talents, and increase the team spirit and sense of belonging of employees. As a result, employees will jointly create benefits for the Company and its shareholders, leading to a positive impact on the shareholders' equity.

7.2 Names and Acquisition Status of Managerial Officers Who Have Acquired New Restricted Employee Shares and the Top Ten Employees (Ranked by the Number of Restricted Shares Acquired) Who Have Acquired New Restricted Employee Shares

As of April 3, 2023

	Job title	Name	Number of new restricted employee shares granted	Ratio of the number of new restricted employee shares granted to the total number of issued shares (Note 4)	Vested Restricted Shares (Note 2)				Unvested Restricted Shares (Note 2)			
					Number of vested shares	Issue price	Total purchase price	Ratio of the number of vested restricted shares to the total number of issued shares	Number of unvested shares	Issue price	Total purchase price	Ratio of the number of unvested restricted shares to the total number of issued shares (Note 4)
Managerial officers	Chairman/Chief Technology Officer	Huang, Yu-Tung	308,000	0.30%	114,100	0		0.11%	193,900	0		0.19%
	President	Chen, Jui-Hung										
	Vice President	Lei, Te-Fu										
	Vice President	Lee, Kun-Hung										
	Special Assistant	Chang, Tun-Hsin										
	Director	Lee, Chin-Hung										
	Senior Manager	Chen, Chi-Yun										
Employees (Note 3)	Director	Liu, Justin	316,000	0.30%	98,000	0		0.09%	218,000	0		0.21%
	Senior Manager	Yeh, Min-Ming										
	Senior Manager	Yang, Tsung-Pin										
	Manager	Tu, Chin-Tsun										
	Manager	Huang, Kun-Yu										
	Manager	Chang, Yu-Wen										
	Manager	Lin, Hsiao-Hui										
	Manager	Wu, Wen-Yang										
	Manager	Chang, Jung-Pin										
	Deputy Manager	Liu, Chih-Fang										
	Deputy Manager	Liu, Yu-Ching										
	Deputy Manager	Yeh, Ya-Chun										

Note 1: The names and job titles of the managerial officers and employees should be presented individually (and an annotation should be made in the event an officer or employee has departed the company or died), but the quantities acquired and subscribed may be presented in aggregate sums.

Note 2: Adjust the number of columns according to the actual number of issues.

Note 3: The top ten employees who have acquired new restricted employee shares means employees other than managerial officers.

Note 4: The total number of issued shares means the number of shares in the amendment registration information on record with the Ministry of Economic Affairs

8 Basic Information on Companies That Are Merged or Acquired or Whose Shares Are Acquired by the Company

None.

9 Financing Plans and Implementation

N.A.

V. Business Overview

1 Business Content

1.1 Business Scope

1.1.1 Main Business Content

Founded in November, 1997, TAI-SAW Technology Co., Ltd (TST) has been dedicated to providing communication components for years with the help of its main technical team from Motorola's electronic communication components department. Guided by the business philosophy of "dedication, trustworthiness, exactitude, innovation, and excellence" , TST has made its way to "The Best Partner of Frequency Devices" by working jointly with its partners, so as to provide high-quality, cost-effective, and innovative solutions with outstanding services. In anticipating the rapid growth of the global wireless communication industry, we have been committed to upgrading our competitiveness for the sustainable development of the Company.

Our major products consist of filter components and BAW crystal components:

A. Filter components cover RF SAW filter, IF SAW filter, SAW Resonator, SAW duplexer, Quadplexes, BAW filter, SAW Sensor, Ceramic filter, and the related modules.

B. BAW crystal components cover crystal resonator, crystal filter, crystal oscillator, VCXO, VC-TCXO, etc. Applications include 5G mobile phones and base stations, wireless LAN, WiFi6E/7 modules, IOT, smart home, smart grid, electric vehicles and in-vehicle communication terminals, T-BOX, LEO satellite communication, satellite digital radio, GPS, etc. We are also capable of providing a complete range of frequency solutions for special applications such as professional automotive, medical and defense, and special packaging modules.

1.1.2 Business Proportion

Unit: NT$ Thousand

Business Items	Turnover of Year 2022	Business Proportion (%)
Frequency Component	2,449,208	72.94
Others	741,356	22.08
Total	167,426	4.98

1.1.3 Products and Services of the Company

Our company is a professional supplier for Filter components and BAW Crystal components, with thousands of SAW Filters, SAW Resonators, BAW Crystal components and Ceramic Filters whose frequency ranges from 8MHz to 6 GHz. Our products supply components for the fifth-generation Mobile Communication System, Data Communication, Game Console, Burglar Alarm, WiFi-6, GNSS (Global Positioning System), Internet of Things, Smart Speakers, Bluetooth headsets, TWS, Medical Care Systems, Automotive Digital Broadcasting, Electric Vehicles and in-vehicle Communication Terminals, T-BOX, LEO Satellite Communication and Servers, and High-speed Optical Communication Equipment. We can also develop products for different frequencies and applications at the request of our customers, expanding

domestic and international markets as both ODM and OEM supplier.

1.1.4 New Products and Services to be Developed

By virtue of the core competencies of our technical team, we are not only targeting the needs of the popular wireless communication market, but also actively developing new products, new processes and testing technologies. At present, we aim to be at par with manufacturers in Europe, America and Japan. New products to be developed:

A. Design and development of RF SAW filter, Duplexer, Multiplexer and GNSS RF front-end module for 5G mobile phones and base stations, Femtocell, LTE, STB (Set Top Box) digital set-top box, DMB digital multimedia FM, LNB satellite TV receivers and GPS, and applications related to EVs.

B. For 5G NR mobile phone and WiFi 6E/7 filters, we have developed BAW filters and Ceramic filters with a frequency from 5GHz to 7GHz. We have increased our filter band from 3.5GHz to 5GHz ~ 7GHz to strengthen our market share with a complete product line.

C. Adopting SAW component technology, the Company has developed SAW biomedical sensor chip and device platform that has been used in POCT market for testing Apo B, AFP and CPR.

D. Development of CSP chip level scale package technology: As wireless communication products get smaller, more multi-functional and more cost-effective, developing CSP chip level scale package technology has become a certain trend. We are working on a special CSP package manufacturing process that can be applied to automotive electronics.

E. Electronic components are sure to be smaller, thinner, shorter and smaller. The size of CSP SAW Filter is 0.9x0.7mm and a smaller size can only be achieved through WLCSP. The size of WLCSP SAW components developed by our company can be reduced to 0.8x0.6x0.4mm, which can meet the temperature (165 ℃) and pressure (6MPa) tests for module packaging. Besides, the crystal component is 1.0x0.8mm, which can be used in wearable devices.

F. Our company has also actively developed differential output oscillators with high order, high frequency, and low jitter to tap into the high-end market in response to the high-speed data transmission requirement in network Servers, Cloud Data Centers, Network Switches, Backhaul and Optical Fiber Communication as the demand for data transmission increases.

G. Product modularity, with the advantages of reducing the number of components used, reducing product size and increasing gross margins, is a trend in the mobile phone and automotive markets. Our Company has already developed GPS RF front-end module and GNSS RF front-end module. In the future, we will invest more resources in developing WiFi RF front-end modules, 5G NR RF front-end modules, automotive antenna switching modules and automotive power modules to make our products more diversified and more competitive to further expand the market.

1.2 Industry Overview

1.2.1 Current Status and Development of the Industry

1.2.1.1 Current status of the industry

The five applications in the most important end markets for global electronic components are: mobile phones, augmented reality/virtual reality (AR/VR), drones, wearable devices, and automobiles. As a result of the increasing popularity of 5G smartphones, the Internet of

Vehicles and the Internet of Things have led to a growing market demand for SAW RF filters with the size of 1109 and 0907, duplexers with the size of 1814 and 1612 and TCXO development. Meanwhile, apart from the advancement of mobile communication, the emerging applications like electric vehicles and automotive electronic IoT in the past few years have made their way to more mature and more demanding market. Besides, the low orbit satellite communication has begun to rise, combined with the demand of remote storage devices. The rapid growth in high-speed transmission of wired and wireless data and the crowded frequency bands has led to a demand for higher-order BAW crystals/oscillators and more SAW filters, duplexers and ceramic filters. Over the years, our company has been committed to the development of high-end products and technology.

The following is a detailed description of the current state

A. SAW Component

The SAW component, mainly acoustic wave filter components, saves the trouble of designing power supply separately and is efficient, making it reliable enough to avoid interference of the high harmonic (multiple frequency of all the basic design frequency). Also, its transmission is free from the interference of electromagnetic waves as it is transmitted through acoustic wave rather than electromagnetic wave. Nowadays, the SAW component has been widely used in wireless communication equipment, information products, consumer electronics and automotive 4C products, among which the biggest demand comes from 5G NR and 4G LTE mobile phone. In the future, it will also play an essential role in the optoelectronic industry, radar systems, global positioning systems, electric vehicle electronics and LEO satellite communications.

B. BAW Component

In recent years, it is obvious that frequency component manufacturers in Taiwan move faster than other global manufacturers. The main reason for this can be classified into two parts. For one thing, Taiwan manufacturers have taken over the high-end market with higher gross interest rate developed by Japanese manufactures. For another, Taiwan's downstream electronics assembly plants gradually increase the proportion of local procurement, which also contributes to the faster movement. It is anticipated that the demand for BAW crystal components will continue to grow in the next few years as the global 4C industry continues developing, coupled with the demand from automotive electronics, wearable devices, the Internet of Things, cloud storage devices and optical communications, newly launched high-end products and new-added functions.

1.2.1.2 Trends in the industry

In recent years, driven by global telecommunications liberalization, rapid economic development, rising consumer spending power, advances in wireless communication systems and new technologies, drastic growth can be seen in mobile communication equipment and the services market. Wireless communication technologies are widely used in 5G smart phones (5G NR, 4G LTE Smart Phone), base station related communication devices, Internet of Things (IOT), unmanned autonomous vehicles, Telematics, WLAN, Bluetooth, GPS and Home RF, LEO satellite communications, etc. As a result, the demand for key frequency components such as SAW filters, duplexers, resonators, crystal resonators and voltage-controlled temperature compensate oscillators is also rising rapidly. Overall, the domestic

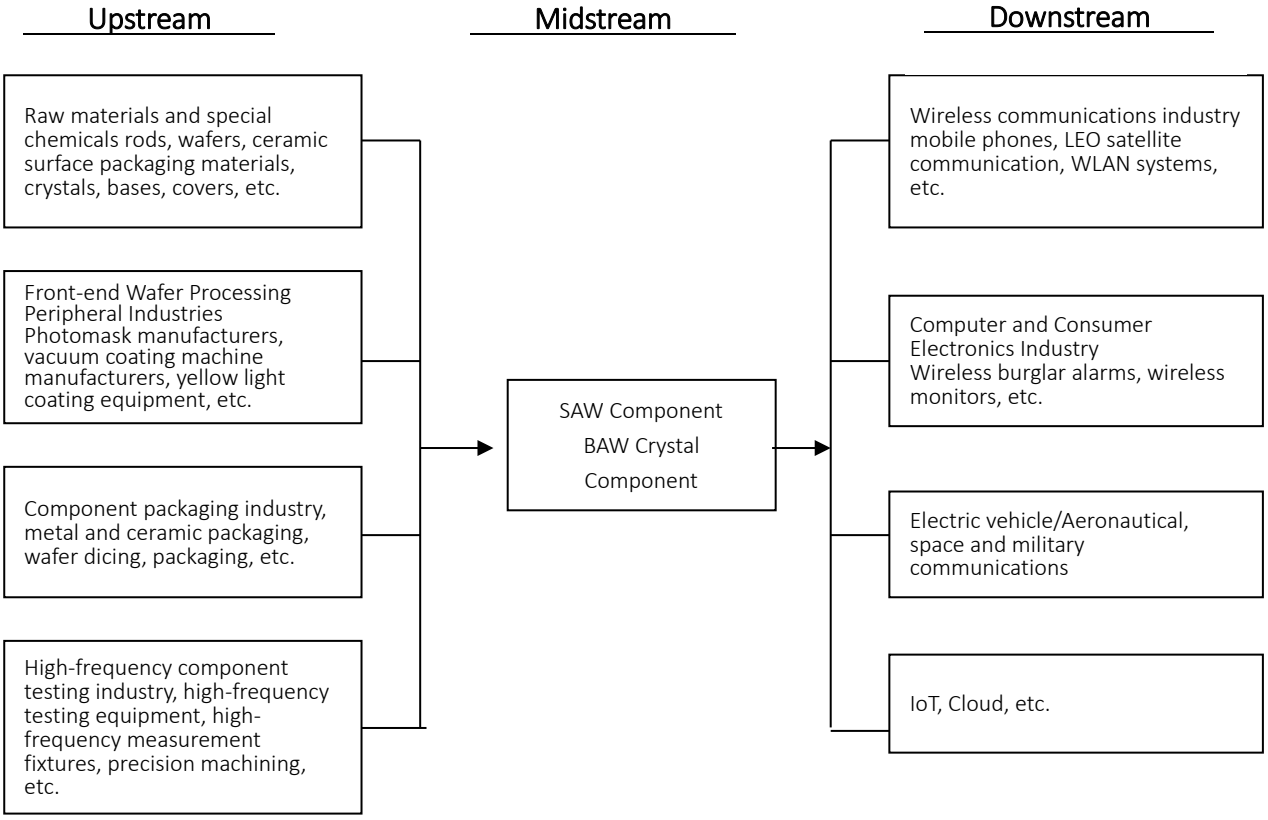
frequency component industry will introduce or develop higher level processing technology (including size, frequency band, composite function, etc.) in the future under the business opportunity that international manufacturers release their production capacity, which will provide more application opportunities. As the global 4C industry gets more integrated and new products are being introduced continuously, it is expected that the demand for frequency components will remain at a certain level and more precise, and high-end and small components will be in great demand.

The SAW component industry is still an oligopolistic industry, with the top three manufacturers accounting for over 70% of the production, namely Murata, Qualcomm/RF360 and Taiyo Yuden. Nevertheless, the market share of some products goes to Asia due to big market share and high expense in cheap mobile phones by European and Japanese manufacturers as well as the rapid growth of mainland mobile phone brands. The BAW crystal component is mainly manufactured by Japanese, Taiwanese and Chinese manufacturers. Although Japan holds a large share of the global market in this field, most of its players are facing competition and have been under pressure to reorganize their operations in the last two years. The technology gap between Taiwan's frequency components industry and Japan's industry is quite close.

In summary, the future development of frequency components in Taiwan is promising with the rise of demand for wireless, the upgrading of technology and the increase in supply capacity. The general trend of this industry and the resources invested by various companies will be the opportunity to take over the European and Japanese companies in this industry. It is significant to avoid the competition from mainland companies and make Taiwanese companies take the lead in the integration of the 4C industry.

1.2.2 The Correlation among Upstream, Midstream, and Downstream in the Industry

SAW components and BAW crystal components belong to the raw materials industry in the upstream, including piezoelectric materials, wafers, 4 and 6- inch wafers, chips, ceramic packaging materials, specialty chemicals (photoresist) and process equipment including photomasks, exposure machines, vacuum coating machines, wafer cutters, bonding machines, wire bonding machines, ceramic sealing systems and RF testers. Downstream industries include the mobile phone industry, computer industry, wired and wireless communication systems, wired and wireless network products, automotive electronic systems, consumer electronics, etc. They are closely related to the supply and demand of upstream, midstream and downstream industries, and are listed below：



1.2.3 Trends of Products

SAW components and BAW crystal components are mainly used as components for information, communication and consumer electronics products, so its development trend is closely related to the direction and demand of the 3C market. Its future development direction is as follows:

A. Smaller

In response to the urgent demand for lighter, thinner, shorter and smaller products for telecommunication applications, the Company's photolithography process can achieve a line width measured by sub-micron for SAW components and the back-end precision packaging process covers the Metal Can Package and Ceramic Package, making its processing a world-class one. In terms of BAW components, the Company has been able to use its SAW micro-packaging technology to directly penetrate into the miniaturized precise BAW crystal components, focusing on micro components for communication (e.g., mobile phones) and antenna, FEM, PAM modules and other applications. In addition, the Company has obtained important domestic patents, including patents for chip-level packaging (CSP), wafer-level packaging (WLCSP) and other miniaturized products, providing simple, low-cost packaging structure, as well as patents for chip-level packaging and miniaturized products, so the trend of making products smaller is promising.

B. Higher-Frequency

As the wireless communication industry requires higher frequencies, we have worked on the development of Film Bulk Acoustic Resonator (FBAR), which uses microelectromechanical to

make piezoelectric film in order to form a BAW resonator and can be utilized to fabricate a resonator, filter or duplexer. Film BAW components will be in great need in the future when the fifth-generation communication system requires higher and higher frequency. In addition, high frequency BAW crystal components use the Mesa chip design, in which our company has started research and production.

C. More Precise

The precision of working frequency or temperature of communication products needs upgrading as the system function and transmission rate rise. For example, the accuracy of surface acoustic wave resonators used in the automotive industry has increased from +/-150KHz~ +/-75KHz to +/-50KHz ~ +/-30KHz, which requires not only adjustments in designs, but also strict control in processing to maintain its proper stability when used in major temperatures (-40°C to 85°C). The temperature compensated surface acoustic wave component (TC SAW) is one of the key items to be developed as the more crowded wireless band after the deployment of LTE presents more requirements to the temperature characteristic of filters. In addition, the temperature stability of the TCXO frequency has progressed from 2.0ppm for mobile phone applications to 0.5ppm for GPS, to 0.1ppm for Femtocell applications. The operating temperature range has reached -40C to +125C for automotive applications. The company has also built-up computer simulation capabilities to grasp the energy conversion between piezoelectric and mechanical oscillations in piezoelectric materials in an effort to reduce the product design cycle and to master the precision of our products.

D. More Modular

Product modularity, with the advantages of reducing the number of components used, reducing product size and increasing gross margins, represents a trend in future markets. Our company has been developing and providing OEM services for years, including RF front-end modules for GPS, 2.4GHz wireless transmission modules and crystals modules. Taking advantages of flip chip and unique semiconductor processing capability, combined with excellent equipment, design, circuit and test engineering manpower, our company has embraced a blueprint for frequency modules that integrate all frequency components (including SAW, BAW crystal components, oscillation circuit system design) into various multi-functional modules required by the market, such as wireless transmission modules, GPS modules and voltage controlled surface oscillators (VCSO) for optical communications, in the hope of providing complete solutions to communication components to make our products more diversified and more competitive. In this regard, we are now actively cooperating with chipset and system manufacturers to design and develop modules to meet the future demand for built-in short-range communication modules.

1.2.4 Market Competition

In recent years, the domestic players have made great progress in improving various wireless communication products including 4G LTE/5G NR mobile phones, Internet of Things (IOT), WLAN, Bluetooth, LoRa, NBIOT and GPS, etc. However, the supply capacity of RF components is far from enough and most of the supply is from Japan, Europe and the United States. The self-sufficiency rate of BAW crystal components is still insufficient and the SAW components are even lower. This not only fails to reduce the purchasing cost, but also

significantly reduces the profit margin and long-term competitiveness of domestic system manufacturers in terms of stability of supply, cost backlog of inventory and timeliness of after-sales service.

Our company is the only domestic manufacturer to develop and produce SAW components in Taiwan, and we are the first domestic company whose SAW components and high order crystal oscillator components are widely adopted by mobile phone manufacturers and shipped in large quantities. Our company will respond to rapid growth of Asia-Pacific market with our product development technology, independent manufacturing, and complete product layout, establishing a leading position in both domestic and foreign markets.

1.3 Technology and R&D Overview

1.3.1 Research and development expenses for the most recent fiscal year as of the date of printing of the annual report (NT$ Thousand)

Items	2022	2023 Q1 (Consolidated Financial Statement)
R&D expenses	194,174	46,753

1.3.2 Technologies or products successfully developed during the most recent fiscal year as of the date of printing of the annual report

Year	Technologies or Products Successfully Developed
2022	1. 2.5x2.0mm 1.536MHz XO for Networking. 2. 1.6x1.2mm 76.8MHz Xtal for Optical network. 3. 2.0x1.6mm 27.6MHz Xtal for Ion Mobility's Automotive. 4. 1.6x1.2mm 80MHz Xtal for Optical network. 5. 1.6x1.2mm 52MHz TCXO for automotive, Mobile. 6. 1.6x1.2mm 16.368MHz TCXO for GPS. 7. 1.6x1.2mm 27.12MHz Xtal for RFID. 8. 1.6x1.2mm 52MHz TSX for Mobile 5G. 9. 2.1x1.3mm 32.768KHz TCXO for Power Meter. 10. 2.0x1.6mm 33.6MHz TCXO for Base station. 11. 3.2x2.5mm 31.25MHz XO for WIFI. 12. 3.2x2.5mm 37.175MHz Xtal for Rescue. 13. 2.5x2.0mm 14.7456MHz VCTCXO for WIFI. 14. 2.0x1.6mm 46.65MHz Xtal for Satellite Radio. 15. 2.5x2.0mm 12.288MHz TCXO for Telecom. 16. 2.5x2.0mm 49.152MHz TCXO for USB. 17. 3.2x2.5mm 6.005284MHz XO for Infotainment platform. 18. 2.5x2.0mm 33.33MHz XO for Bitcoin mining machine. 19. 1.6x1.0mm 60MHz Xtal for WiFi SOC. 20. 3.2x2.5mm 36.864MHz Xtal for Automotive. 21. 3.2x2.5mm 55.46667MHz Xtal for Consumer. 22. 2.1x1.3mm 32.768KHz XO for Networking. 23. 3.2x2.5mm 25.000625MHz Xtal for NEXSEC's communications server. 24. 2.5x2.0mm 2.048MHz XO for ECG200.

Year	Technologies or Products Successfully Developed
	25. 1.0x0.8mm 32MHz Xtal for IOT. 26. 2.5x2.0mm 70.833333MHz Xtal for module. 27. 3.2x2.5mm 25.000625MHz Xtal for module D-Link. 28. 1.2x1.0mm 37.4MHz Xtal for Azurewave WIFI. 29. 3.2x2.5mm 13.598MHz Xtal for the consumer Hoboke. 30. 3.2x2.5mm 49.152MHz Xtal for Networking. 31. 2.0x1.6mm 49.58MHz TCXO for automotive. 32. 1.6x1.2mm 32MHz Xtal for blood glucose meter. 33. 1.6x1.2mm 54MHz Xtal for Networking. 34. 2.0x1.6mm 27.648MHz Xtal for voice control. 35. 3.2x2.5mm 29.4912MHz TCXO for Military. 36. 2.5x2.0mm 125MHz XO for SAIC Motor's domain control unit. 37. 3.2x2.5mm 14.318MHz Xtal for Shuttle/Networking. 38. 1.6x1.2mm 32MHz Xtal for IOT/BT. 39. 2.0x1.6mm 55.2MHz Xtal for u-Blox. 40. 2.0x1.6mm 49.58MHz TCXO for ublox. 41. 2.0x1.6mm 39MHz TCXO for Consumer. 42. 1.2x1.0mm 38.4MHz Xtal for Networking. 43. 2.0x1.6mm 50MHz Xtal for Union/automotive radar. 44. 2.5x2.0mm 5MHz XO for Sevenstar/mass flow meter. 45. 3.2x2.5mm 8.192MHz Xtal for Cluster's motor driver. 46. 3.2x2.5mm 9.216MHz Xtal for the consumer Liuhuan. 47. 2.5x2.0mm 16.6666MHz XO for the consumer Fujiya. 48. 5.0x3.2mm 200MHz XO for Tactical Land Radars. 49. 2.5x2.0mm 156.25MHz XO for Marvell 200G Server. 50. 2.5x2.0mm 156.25MHz XO for Marvell 400G/800G Server. 51. 3.2x2.5mm 21.948717MHz Xtal for Cluster/ car remote control. 52. 3.2x2.5mm 39.6776MHz Xtal for ADAS radar. 53. 2.0x1.6mm 55.4667MHz Xtal for electronic dashboard. 54. 7.0*5.0mm Fo=67.5MHz , for Radar detector. 55. 1.1*0.9mm Fo=1176.5MHz, for GNSS L5. 56. 1.4*1.1mm Fo=1583MHz, for Automotive. 57. 1.4*1.1mm Fo=1203MHz, for Automotive-GNSS L2+L5. 58. 3.0*3.0mm Fo=1542MHz, for L-band Satellite hand-held terminal. 59. 1.1*0.9mm Fo=1575.42MHz, for GNSS. 60. 1.1*0.9mm Fo=1228MHz, for GPS. 61. 3.0*3.0mm Fo=1737.5MHz, for Distributed Antenna System. 62. 1.4*1.1mm Fo=1880MHz, for PICO. 63. 1.1*0.9mm Fo=2580MHz, for LTE B41-module. 64. 7.0*5.0mm Fo=434.1MHz, for Medical. 65. 7.0*5.0mm Fo=434.1MHz, for Medical. 66. 7.0*5.0mm Fo=434.1MHz, for Medical. 67. 1.1*0.9mm Fo=881.5MHz, for Networking. 68. 3.0*3.0mm Fo=3625MHz, for BTS. 69. 2.0*1.2mm Fo=3625MHz, for IOT. 70. 3.0*3.0mm Fo=1565.5MHz, for Automotive. 71. 3.0*3.0mm Fo=915.5MHz, for 4G LTE.

Year	Technologies or Products Successfully Developed
	72. 3.0*3.0mm Fo=866.5MHz, for RFID Data Transmission. 73. 2.0*1.2mm Fo=3750MHz, for Networking. 74. 2.0*1.2mm Fo=3600MHz, for Networking. 75. 1.4*1.1mm Fo=689.5MHz, for Networking. 76. 3.0*3.0mm Fo=1268.52MHz, for DVB-T. 77. 1.4*1.1mm Fo=634.5MHz, for Networking. 78. 5.0*5.0mm Fo=345MHz, for Networking-WiFi. 79. 13.3*6.5mm Fo=109MHz, for Consumer. 80. 1.8*1.4mm Fo=718/773MHz, for Mobile. 81. 1.1*0.9mm Fo=2350MHz, for Networking. 82. 3.0*3.0mm Fo=3780MHz, for sound mixer. 83. 5.0*5.0mm Fo=160MHz, for Transceiver. 84. 1.1*0.9mm Fo=1621.25MHz, for Iridium. 85. 1.4*1.1mm Fo=1238MHz, for Automotive. 86. 1.1*0.9mm Fo=1582.47MHz, for IOT. 87. 3.0*3.0mm Fo=243.95MHz, for telecommunication. 88. 3.0*3.0mm Fo=608MHz, for Networking. 89. 2.0*1.6mm Fo=1375MHz, for Frequency transmitter. 90. 5.0*5.0mm Fo=370/390MHz, for Military. 91. 1.5*1.1mm Fo=1176.45/1585.47MHz, for Automotive GPS. 92. 1.1*0.9mm Fo=2491.75MHz, for IOT. 93. 3.0*3.0mm Fo=3450MHz, for Networking. 94. 1.1*0.9mm Fo=2593MHz, for Automotive Infotainment. 95. 1.4*1.1mm Fo=780.5MHz, for Automotive Infotainment. 96. 1.4*1.1mm Fo=1542MHz, for Cellular Modem CAT1. 97. 20*9.8mm Fo=105MHz, for Networking. 98. 1.1*0.9mm Fo=1672.5MHz, for private network handsets. 99. 3.0*3.0mm Fo=1010MHz, for Datalink. 100. 1.1*0.9mm Fo=1900MHz, for Automotive Infotainment. 101. 1.5*1.1mm Fo=1176.45/1582.47MHz, for Car antenna. 102. 1.4*1.1mm Fo=2442MHz, for LTE Band 40. 103. 3.8*3.8mm Fo=315MHz, for RKE. 104. 1.5*1.1mm Fo=1221.5MHz, for Automotive GPS FEM. 105. 19*6.5mm Fo=705MHz, for Avionics. 106. 1.4*1.1mm Fo=1588.655MHz, for Automotive GPS. 107. 3.0*3.0mm Fo=869MHz, for Security equipment. 108. 1.5*1.1mm Fo=1176.45/1582.47MHz, for GPS. 109. 1.1*0.9mm Fo=780.5MHz, for LTE Full B28. 110. 13.3*6.5mm Fo=793MHz, for Networking. 111. 3.8*3.8mm Fo=730MHz, for UHF Mic. 112. 1.4*1.1mm Fo=2441.75MHz, for Automotive BT module.
2023 Q1	1. 2.5x2.0mm 156.25MHz XO for Maxlinear Data Center. 2. 2.0x1.6mm 96MHz Xtal for bizlink. 3. 3.2x2.5mm 52MHz Xtal for Siweiwuxian's module. 4. 1.6x1.2mm 32MHz Xtal for Medical. 5. 1.6x1.2mm 40MHz Xtal for Medical. 6. 5.0x3.2mm 10.368MHz Xtal for DECT phone.

Year	Technologies or Products Successfully Developed
	7. 2.5x2.0mm 4MHz XO for RANIX. 8. 2.0x1.6mm 76.8MHz Xtal for WIFI 7. 9. 3.2x2.5mm 27.12MHz Xtal for IOT. 10. 2.0x1.6mm 80MHz Xtal for WIFI. 11. 2.5x2.0mm 25MHz TCXO for Hangjing's carrier wave meter. 12. 2.0x1.6mm 52MHz VCTCXO for Networkin. 13. 2.0x1.6mm 38.4MHz Xtal for BLE. 14. 2.5x2.0mm 48MHz TCXO for Itron 500M2 End Point, Utility metering infrastructure. 15. 5.0x3.2mm 10.368MHz Xtal for DECT phone. 16. 3.8*3.8mm Fo=500MHz , for Automotive. 17. 1.4*1.1mm Fo=725.5MHz, for Radio Head B28. 18. 3.0*3.0mm Fo=2240MHz, for Telecommunication. 19. 1.4*1.1mm Fo=1542.5MHz, for Military. 20. 3.0*3.0mm Fo=2491.75MHz, for Military. 21. 1.1*0.9mm Fo=1197.4215MHz, for GNSS(L2+L5+B2). 22. 1.4*1.1mm Fo=866.5MHz, for IoT module. 23. 0.9*0.7mm Fo=1590MHz, for GNSS. 24. 0.9*0.7mm Fo=2442MHz, for WiFi. 25. 2.5*2.0mm Fo=1747.5/1842.5/1950/2140MHz, for LTE B1&B3. 26. 1.6*1.2mm Fo=1745/2155MHz, for LTE Band66.

1.4 Long- and Short-Term Business Development Plans

1.4.1 Short-term Development Plan

1.4.1.1 Operating strategy

A. Target the needs of the popular wireless communication market, and actively develop new products, new processing and testing technology by taking advantage of the core competencies of our technical team.

B. Reduce material and production costs by improving efficiency and cooperating with domestic and international suppliers.

C. Deepen organizational development, actively develop human resources and seek strategic capital and technology investment and cooperation opportunities on a wide scale.

D. Develop quality system by changing the concept of internal manufacturing to provide customers with high-quality products and delivery services.

E. To strengthen the linkage between demand and supply, customer and supplier and to meet the e-commerce needs of our customers through the introduction of CRM and ERP systems.

F. To strengthen the regional operations in the light of the rapid growth of the wireless communications industry in the Asia Pacific and Greater China region, and to gradually build and consolidate market awareness and business marketing bases with small breakthroughs.

G. Strengthen partnerships with strategic partners through investment in technology. Speed up Time-To-Market through division of labor, integrate the supply chain to improve procurement capabilities and optimize cost structures.

1.4.1.2 Product strategy

A. At this stage, we aim to keep up with European, American and Japanese manufacturers and to be ahead of the domestic product development. We aim to be ahead of our domestic counterparts in the development of product platforms and to meet the market entry requirements in real time.

B. As for the development of SAW filters and duplexers, the filters, duplexers, multiplexers and GNSS RF front-end modules will be the focus of product development in 2021 in addition to the existing Data Com, 4G LTE/5G Mobile Com and consumer products as the basis for expansion into other applications, such as smart meters, RF ID and automotive electronics, etc.

C. Continued miniaturization of the X'tal resonator, TSX (Thermal Sensor Xtal), VC/TCXO, VCO and X'tal Filter for direct supply to the mobile phone and netcom markets and to expand into high end applications such as GPS and SIP modules. We also develop high-frequency and high-performance products for special needs and then provide customers with convenient and complete supply services by leading the development of platforms.

D. Focus from niche products to diversified mainstream products

1.4.1.3 Marketing strategy

A. Replace traditional marketing with technology marketing. Make good use of our technological strengths to make quick response and develop and share results with our customers.

B. Strengthen local technology and local services. Participate in local chipset development projects in a timely and appropriate manner and provide value-added services and expand related information to chipsets group related to international Netcom for reference and customer cooperation.

C. Replace with design-in to increase the added value of products and provide customers with comprehensive solutions with complete product deployment.

D. Respond to customers' needs in a quick and flexible manner and emphasize early and joint development and simultaneous application of problem-solving services.

E. Consolidate Asia and strengthen Europe and America Increase investment in marketing resources to expand professional channels and product layout, and jointly develop business promoting results.

1.4.1.4 Production strategy

A. Develop and improve continuous processing and technology to enhance product quality and cost structure and to provide a basis for the deployment of new product platforms.

B. Stabilize supply chain by forming alliances with the selected foreign suppliers and establishing long-term stable cooperation.

C. Carry out the transformation of production process to completely control output and quality of products.

D. Increase the proportion of overseas production for more flexible growth and development.

1.4.2 Long-term Development Plan

1.4.2.1 Operating strategy

A. The business model of vertical integration provides international partners with complete service value to deepen cooperation and meet flexible needs of customer for a WIN-WIN situation.
B. Expand products with a full range of frequency (SAW filter, BAW filter, Ceramic filter, Antenna, X'tal, Oscillator, TCXO, OCXO) and achieve market diversification and balanced development in order to reduce the risk of fluctuations.
C. Strengthen the training of high-frequency R&D personnel and accumulate technical capacity in order to quickly launch appropriate products to meet the demand of the markets.
D. Achieve global marketing balance and establish cross-regional marketing networks.
E. Clarify layout of global production, R&D and sales bases.

1.4.2.2 Product Strategy

A. Based on existing component products, we will expand into other related wireless communication modules and sub-systems.
B. Continue to develop smaller products with higher precision and control the processing schedule.
C. Continuously develop new materials and new platforms to provide material cost and product differentiation.

1.4.2.3 Marketing Strategy

A. Strengthen global marketing bases and ensure a balanced distribution of business volume.
B. Apply digital marketing through internet search, online media and advertising. Cooperate with Digi-key and Mouser and other electronic components e-commerce platforms to accelerate product development for customers.
C. Develop and expand market in mainland China on the basis of Taiwan-invested factories.
D. Improve supply flexibility and real-time service and cooperate with chipset manufacturers to enter the market in time.

1.4.2.4 Production Strategy

A. Expand production steadily and respond to the market demand actively.
B. Increase production capacity in a timely manner to meet customers' expansion needs.
C. Continuously improve the processing for higher investment efficiency.
D. Achieve balanced development of OEM and in-house products to ensure core value and competitive advantage.

2 An Overview of Market, Production and Sales

2.1 Market Analysis

2.1.1 Marketing Area of Major Products

Unit: NT$ Thousand

Area \ Year		2022		2021	
		Amount	%	Amount	%
Domestic sales		1,160,126	34.55	527,528	18.00
Export sales	America	434,211	12.93	498,622	17.02
	Europe	281,422	8.38	272,058	9.28
	Asia	1,455,534	43.35	1,599,068	54.56
	Others	26,697	0.80	33,329	1.14
	Sub-total	2,197,864	65.45	2,403,077	82.00
Total		3,357,990	100.00	2,930,605	100.00

2.1.2 Market Share

In terms of domestic market share, our company gains advantages in that other public manufacturers with certain scale for SAW components are still in the development and introduction stage or stalled at the back-end of the packaging process. Therefore, in light of market share of domestic manufactures, we are the best in the business.

Most of the SAW components are produced by Japanese manufacturers or foreign joint ventures, with the top three manufacturers accounting for more than 70% of production, namely Murata in Japan, joint-venture RF360 established by EPCOS in Germany and Qualcomm, and Taiyo Yuden. Nevertheless, we are the only domestic manufacturer with a production scale, who has made its way to the top ten around the world with its production scale accounting for approximately 3% of the world's total.

In addition to our company, TXC, Siward, Aker, Harmony Electronics and Taitien in Taiwan are also public crystals manufacturers. Specializing in miniaturized quartz crystals with high specifications, our company has directly expanded the wireless mobile communication market, enjoying the highest share in wireless communication products such as mobile phone market, IoT, Bluetooth and other related products. Furthermore, we have also gained advantages in market share of high order SMD X’tal for communication applications. In the information industry market, TXC enjoys the highest market share, followed by Harmony Electronics and Siward.

We are the first domestic manufacturer whose SAW filters and high-order BAW crystals have been adopted and recognized by domestic mobile phone manufacturers and shipped in large quantities. We hope to make domestic related technology development and product manufacturing more independent to replace imports with more competitive terms, further improving the vertical integration of domestic upstream and downstream systems.

2.1.3 Supply, Demand and Growth of the Future Market

2.1.3.1 Supply

In wireless mobile communication systems, SAW filters with small size, low loss, favorable filtering effect, high productivity and stable price are applied in mobile communication manufacturing to maintain the frequency band and comply with the frequency band regulations. The RF module of a wireless communication system also requires a high-order crystal oscillator component as a precise reference source for MHz. Therefore, both SAW components and crystal oscillator components are key components in wireless mobile communication systems and the following table compares the main domestic and foreign suppliers and products:

Products	SAW Component				BAW Crystal Component			
	RF Filter	IF Filter	RF Duplexer	BAW Filters	Quartz crystal	Oscillators (XO)	Voltage Controlled Temperature Compensate	Thermal Sensor Crystal
TST	◎	◎	◎	◎	◎	◎	◎	◎
Qualcomm (RF360)	＊◎	◎	◎	＊◎	X	X	X	X
Taiyo Yuden	＊◎	◎	◎	◎	X	X	X	X
Murata	＊◎	◎	◎	◎	◎	X	◎	X
WISOL	◎	X	◎	◎	X	X	◎	X
Qorvo	◎	◎	◎	＊◎	X	X	X	X
NDK	V	X	X	X	＊◎	◎	＊◎	＊◎
Kyocera	◎	X	◎	X	＊◎	◎	＊◎	◎
Epson	V	V	X	X	＊◎	◎	＊◎	◎
Daishinku	X	X	X	X	＊◎	◎	＊◎	＊◎
TXC	X	X	V	X	◎	◎	◎	◎
Siward	X	X	V	X	◎	◎	◎	◎
Harmony Electronics	X	X	X	X	◎	◎	◎	◎
Taitien	X	X	X	X	◎	◎	◎	X

Note:
*◎: Products sold in large quantities and major suppliers worldwide
◎ ：Products sold in mass production
V: Newly added product line or at the initial stage of mass production
X: Not manufactured

In terms of the SAW component supply market, the world's largest supplier is Murata in Japan, followed by Qualcomm/RF360 and Taiyo Yuden. The three companies have a full range of products to meet the demands of almost all applications. Apart from that, there are also manufacturers with middle scale such as WISOL in South Korea and Qorvo in the US. In terms of domestic supply, RF filters, duplexers, IF filters and SAW resonators are mainly supplied by TST. Domestic supply is insufficient as downstream manufacturers are still mainly purchasing these components from major foreign manufacturers. Overall, the global market share of domestic SAW components is around 8 percent. However, with some mobile phones switching from 3G to 4G, the demand for SAW components has doubled. It is estimated that the compound growth rate of SAW components will exceed 30%, which drives the integration and consolidation of the supply chain of SAW components. In this regard, Qorvo (TriQuint) has changed to combine PA front-end modules for mobile phones as

the main product. Also, Qualcomm/RF360 purchased and merged EPCOS SAW components departments as part of efforts to target mobile phone PA modules and RF front-end modules.

In light of the supply market for BAW quartz components, Japan is playing a leading role, especially in the supply of the BAW quartz components used in mobile phones, with major manufacturers including NDK, Kyocera and Epson, etc. As for the domestic supply, the demand for BAW quartz components from a large number of electronics industries in Taiwan accounts for 25 percent of the world' total while the supply rate is less than 15 percent of that in the world. In the foreseeable future, there is still great room for the domestic market as long as the domestic component manufacturers improve the product processing technology and upgrade yield rate. At present, domestic manufacturers such as TST, TXC, SIWARD, TAITIEN and AKER are all capable of mass-producing and selling crystals. Nevertheless, in terms of VCOs (voltage-controlled oscillators), only our company and Japanese manufacturers are the major players, and MCF (crystal filters) are only available from our company, Siward and Japanese manufacturers, which demonstrates that there is still plenty of room for growth in both domestic and international markets, as well as high-speed networks and data servers.

2.1.3.2 Demand

The demand for communications, information, consuming and automotive electronics will continue to grow, predicted QIAJ, Gartner and other professional research institutions, among which communications, including mobile phones, network equipment, GPS, etc, is still the most widely used and grows at the fastest pace. High-order crystal component with the specification of 2520/2016/1612/1210, VCXO, 3225/2520/2016/1612 (VC) TCXO, and 1411/1109/0907 RF SAW Filter will be applied mostly in communication RF, while mobile phones are the main application to promote growth. In recent years, global mobile phone shipments have been growing rapidly because of the popularity of low-cost mobile phones and the development of mobile phones in mainland China. Besides, more high-performance quartz components will be needed in the mobile phone industry as smart phone and 4G/5G mobile phone applications get more refined and diversified. Statistics and forecasts from the Japan Crystal Industry Association show that the growth in demand for crystal components in recent years has been greater than the growth in mobile phone shipments, as the number of crystal components needed in a mobile phone with more functions is often more than that required for an ordinary mobile phone. For example, the trend towards multimode and multiband (multimode means that different systems are integrated into the phone, and multiband means that the phone can use different frequencies at the same time) will increase the demand for RF SAW filters and duplexers (Duplexer). A shared RF SAW filter and a temperature compensated oscillator element (TCXO) will be required for built-in American GPS, Russian GLONASS, the EU's Galileo and China's BDS. Wireless area networks and Bluetooth can be utilized to connect mobile phones to Notebooks, PCs, tablets and Smart TVs. Frequency component will be in great need as

WiFi & BT is classified as the standard function in the mobile phone industry. And the RF SAW filter is sure to be adopted for coexistence considering the function of multimode, 5GHz WiFi, BT/BLE, Zigbee and 4G LTE.

Future demand for SAW filters and crystal oscillators by mobile phone system

Mobile Phone Systems	RF SAW Filter	Crystal Oscillator Component Crystal/TCXO VCTCXO/VCO
5G NR / 4G LTE/ LTE-A	20~35	2~3
	12~25	1~2
GPS/Glonass/Galileo/Beidou function added	1	0~1
Bluetooth/BLE function added	-	1~2
Camera function added	-	0~1
2.4G/5G WiFi, BT/BLE, LTE coexistence	1	0~1
DAB/ TV added	1	0~1

Source: Compiled by TST

As mentioned above, continued rise can be noticed in the shipment volume of smart phones because of the benefits from Apple, HTC, Samsung, Sony and other international manufacturers and Chinese brands such as Huawei, Xiaomi, OPPO, etc., coupled with the growing demand of China, India and the ASEAN for smart phones. The demand for SAW, BAW crystal component and other key components has roared based on the booming development of mobile phone industry, so does its demand of being smarter, multi-functional, multimode, multiband and light-weighting because of the new technology of Carrier Aggregation with large data bandwidth Consumer applications include handheld mobile devices, tablet PCs, game consoles, HDTV, DSC, USB, and SSD. The rapid growth of market for these products has made the outlook of quartz components quite promising.

Apart from mobile phones, automotive electronics for electric vehicles also use a large number of crystal components, whose market grows at the fastest pace. SAW and BAW crystal components will be adopted in vehicles in remote control systems (RKE), tire pressure detection systems (TPMS), navigation, airbags, temperature control, informtainment, satellite radio systems (SiriusXM), vehicle networking (V2V/V2X) and various safety detection device applied in ADAS (Advanced Driver Assistance Systems). Against the backdrop of electronic control of vehicles, the growing automotive electronics market will be a significant engine, driving the demand of SAW and BAW crystal components besides wireless communication market. In addition, the communication module in the fast-growing smart meters (wireless meter reading AMR), IOT, Drone, LTE CATM, NBIOT, LEO satellite communication will also use the SAW and BAW crystal components of industrial and even automotive specifications.

2.1.4 Competitive Niche

A complete R&D team with key technologies is our major competitive niche. At present, the company has set up specialized department for the maintenance of automation equipment, processing technology improvement, technology development and other core technologies

as part of efforts to master the relevant technologies. In addition, capable of cooperating with customer in development, we provide customers with high-quality services at a more competitive cost.

2.1.5 Favorable and Unfavorable Factors and Countermeasures for Development Prospect

2.1.5.1 Favorable Factors

A. Our company is a leading professional supplier of SAW components domestically, with a complete R&D team and rich experience in development and production.

B. We have mastered the design and simulation technology of SAW components, mastered the key technology. We are quite independent in technology in that we have developed our own processing, equipment, packaging processing, testing and other technologies, making our way to the world's major SAW component manufacturers in the past few years.

C. We have kept pace with the world’s major manufactures in the same field as we played an active role in developing miniaturized crystal grains and WLCSP. The coverage of our processing technology is ahead of our domestic counterparts and its diversity facilitates the development and capital investment in new generation miniaturized modular products.

D. TST is one of few companies capable of designing and mass-producing small high-order quartz crystals and oscillators despite the fact that most of the similar manufacturers are in Japan. (TST also has several key patents under application). We have played a leading role in manufacturing miniaturized oscillator crystal.

E. Flexibility in adjusting business strategies to balance the current branding and OEM models in response to the gradual shift of manufacturing centers to the Asia Pacific region by European and American companies, which gives Taiwan more opportunities for OEM.

F. Our company is capable of cooperating with customers in development and also gains advantages in terms of price and service quality.

G. The growing domestic downstream communications-related industries provide sufficient momentum to our company for strengthening our technological and business development advantages in high-order components used in communications.

2.1.5.2 Unfavorable Factors

A. The Company started late in the frequency component industry so that we are still following the advanced industry in terms of channel deployment.

B. Our brand has a slight foundation in the greater China region and specific application industry. Overseas marketing and design introduction in Europe, America and Japan should be reinforced.

C. A shortage of RF and IF high-frequency talents in China, and a discrepancy between the growth rate of internal training and the company's growth needs affect the company’s development and deployment.

D. Chipset suppliers mainly choose foreign manufacturers as the first choice for design introduction, which makes the introduction of our products harder.

2.1.5.3 Countermeasures

A. Actively promote multi-channel strategic cooperation and contract marketing and simultaneously expand international chipset reference design and customer cooperation.

B. Reinforce peripheral marketing and base layout, strengthen foreign marketing teams, and actively develop major customers in the US, Europe, Japan, and China.

C. Stabilize human resource through alternative service to develop technology, and seek technology transfer or co-development with foreign research institutes and companies to accelerate product development and launch.

D. Make more efforts in developing frequency modular products and expanding cooperation opportunities with OEM customers.

2.2 Key Application Areas and Processing of Major Products

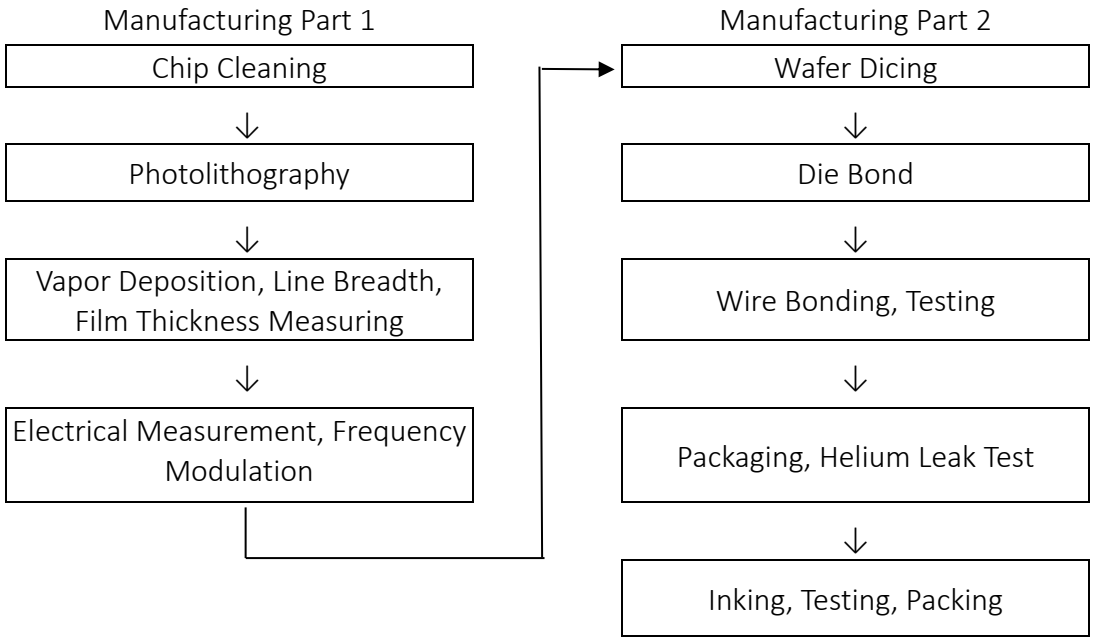
2.2.1 Key Applications of Products

Types of products	Major products	Key application areas
Filter	IF Filters RF Filters	Mobile phones, base stations, digital wireless phones, pagers, transducers for various appliances, wireless keypads, remote controllers, wide area networks, digital radio wireless networks, automotive antennas, smart meters, IoT/EV communication, LEO satellite communication modules, etc.
Resonator	SAW Resonators	Car alarm, remote controls, Wireless communication, Tire Pressure Monitoring System
X'tal/X'tal Filter	X'tal X'tal Filters	Wireless communication base stations, mobile phones, digital wireless phones, pagers, short-range wireless intercoms, cable modems, wireless keypads, joysticks, wide area networks, wireless networks, IoT/EV communication modules, computers, etc.
Oscillator	TCXO VCXO VCTCXO VCO	Mobile phones, GPS, GLONASS, Galileo, related radio communication equipment, WAN, WLAN, GPON, broadband high-speed switches, smart meters, IoT/EV communication, servers and optical communication modules, etc.

2.2.2 Processing

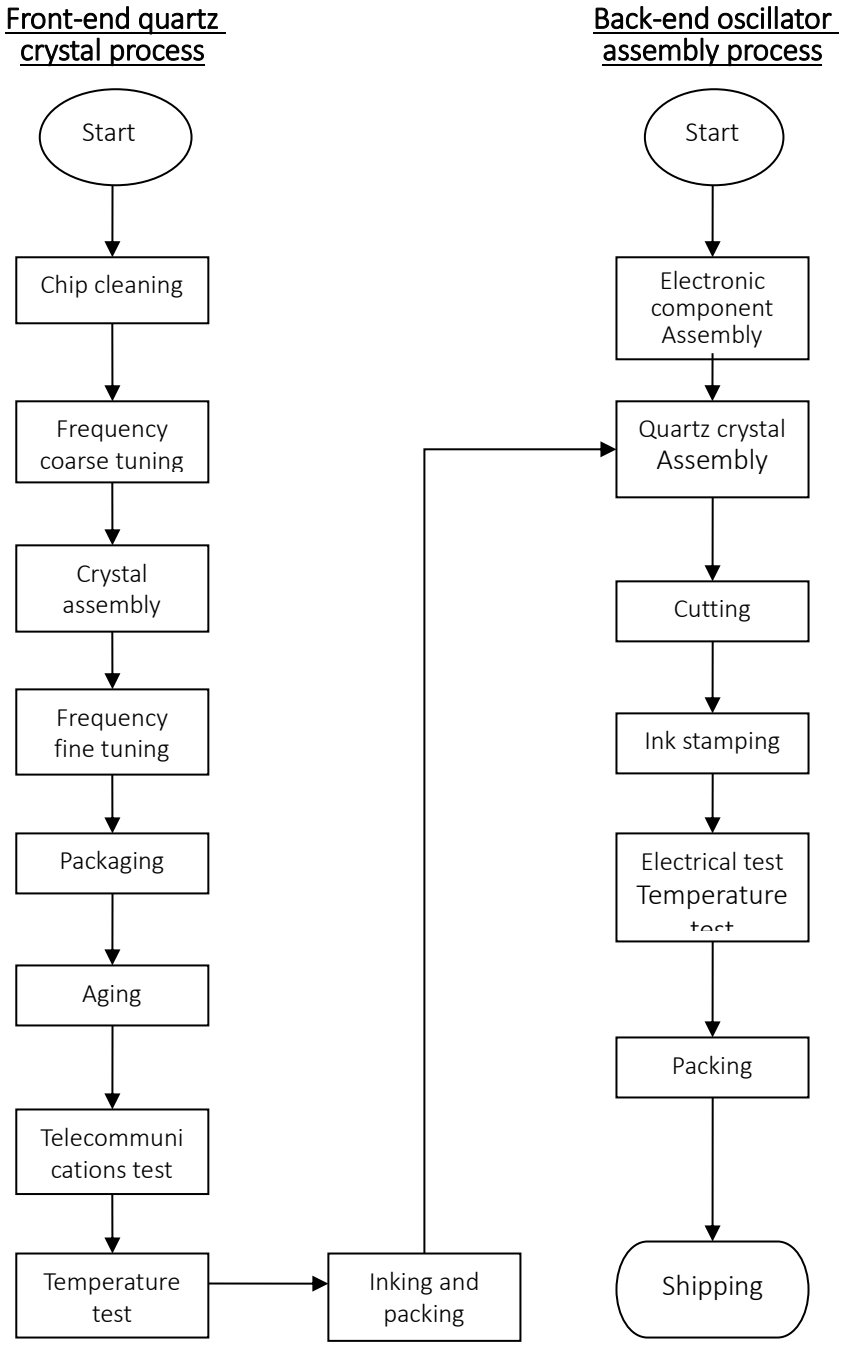
2.2.2.1 Product & Engineering Div. I

Our SAW product processing is divided into Manufacturing part 1 and Manufacturing part 2. The main raw material for Manufacturing part 1 is wafer.



2.2.2.2 Product & Engineering Div. I

The process of crystal oscillator is as follows.



2.3 The Supply of Main Raw Materials

The main raw materials for SAW components are Chip, Base and Lid, and the main raw materials for quartz crystal components are Crystal Blank, Ceramic Carrier, Lid, PCB, Dual Transistor and Discrete Component. These main raw materials are from over two suppliers and the major suppliers are international grand companies or famous companies with whom we have cooperated for a long time, which is conducive to maintaining a continuous and stable supply.

2.4 List of Major Suppliers and Customers

2.4.1 Information on Major Customers for the Most Recent 2 Fiscal Years

Unit: NT$ Thousand

Items	2021				2022				As of Mar.,31 of the current fiscal year			
	Name	Amount	Proportion in the annual net sales	Relationship with the distributor	Name	Amount	Proportion in the annual net sales	Relationship with the distributor	Name	Amount	Proportion in the net sales as of the end of last quarter this year	Relationship with the distributor
1	T Company	141,266	4.82	None	C Company	452,381	13.47	None	L Company	43,125	8.35	None
2	L Company	97,329	3.32	None	W Company	126,334	3.76	Substantive Related Party	W Company	30,601	5.93	Substantive Related Party
	Others	2,692,010	91.86	None	Others	2,779,275	82.77	None	Others	442,510	85.72	None
	Net sales	2,930,605	100.00	None	Net sales	3,357,990	100.00	None	Net sales	516,236	100.00	None

Note 1: The name, sales amount and percentages of the customers with more than 10% of total sales in the most recent fiscal two years are listed, while some may be referred by code names because their names cannot be disclosed due to contractual agreements or the transaction partners are irrelative individuals.

Note 2: If up to the publication date of the annual report for a TWSE or TPEx listed or Emerging Stock company, there is any financial data audited and attested or reviewed by a CPA for the most recent period, it shall also be disclosed.

2.4.2 Information on Major Suppliers for the Most Recent 2 Years

Unit: NT$ Thousand

Items	2021				2022				As of Mar.,31 of the current fiscal year			
	Name	Amount	Proportion in the annual net sales	Relationship with the distributor	Name	Amount	Proportion in the annual net sales	Relationship with the distributor	Name	Amount	Proportion in the net sales as of the end of last quarter this year	Relationship with the distributor
1	A Company	298,876	14.91	None	E Company	205,223	17.87	None	E Company	63,241	11.45	None
2	E Company	238,396	11.89	None	B Company	147,664	12.86	None	B Company	34,972	6.33	None
	Others	1,467,788	73.20	None	Others	795,502	69.27	None	Others	454,250	82.22	None
	Net purchases	2,005,060	100.00	None	Net purchases	1,148,389	100.00	None	Net purchases	552,463	100.00	None

Note 1: The name, sales amount and percentages of the suppliers supplying more than 10% of total amount in the most recent fiscal two years are listed, while some may be referred by code names because their names cannot be disclosed due to contractual agreements or the transaction partners are irrelative individuals.

Note 2: If up to the publication date of the annual report for a TWSE or TPEx listed or Emerging Stock company, there is any financial data audited and attested or reviewed by a CPA for the most recent period, it shall also be disclosed.

2.5 Production Volume and Value in the Most Recent 2 Fiscal Years

Unit：Thousand PCS； NT$ Thousand

Fiscal year / Output / Main products (or department)	2021			2022		
	Production capacity	Production volume	Production value	Production capacity	Production volume	Production value
Frequency components	Note	458,291	1,096,316	Note	299,798	974,069
Others		331	2,686		1,177	9,200
Total	960,000	458,622	1,099,002	960,000	300,975	983,269

Note: Production capacity is shown as a whole because the production line is scalable.

Note 1: Production capacity refers to the quantity that the Company can produce using existing production facilities in normal operations, after consideration of factors such as necessary suspensions of operations and holidays.

Note 2: If there is substitutability in the production of any products, they may be calculated on a consolidated basis, and an explanatory note should be provided.

2.5.1 Sales Volume and Value in the Most Recent 2 Fiscal Years

Unit：Thousand PCS； NT$ Thousand

Fiscal year / Sales / Main products (or department)	2021				2022			
	Local		Export		Local		Export	
	Volume	Amount	Volume	Amount	Volume	Amount	Volume	Amount
Frequency components	106,253	378,014	753,011	2,257,547	68,535	342,262	529,904	2,106,947
Biotech. Products					7,486	735,829	4	5,527
Others	4,575	23,865	709,954	271,179	3,032	26,974	125,421	140,451
Total	110,828	401,879	1,462,965	2,528,726	79,053	1,105,065	655,329	2,252,925

3 Employee Statistics for the Most Recent 2 Fiscal Years and as of the Annual Report Publication Date

Fiscal year		2021	2022	As of Feb.,6 2023(Note)
Direct personnel		288	275	269
Indirect personnel		124	115	116
Sales management personnel		71	72	71
R&D personnel		52	46	46
Total		535	508	502
Average age		37.4	38.33	38.45
Average length of service/year(s)		6.8	7.62	7.78
Distribution of academic qualifications	PhD	0.6%	0.4%	0.4%
	Master Degree	7.7%	9.3%	9.4%
	College Degree	43.7%	45.5%	45.4%
	High School education	46.0%	43.2%	43.2%
	Below High School education	2.1%	1.6%	1.6%

Note: Statistics are for regular employees

Note: Fill in the information for the current fiscal year up to the publication date of the annual report.

4 Disbursements for Environmental Protection

4.1 Any losses suffered in the most recent fiscal year and as of the annual report publication date due to environmental pollution incidents (including any compensation paid) and number of fines None.

4.2 Countermeasures and improvements in the future

A. The Company's "Business Waste Cleaning Plan" was approved by the Department of Environmental Protection, Taoyuan on August 8, 2022 with the approval letter No. H09210280003. The Facility Department has appointed the dedicated personnel responsible for online filings of waste, instructing relevant departments for enhancing supervision and improving internal audit. Moreover, the Company has listed the output of waste organic solvents for management, and regularly reported to the President for accurate control of the waste output and filings.

B. The Company has obtained the stationary pollution source operating permits from the Department of Environmental Protection, Taoyuan: Fu-Huan-Kong-Zi Letter No. 1100022943 and Cao-Zheng-Zi No. H5785-01.

C. The Company has obtained the water pollution source operating permits from the Department of Environmental Protection, Taoyuan: Fu-Huan-Shui-Zi Letter No. 1120039252 and Permit No. H28844-06. Following the provisions promulgated by the Pinzhen Industrial Park, Industrial Development Bureau, Ministry of Economic Affairs, the Company has connected its sewer to the sewerage systems of the Industrial Park. (October 8, 2019 Pinzhen Letter No. 1085131605)

4.3 Estimate of losses, fines, and compensation resulting from any failure to adopt responsive measures

None.

4.4 Status in response to the EU Restriction of Hazardous Substances Directive (RoHS)：

4.4.1 Management measures in response to the RoHS：

A. Since 2005, the QA Department has formulated responsive strategy and implementation framework.

B. Completed the Company's procedures for green supply chain management and regulations for verification documents management.

C. The Procurement Department notifies suppliers the environmental protection standards for the pursuit of green procurement.

D. The R&D personnel are required to use environment friendly materials and obtain relevant proof documents.

E. In the R&D stage and for materials change, suppliers shall provide designated proof document for being environment friendly for all parts, components and materials, which will be further verified by the component engineer.

F. In the final process, the Company sends the finished products to a third-party testing organization for verification to ensure the compliance with RoHS.

G. Conducting regular audit to discover and reduce potential risks.

4.4.2 The Company's compliance status with the RoHS: The Company's manufacturing technology and management ability in connection with the RoHS have been continuously improved and disseminated. Currently, the progress of the Company's compliance with the RoHS is 97%, and it has been verified by many customers.

4.5 The Company's environmental management programs, objectives and policies

4.5.1 All factories received the ISO 14001 Environmental Management System certification.

4.5.2 The Company is committed to environmental protection by not only setting rigorous environmental disciplines for itself but also emphasizing on the environmental management of its suppliers. Through the environmental audit of suppliers, the Company wants to ensure that the operation of its suppliers is in compliance with regulations set forth by the authority and continuously improved with the advocacy of an environment friendly supply chain.

4.5.3 The Company takes the initiative in the waste reduction and reuse of resources by categorizing waste in the factory and recycling the reusable materials.

4.5.4 Energy-saving mechanisms are implemented on a daily basis so as to achieve energy saving goal and carry out the company-wide energy preservation and waste reduction campaign. Education and training are further provided to employees to enhance the awareness of energy preservation.

4.5.5 In order to minimize the impact on environment, the Company constantly revamps and develops products that are more environment friendly. In addition, a management mechanism for hazardous substances has been established, and through such a management system, the compliance of R&D, procurement and production with the RoHS is ensured. On the other hand, all suppliers are also required to adhere to the green product control regulations. All parts, raw materials and products supplied to the Company shall comply with the RoHS, and none of the banned chemicals may be use in the manufacturing processes thereof.

List of Environmental Management Programs

Environmental Target	Program	Current Status and Implementation
Compliance with environmental protection laws and regulations	Compliance audit and environment monitoring planning program	Periodical checks of compliance with environmental protection laws and regulations, formulation of responsive measures according to changes of laws and regulations, and control of all waste disposals to meet legal standards.
Waste reduction and maximization of gain from sale of scraps.	Ongoing recycling program in factories.	Education and training to achieve the goals of effective categorization, resource reuse and waste reduction.
Handling of accidents and incidents and preventive measures	emergency response and firefighting education and training program	Annual filing of fire safety equipment inspection and repair report and team training information to local firefighting departments; Drills of emergency notification and fire safety

4.5.6 In view of the importance of environmental protection and safety, the company has implemented the ISO 14001:2015 (Validity of Certificate: Aug. 13th, 2020~Aug. 12th, 2023) and the ISO45001: 2018(Validity of Certificate: Aug. 2nd,2020~ Aug. 1st,2023) management system to develop the major environmental considerations and hazard identification analysis. Through the application of object and project management, the company improves the risk mitigations for high-risk issues and control low-risk items through standard operation control mechanism. Through aforementioned improvements, the company has achieved and tangible result and good control in environmental and safety matters.

The major objectives and Progress are summarized as follows:

No	Objectives	Explanation	Progress
1	Water conservation: 20%	Recycle and reuse the wastewater from the CSP cutting room to achieve the goal of water conservation.	In progress
2	Energy conservation and carbon emission reduction: 35%	Replace the constant frequency air compressor 100HP*2 with a frequency conversion air compressor	In progress

5 Labor-Management Relations

5.1 Employee welfare measures, training plan and implementation thereof, retirement system and

5.1.1 Welfare measures

Employees select representatives to form the Employee Welfare Committee, and the Company contributes the welfare fund monthly to the account of the Employee Welfare Committee. Major benefits offered by the Company and the Employee Welfare Committee are as follows:

Profit Sharing

A. Based on operational result of the Company and personal performance, the quarter performance bonus, salary adjustment and annual employee bonus are provided.
B. Incentive program for proposals.
C. Education and Training: New employee orientation, professional skill training, language skill training, and internal and external training courses.

Comprehensive Care

A. Free annual health check-ups.
B. Labor insurance, health insurance and labor retirement reserve fund
C. Free employee occupational accident and medical group insurance
D. Business travel insurance
E. Contracted medical institutions
F. Employee health care plans and programs (Caring and tracking employee's diet and health…etc.)
G. Regular on-site doctor and insurance solicitor service
H. Marriage allowance, maternity allowance, funeral grant, birthday vouchers and three-major-holidays vouchers

Recreational Activities

A. Regular employee meal gatherings

B. Year-end dinner
C. Domestic employee trips
D. Diverse contracted stores
E. A variety of employee interest groups (yoga, sports clubs and etc.)

Other Welfare

A. Lunch and dinner meal allowance
B. Tuition subsidies for employees and scholarship for employees' children
C. Parking spaces for cars and motorcycles
D. Comprehensive career path program
E. Dedicated breastfeeding room
F. Complete office gym
G. Establishment of employee share ownership trust

In addition to the implementation of employee share subscription plan that realizes the idea of employee owners, at least 10% of shares issued for each cash capital increase is allocated for employee subscription as a mean to achieve the goal of joint management.

5.1.2 Training measures and implementation thereof

The Company has passed the TTQS review, adopted the "Procedures for Education and Training Management", and planed training courses based on the requirements for competence and professionalism. Currently, it regularly arranges internal or external training for employees to improve employee competence and professionalism, thereby enhancing performance.

The education and trainings actually held in 2022 are listed below:

Item	Number of classes	Total number of persons	Total number of hours
			Number of people per class* number of hours
New employee orientation (N)	12	205	615
Professional competence training (P)	11	177	210
General training (G)	0	0	0
Quality education and training (Q)	11	230	625.5
Management training (M)	2	34	51.0
Environmental safety education and training (S)	3	64	154
Total	39	710	1655.50

5.1.3 Retirement system

A. Enrollment in labor insurance.

B. The Company has established the Pension Committee and adopted the Regulations for Employee Retirement, and it pays pension in accordance with the Labor Standards Act. An employee may apply for voluntary retirement where the employee attains the age of 55 and has worked for 15 years, or has worked for more than 25 years. The payment of worker pensions shall be calculated by giving 2 bases for each full year of service rendered, but for the rest of the years over 15 years, one base is given for each full year of service rendered. The total number of bases shall be no more than 45.

C. The Company has implemented the Labor Pension Act (New Labor Pension System) in accordance with the Labor Standards Act since July 1, 2005 and has allocated 6% of salary income to employee's personal pension account. For those who voluntarily contribute to their pension, the contribution is deducted from the employee's salary based on their voluntary contribution rate and deposited into their pension account of Bureau of Labor Insurance.

D. In addition to the regularly allocating reserves to employee's pension account based on Labor Standards Act, the company established the employee stock ownership trust committee in August, 2022, the members who meet the requirement can deposit a certain amount of money into their trust account every month to purchase company's stock according to the applicable policy. The company will also allocate an additional amount of money as an incentive into their trust account correspondingly.

5.1.4 Agreements between labors and management

The Company endorses an open-minded management style, and it offers all forms of discussion and communication for its management and employees at any time. The labor-management meetings are held regularly where consensuses can be reached though prompt and interactive communication for all issues. The Company also cares about the interaction and communication among employees. That enables mutual growth through the communication and understanding between employees and the Company. The Company has furnished a challenging work environment that is full of learning opportunities with harmonious labor-manager relations, so there has never been any labor dispute.

5.2 Implementation of Employee Rights and Interests' Preservation Measures

handled in accordance with the Labor Standards Act.

5.2.1 Losses suffered by the Company in the most recent fiscal year and as of the annual report publication date due to labor disputes: None.

5.2.2 Whether the Company adopts a code of conduct or ethic for employees: The Company has adopted the "TST Code of Conduct", which regulates the behaviors of all personnel of the Company as described below:

5.2.3 The Company has set the "TST Code of Conduct" as the standards for directors', supervisors', executive officers and employees' behaviors, and its content is briefly described as follows：

A. All personnel shall behave honestly and ethically, especially when there is a conflict between personal interests and job duties.

B. The Company's business secrets and information shall be kept confidential.

C. Regular reports submitted shall be disclosed in a manner of completeness, fairness, correctness,

timeliness and ease of understanding.

D. Treating customers, suppliers and competitors fairly.

E. Protecting the Company's assets for the purpose of effective use.

F. Complying with governmental laws and regulations, including relevant laws and regulations in connection with insider trading.

G. For any known or suspected violation of the Code, a report shall be made to the appropriate personnel prescribed in the Code.

5.2.4 Performance appraisal is made according to the Company's Regulations for Performance Evaluation and Regulations for Rewards and Discipline. All regulations for rewards and discipline are made known and clear to all employees. Conducts that shall be rewarded or disciplined are handled pursuant to aforementioned regulations.

6 Cyber Security Management：

6.1 Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management：

6.1.1 Cyber Security Management Framework

IT Office is an independent non-user unit responsible for coordinating and executing cyber security policies, disseminating cyber security information, raising employees' awareness with respect to cyber security, and collecting technologies, products and programs that improve the performance and effectiveness of organizational cyber security management system. The Audit Office conducts cyber security audit of the internal control system- computer cycle annually to assess the effectiveness of the Company's internal control over information operation.

6.1.2 Cyber Security Policies

A. Formulation and assessment of cyber security policies

B. Classification and control of information assets

C. Personnel security management

D. Physical and environmental security management

E. Communication and operation management

F. Access control

G. System development and maintenance

H. On-going operational management

I. Compliance check of cyber security measures

6.1.3 Concrete management programs

Item	Concrete Management Measure
Firewall protection	Establishment of firewall connection rules.
	Application for special connection needs is required.
Antivirus software	Use of antivirus software and automatic update of antivirus database to reduce risk of infection.

Item	Concrete Management Measure
Update of operating system	Automatic update of operating system. For those who have not updated for any reason, the IT Office will assist with the update.
Email security control	Protection by automatic email scanning for threats. Advance prevention of insecure attachments before users receives emails
	After receiving emails on personal computers, the antivirus software scans for insecure attachments.
Data backup mechanism	Backup of key information system databases.
Upload of key files to server	Key files of each department stored in server are backed up and saved by the IT Office.

6.1.4 Emergency Reporting Procedures

In a cyber security incident, the unit which encounters such an incident shall report to the cyber security personnel of the information unit to determine to type of incident, find and resolve the issue, and record in a timely manner.

6.2 List any losses suffered by the Company in the most recent fiscal year and as of the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, 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

None, there was no significant cyber security incident in the most recent fiscal year.

7 Important Contracts

7.1 Contracts Currently in Force

Nature of the contract	Parties	Date of commencement of the contract	Main content	Restriction terms
OEM agreement	Domestic Netcom Module customer	2021. 02. 01~	Contract with Netcom's module customer for OEM research and development	None
Purchase agreement	Foreign e-commerce customer	2021. 08.20~	MASTER PURCHASE AGREEMENT	None
Equity Transfer Agreement	Akoustis Inc.	2021. 10. 15~	Equity Transfer Agreement, in which TST transferred 51% of its subsidiary RFMi to Akoustis for strategic development cooperation.	None

Note: Most of the sale and purchase or OEM contracts are renewed regularly and there are a wide range of products, so we will not further explain them.

VI. Financial Status

1 Condensed Balance Sheets, Statements of Comprehensive Income and Auditors' Opinions for the Most Recent 5 Years

1.1 Condensed Balance Sheet and Statement of Comprehensive Income

Condensed Balance Sheet-International Financial Reporting Standards

(Consolidated financial statements)

Unit: NT$ Thousand

Item \ Fiscal year		Financial Information for Most Recent 5 Fiscal Years (Note 1)					Financial information as of Mar. 31, 2023
		2018	2019	2020	2021	2022	
Current assets		1,332,222	1,481,914	1,526,041	2,056,586	2,400,538	2,306,125
Financial assets at fair value through profit or loss - noncurrent		0	0	0	30,328	11,977	26,977
Financial assets at fair value through other comprehensive income - noncurrent		38,416	39,448	38,917	96,193	95,286	107,185
Investments accounted for using equity method		350,879	221,740	246,907	432,510	139,272	125,623
Property, Plant and Equipment (Note 2)		866,356	774,436	709,824	916,149	818,423	792,230
Intangible assets		3,795	1,676	1,330	5,043	3,624	2,919
Right-of-use assets		0	61,866	62,211	58,408	51,625	50,021
Other assets (Note 2)		126,891	76,579	103,355	101,191	122,449	124,449
Total assets		2,718,559	2,657,659	2,688,585	3,696,408	3,643,194	3,535,529
Current liabilities	Before distribution	727,383	738,572	713,142	999,220	1,009,581	913,932
	After distribution	769,640	758,807	733,749	1,214,763	1,269,692	(Note 4)
Non-current liabilities		159,886	182,573	172,208	307,004	206,995	184,064
Total liabilities	Before distribution	887,269	921,145	885,350	1,306,224	1,216,576	1,097,996
	After distribution	929,526	941,380	905,957	1,521,767	1,476,687	(Note 4)
Equity attributable to owners of the parent company		1,831,359	1,736,612	1,781,460	2,336,448	2,345,571	2,360,407
Share capital		1,023,008	1,023,044	1,036,024	1,028,684	1,040,444	1,040,444
Capital surplus	Before distribution	689,454	673,069	771,137	773,940	734,577	733,831
	After distribution	672,350	652,834	750,530	722,986	682,555	(Note 4)
Retained earnings	Before distribution	219,083	156,241	88,563	641,872	799,994	801,378
	After distribution	193,930	156,241	88,563	477,283	591,905	(Note 4)
Other equity		(67,016)	(93,570)	(103,169)	(108,048)	(229,444)	(215,246)
Treasury shares		(33,170)	(22,172)	(11,095)	0	0	0
Non-controlling interests		(69)	(98)	21,775	53,736	81,047	77,126
Total equity	Before distribution	1,831,290	1,736,514	1,803,235	2,390,184	2,426,618	2,437,533
	After distribution	1,789,033	1,716,279	1,782,628	2,174,641	2,166,507	(Note 4)

Note 1: Financial data for each period above were audited by CPAs.

Note 2: Until December 31, 2022, the Company has never conducted an assets revaluation.

Note 3: Financial statements were reviewed by CPAs on May 4, 2023.

Note 4: For the "after distribution" figures above, please fill in the amounts based on the amount resolved by the board of directors or resolved in the next year's shareholders meeting.

Condensed Statement of Comprehensive Income-International Financial Reporting Standards
(Consolidated financial statements)

Unit: NT$ Thousand

Item \ Fiscal year	Financial Information for Most Recent 5 Fiscal Years (Note 1)					Financial information as of Mar. 31, 2023
	2018	2019	2020	2021	2022	
Operating Revenue	1,851,018	2,025,932	2,136,210	2,930,605	3,357,990	516,236
Gross Profit	362,037	352,824	330,179	724,012	928,229	395,425
Realized (unrealized) profit or loss on transactions with associates	(97)	(190)	(84)	(34)	(5)	0
Operating Income	71,674	59,237	12,786	229,229	478,401	15,879
Non-operating income and expenses	(23,034)	(77,281)	(94,179)	415,490	(18,897)	(13,921)
Profit Before Income Tax	48,640	(18,044)	(81,393)	644,719	459,504	1,958
Net income for the period from continuing operations	33,058	(34,578)	(67,773)	509,342	337,364	(3,569)
Loss from discontinued operations	0	0	0	0	0	0
Net income (loss) for the period	33,058	(34,578)	(67,773)	509,342	337,364	(3,569)
Other comprehensive income (loss) for the period (net of Income Tax)	(17,245)	(29,607)	14,024	(5,051)	(95,808)	8,310
Total comprehensive income for the period	15,813	(64,185)	(53,749)	504,291	241,556	4,741
Net income attributable to owners of parent	33,050	(34,533)	(69,405)	537,797	324,917	1,384
Net income (loss) attributable to non-controlling interests	8	(45)	1,632	(28,455)	12,447	(4,953)
Total comprehensive income attributable to owners of parent	15,831	(64,156)	(55,355)	532,855	225,763	9,845
Total comprehensive income, attributable to non-controlling interests	(18)	(29)	1,606	(28,564)	15,793	(5,104)
Earnings per share	0.34	(0.34)	(0.68)	5.28	3.18	0.01

Note 1: Financial data for each period above were audited by CPAs.

Note 2: Financial statements were reviewed by CPAs on May 4, 2022.

Condensed Balance Sheet -International Financial Reporting Standards

(Individual Financial Statements)

Unit: NT$ Thousand

Item \ Fiscal year		Financial Information for Most Recent 5 Fiscal Years (Note 1)				
		2018	2019	2020	2021	2022
Current assets		1,158,801	1,150,775	1,175,304	1,503,119	1,504,250
Financial assets at fair value through profit or loss - noncurrent		0	0	0	30,328	11,977
Financial assets at fair value through other comprehensive income - noncurrent		38,416	39,448	38,917	96,193	95,286
Investments accounted for using equity method		882,096	784,136	866,264	1,102,251	997,586
Property, Plant and Equipment (Note 2)		562,056	501,977	425,956	494,212	418,773
Investment property		0	0	0	136,014	135,261
Intangible assets		3,530	1,396	1,037	930	683
Right-of-use assets		0	36,912	39,241	32,684	27,772
Other assets (Note 2)		96,719	67,394	100,696	73,221	94,765
Total assets		2,741,618	2,582,038	2,647,415	3,468,952	3,286,353
Current liabilities	Before distribution	750,444	667,088	693,387	860,520	790,478
	After distribution	792,701	687,323	713,994	1,076,063	1,050,589
Non-current liabilities		159,815	178,338	172,568	271,984	150,304
Total liabilities	Before distribution	910,259	845,426	865,955	1,132,504	940,782
	After distribution	952,516	865,661	886,562	1,348,047	1,200,893
Equity attributable to owners of the parent company		1,831,359	1,736,612	1,781,460	2,336,448	2,345,571
Share capital		1,023,008	1,023,044	1,036,024	1,028,684	1,040,444
Capital surplus	Before distribution	689,454	673,069	771,137	773,940	734,577
	After distribution	672,350	652,834	750,530	722,986	682,555
Retained earnings	Before distribution	219,083	156,241	88,563	641,872	799,994
	After distribution	193,930	156,241	88,563	477,283	591,905
Other equity		(67,016)	(93,570)	(103,169)	(108,048)	(229,444)
Treasury shares		(33,170)	(22,172)	(11,095)	0	0
Total equity	Before distribution	1,831,359	1,736,612	1,781,460	2,336,448	2,345,571
	After distribution	1,789,102	1,716,377	1,760,853	2,120,905	2,085,460

Note 1: Financial data for each period above were audited by CPAs.

Note 2: Until December 31, 2022, the Company has never conducted an assets revaluation.

Note 3: Please provide the abovementioned value after distribution in accordance with the resolution of the board of directors' meeting or that of the shareholders' meeting of the following year.

Condensed Statement of Comprehensive Income -International Financial Reporting Standards

(Individual financial statements)

Unit: NT$ Thousand

Item \ Fiscal year	Financial Information for Most Recent 5 Fiscal Years (Note 1)				
	2018	2019	2020	2021	2022
Operating Revenue	1,751,009	1,863,668	2,002,315	2,587,370	2,366,577
Gross Profit	297,389	313,648	284,757	602,165	618,922
Realized (unrealized) profit or loss on transactions with associates	(97)	(190)	(84)	(34)	(5)
Operating Income	64,074	79,282	30,557	278,919	314,315
Non-operating income and expenses	(18,178)	(94,742)	(113,582)	390,238	93,551
Profit Before Income Tax	45,896	(15,460)	(83,025)	669,157	407,866
Net income for the period from continuing operations	33,050	(34,533)	(69,405)	537,797	324,917
Loss from discontinued operations	0	0	0	0	0
Net income (loss) for the period	33,050	(34,533)	(69,405)	537,797	324,917
Other comprehensive income (loss) for the period (net of Income Tax)	(17,219)	(29,623)	14,050	(4,942)	(99,154)
Total comprehensive income for the period	15,831	(64,156)	(55,355)	532,855	225,763
Earnings per share	0.34	(0.34)	(0.68)	5.28	3.18

Note1：Financial data for each period above were audited by CPAs

1.2 Name of the certified public accountants and the auditors' opinion given thereby for the past 5 fiscal years

Year	Name of accounting firm	Name of CPA	Auditors' opinion
2022	KPMG	Huang, Heidi; Yu, Allan	Unqualified opinion
2021	KPMG	Yu, Allan; Chen, Pearl	Unqualified opinion
2020	Deloitte	Yang, Charles; Cheng, Vincent	Unqualified opinion
2019	Deloitte	Yang, Charles; Cheng, Vincent	Unqualified opinion
2018	Deloitte	Yang, Charles; Cheng, Vincent	Unqualified opinion
2017	Deloitte	Yang, Charles; Cheng, Vincent	Unqualified opinion

2 Financial Information for the Most Recent 5 Years

2.1 Financial Analysis -International Financial Reporting Standards (Consolidated financial statements)

Item (Note 3) \ Fiscal year (Note 1)		Financial Information for the Most Recent 5 Years					As of Mar. 31, 2023(Note 2)
		2018	2019	2020	2021	2022	
Financial structure (%)	Debt to assets ratio	32.64	34.66	32.93	35.34	33.39	31.06
	Ratio of long-term capital to property, plant and equipment	229.83	247.80	278.30	294.40	321.79	330.91
Solvency (%)	Current ratio	183.15	200.65	213.99	205.82	237.78	252.33
	Quick ratio	122.58	149.87	157.63	148.12	178.04	181.90
	Times interest earned	9.92	(1.92)	(12.52)	88.37	59.24	(3.37)
Operating performance	Accounts receivable turnover (times)	4.89	4.63	4.55	5.17	5.48	4.05
	Average collection days	74.64	78.83	80.22	70.60	66.60	90.12
	Inventory turnover (times)	2.62	2.78	3.04	3.05	2.71	1.64
	Accounts payable turnover (times)	7.93	7.17	7.12	9.15	9.37	6.93
	Average days in sales	139.31	131.29	120.06	119.67	134.68	221,56
	Property, plant and equipment turnover (times)	2.30	2.47	2.88	3.60	3.87	2.56
	Total asset turnover (times)	0.72	0.75	0.80	0.92	0.92	0.58
Profitability	Return on total assets (%)	1.46	(1.10)	(2.36)	16.14	9.36	(0.21)
	Return on equity (%)	1.87	(1.94)	(3.83)	24.29	14.01	(0.59)
	Ratio of income before tax to paid-in capital (%) (Note 7)	4.75	(1.76)	(7.86)	62.67	44.16	0.75
	Net profit margin (%)	1.79	(1.71)	(3.17)	17.38	10.05	(0.69)
	Earnings per share (NT$)	0.34	(0.34)	(0.68)	5.28	3.18	0.01
Cash flow	Cash flow ratio (%)	11.30	40.89	16.10	29.69	68.07	(4.38)
	Cash flow adequacy ratio (%)	65.82	93.54	80.63	104.86	108.47	36.14
	Cash reinvestment ratio (%)	0.98	7.37	2.46	5.94	9.83	(0.83)
Leverage	Operating leverage	7.09	8.81	38.18	4.00	2.31	9.85
	Financial leverage	1.08	1.12	1.89	1.03	1.02	1.15

Please explain the reasons of variation in the financial ratios for the past two fiscal years. (Not required for variations less than 20%)

1. Increase in quick ratio: due to the increase in cash and financial assets measured at amortized cost.
2. Interest coverage multiple ratio/return on assets/return on equity/pre-tax profit and loss to paid-in capital ratio/net profit ratio/earnings per share decrease: Due to the increase in the investment interest of the sale of subsidiaries in the previous period, the substantial increase in the profit of the previous period.
3. Increase in operating profit and loss ratio to paid-in capital: due to the increase in operating profit caused by the increase in revenue in the current period.
4. Increase in cash reinvestment ratio: due to the increase in net cash flow from operating activities in the current period compared with the previous period.
5. Decrease in operating leverage: due to the increase in operating profit caused by the increase in revenue in the current period.

Note 1: Financial data for each period above were audited by CPAs.

Note 2: Financial statements were reviewed by CPAs on May 4, 2023.

2.2 Financial Analysis -International Financial Reporting Standards (Individual financial statements)

Item (Note 3) \ Fiscal year (Note 1)		Financial Information for the Most Recent 5 Years				
		2018	2019	2020	2021	2022
Financial structure (%)	Debt to assets ratio	33.20	32.74	32.71	32.65	28.63
	Ratio of long-term capital to property, plant and equipment	350.05	381.00	458.74	527.80	596.00
Solvency (%)	Current ratio	154.42	172.51	169.50	174.68	190.30
	Quick ratio	96.72	118.68	115.20	120.77	142.70
	Times interest earned	9.41	(1.52)	(12.84)	117.04	72.33
Operating performance	Accounts receivable turnover (times)	5.18	4.83	4.61	4.74	4.34
	Average collection days	70.46	75.56	79.17	77.004	84.10
	Inventory turnover (times)	2.66	2.69	3.06	3.22	2.71
	Accounts payable turnover (times)	6.25	6.55	7.27	8.17	7.75
	Average days in sales	137.21	135.68	119.28	113.35	134.68
	Property, plant and equipment turnover (times)	3.49	3.50	4.32	5.62	5.18
	Total asset turnover (times)	0.68	0.70	0.77	0.85	0.70
Profitability	Return on total assets (%)	1.45	(1.11)	(2.47)	17.74	9.75
	Return on equity (%)	1.87	(1.94)	(3.95)	26.12	13.88
	Ratio of income before tax to paid-in capital (%) (Note 7)	4.49	(1.51)	(8.01)	27.11	30.21
	Net profit margin (%)	1.89	(1.85)	(3.47)	65.05	39.20
	Earnings per share (NT$)	0.34	(0.34)	(0.68)	5.28	3.18
Cash flow	Cash flow ratio (%)	10.61	34.86	13.75	38.89	74.38
	Cash flow adequacy ratio (%)	69.83	91.19	73.31	114.42	124.96
	Cash reinvestment ratio (%)	0.98	5.88	2.08	7.64	9.07
Leverage	Operating leverage	6.45	5.69	13.58	2.60	2.37
	Financial leverage	1.09	1.08	1.24	1.02	1.02

Please explain the reasons of variation in the financial ratios in the most recent 2 fiscal years. (Not required for variations less than 20%)

1. Interest coverage multiple ratio/return on assets/return on equity/pre-tax profit and loss to paid-in capital ratio/net profit ratio/earnings per share decrease:Due to the increase in the investment interest of the sale of subsidiaries in the previous period, the substantial increase in the profit of the previous period.
2. Increase in Cash flow ratio: due to the increase in net cash flow from operating activities in the current period compared with the previous period.

Note 1: Financial data for each period above were audited by CPAs.

Note 2: The following formulas for the calculation of the financial ratios shall be listed below this table in the annual report:
1. Financial structure
(1) Debt 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. Solvency
(1) Current ratio = current assets / current liabilities.
(2) Quick ratio = (current assets - inventory - prepaid expenses) / current liabilities.
(3) Times interest earned = earnings before tax and interest expenses / current interest expenses.
3.Operating performance
(1) Accounts receivable (including accounts receivable and notes receivable arising from business activities) turnover = net sales / average accounts receivable balance (including accounts receivable and notes receivable arising from business activities).
(2) Average collection days = 365 / accounts receivable turnover.
(3) Inventory turnover = cost of goods sold / average inventory.
(4) Accounts payable (including accounts payable and notes payable arising from business activities) turnover = cost of goods sold / average accounts payable balance (including accounts payable and notes payable arising from business activities).
(5) Average days in sales = 365 / inventory turnover.
(6) Property, plant and equipment turnover = net sales / average net property, plant and equipment.
(7) Total asset turnover = net sales / average total assets.
4. Profitability
(1) Return on total assets = (net income + interest expenses * (1 - effective tax rate)) / average total assets.
(2) Return on equity = net income after tax / average total equity.
(3) Net profit margin = net income after tax / net sales.
(4) Earnings per share = (income attributable to owners of parent - preferred stock dividends) / weighted average number of shares outstanding. (Note 4)
5. Cash flow
(1) Cash flow ratio = net cash flows from operating activities / current liabilities.
(2) Net cash flow adequacy ratio = 5-year sum of net cash flow from operating activities / 5-year sum of (capital expenditures + increases in inventory + cash dividends).
(3) Cash reinvestment ratio = (cash from operating activities - cash dividends) / (gross property, plant and equipment + long-term investments + other non-current assets + working capital). (Note 5)
6. Leverage:
(1) Operating leverage = (net operating revenue – variable operating costs and expenses) / operating income (Note 6).
(2) Financial leverage = operating income / (operating income – interest expenses).
Note 3: Special attention should be paid to the following when calculating earnings per share by the above equation:
1. The weighted average quantity of outstanding common shares shall be taken as the standard, not the quantity of outstanding shares at the end of the year.
2. If there is any cash capital increase or treasury stock transaction, take the circulation periods into account when calculating the weighted average quantity of outstanding shares.
3. If there is any capitalization of retained earnings or capital surplus, the annual and semi-annual earnings per share of past years shall be retrospectively adjusted pro rata to the size
of the capital increase, without considering the issuance period of the capital increase.
4. If the preferred shares are non-convertible cumulative preferred shares, the dividend for the fiscal year (whether it has been distributed or not) shall be deducted from the net income after tax or added to the net loss after tax. If the preferred shares are non-cumulative, the dividend shall be deducted from the net income after tax if there is net income after tax and no adjustment is required in case there is loss.
Note 4: Special attention shall be paid to the following when making the calculations for cash flow analysis:
1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditures refers to the annual cash outflow used in capital investment.
3. Increase in inventory is counted only when the balance at the end of the period is greater than the balance at the beginning of the period. If the inventory has decreased at the end of the year, it is counted as zero.
4. Cash dividends include the cash dividends of common stock and preferred stock.
5. Gross property, plant and equipment refers to the total property, plant and equipment without deduction of accumulated depreciation.
Note 5: The issuer shall categorize the operating costs and operating expenses into fixed ones and variable ones in accordance with their properties. If the categorization is subject to estimation or subjective judgment, attention shall be paid to ensure that it is done rationally and consistently.
Note 6: If the Company’s shares have no par value or the par value per share is not NT$10, the paid-in capital involved in the calculation of the above ratio shall be replaced by the equity attributable to owners of the parent company on the balance sheet.

3 Audit committee's review report for the most recent year's financial statements

Please refer to page 155.

4 Financial statements for the most recent fiscal year, including an auditors' report, and 2-year comparative balance sheet, statement of comprehensive income, statement of changes in equity, cash flow statement, and any related footnotes or attached appendices

Please refer to page 156~243.

5 Individual financial statements for the most recent fiscal year audited by CPAs

Please refer to page 244~338.

6 If the Company or its affiliates have experienced financial difficulties in the most recent fiscal year or during the current fiscal year as of the date of publication of the annual report

None.

VII. Review and analysis of financial position and financial performance and risk assessment

1 Analysis of Financial Position

1.1 Consolidated Financial Statements

Unit: NT$ Thousand

Item \ Year	2022	2021	Variation	
			Amount	%
Current assets	2,400,538	2,056,586	343,952	16.72
Financial assets at fair value through profit or loss	11,977	30,328	(18,351)	(60.51)
Financial assets at fair value through other comprehensive income	95,286	96,193	(907)	(0.94)
Investments accounted for using equity method	139,272	432,510	(293,238)	(67.80)
Property, plant and equipment	818,423	916,149	(97,726)	(10.67)
Other assets	177,698	164,642	13,056	7.93
Total assets	3,643,194	3,696,408	(53,214)	(1.44)
Current liabilities	1,009,581	999,220	10,361	1.04
Noncurrent liabilities	206,995	307,004	(100,009)	(32.58)
Total liabilities	1,216,576	1,306,224	(89,648)	(6.86)
Equity attributable to owners of the parent	2,426,618	2,390,184	36,434	1.52
Share capital	1,040,444	1,028,684	11,760	1.14
Capital surplus	734,577	773,940	(39,363)	(5.09)
Retained earnings	799,994	641,872	158,122	24.63
Other equity interest	(229,444)	(108,048)	(121,396)	112.35
Non-controlling interest	81,047	53,736	27,311	50.82
Total equity	2,426,618	2,390,184	36,434	1.52

Explanations for variations over 20% and NT$2 million are as follows:

1. Decrease in financial assets measured at fair value through profit and loss: due to decrease in contingent consideration of equity transactions of affiliated enterprises.
2. Decrease in investment by equity method: due to the remaining equity of all affiliated enterprises.
3. Decrease in non-current liabilities: due to decrease in long-term borrowings.
4. Increase in retained earnings: due to the increase in net income of the current year.
5. Decrease in other equity: due to the increase in unrealized evaluation loss of equity instrument investment measured at fair value through other comprehensive profit and loss.

1.2 Individual Financial Statements

Unit: NT$ Thousand

Item \ Year	2022	2021	Variation	
			Amount	%
Current assets	1,504,250	1,503,119	1,131	0.08
Financial assets at fair value through profit or loss	11,977	30,328	(18,351)	(60.51)
Financial assets at fair value through other comprehensive income	95,286	96,193	(907)	(0.94)
Investments accounted for using equity method	997,586	1,102,251	(104,665)	(9.50)
Property, plant and equipment	418,773	494,212	(75,439)	(15.26)
Investment property	135,261	136,014	(753)	(0.55)
Other assets	123,220	106,835	16,385	15.34
Total assets	3,286,353	3,468,952	(182,599)	(5.26)
Current liabilities	790,478	860,520	(70,042)	(8.14)
Noncurrent liabilities	150,304	271,984	(121,680)	(44.74)
Total liabilities	940,782	1,132,504	(191,722)	(16.93)
Equity attributable to owners of the parent	2,345,571	2,336,448	9,123	0.39
Share capital	1,040,444	1,028,684	11,760	1.14
Capital surplus	734,577	773,940	(39,363)	(5.09)
Retained earnings	799,994	641,872	158,122	24.63
Other equity interest	(229,444)	(108,048)	(121,396)	112.35
Total equity	2,345,571	2,336,448	1,131	0.08

Explanations for variations over 20% and NT$2 million are as follows:

1. Decrease in financial assets measured at fair value through profit and loss: due to decrease in contingent consideration of equity transactions of affiliated enterprises.
2. Decrease in non-current liabilities: due to decrease in long-term borrowings.
3. Increase in retained earnings: due to the increase in net income of the current year.
4. Decrease in other equity: due to the increase in unrealized evaluation loss of equity instrument investment measured at fair value through other comprehensive profit and loss.

2 Review and Analysis of Financial Performance

2.1 Consolidated Financial Statements

Unit: NT$ Thousand

Item \ Year	2022	2021	Increase (Decrease) Amount	Variation %
Operating revenue	3,357,990	2,930,605	427,385	14.58
Operating costs	2,429,761	2,206,593	223,168	10.11
Gross profit	928,229	724,012	204,217	28.21
Unrealized loss on transactions with associates	(5)	(34)	29	(85.29)
Operating expenses	449,823	494,749	(44,926)	(9.08)
Operating income	478,401	229,229	249,172	108.70
Non-operating income and expenses	(18,897)	415,490	(434,387)	(104.55)
Net income (loss) before tax	459,504	644,719	(185,215)	(28.73)
Income tax	122,140	135,377	(13,237)	(9.78)
Net income (loss) for the current period	337,364	509,342	(171,978)	(33.76)
Other comprehensive income for the current period (net of tax)	(95,808)	(5,051)	(90,757)	1,796.81
Total comprehensive income for the current period	241,556	504,291	(262,735)	(52.10)

Explanations for variations over 20% for the past two fiscal years:

1. Increase in operating margin: due to the impact of product mix and exchange rate fluctuations.
2. Increase in operating profit: due to increase in operating income.
3. Decrease in non-operating income and expenses: due to the significant increase in profit in the previous period due to the increase in investment benefit from the sale of subsidiaries in the previous period.
4. Decrease in net profit in the current period: due to the increase in operating margin and the increase in investment interest from the sale of subsidiaries in the previous period, the substantial increase in profit in the previous period.
5. Increase in other comprehensive loss for the current period: due to the increase in unrealized evaluation loss on equity instrument investments measured at fair value through other comprehensive profit and loss.

2.2 Individual Financial Statements

Unit: NT$ Thousand

Item \ Year	2022	2021	Increase (Decrease) Amount	Variation %
Operating revenue	2,366,577	2,587,370	(220,793)	(8.53)
Operating costs	1,747,655	1,985,205	(237,550)	(11.97)
Gross profit	618,922	602,165	16,757	2.78
Unrealized loss on transactions with associates	(5)	(34)	29	(85.29)
Operating expenses	304,602	323,212	(18,610)	(5.76)
Operating income	314,315	278,919	35,396	12.69
Non-operating income and expenses	93,551	390,238	(296,687)	(76.03)
Net income (loss) before tax	407,866	669,157	(261,291)	(39.05)
Income tax	82,949	131,360	(48,411)	(36.85)
Net income (loss) for the current period	324,917	537,797	(212,880)	(39.58)
Other comprehensive income for the current period (net of tax)	(99,154)	(4,942)	(94,212)	1,906.35
Total comprehensive income for the current period	225,763	532,855	(307,092)	(57.63)

Explanations for variations over 20% for the past two fiscal years:

1. Decrease in non-operating income and expenses: due to the significant increase in profit in the previous period due to the increase in investment benefit from the sale of subsidiaries in the previous period.
2. Decrease in net profit in the current period: due to the increase in operating margin and the increase in investment interest from the sale of subsidiaries in the previous period, the substantial increase in profit in the previous period.
3. Increase in other comprehensive loss for the current period: due to the increase in unrealized evaluation loss on equity instrument investments measured at fair value through other comprehensive profit and loss.

3 Cash Flow Analysis

Analysis of changes in cash flow for 2022

Unit: NT$ Thousand

Cash balance at the beginning of the period ①	Net cash flow from operating activities for the year ②	Cash outflow for the year ③	Ending cash balance ①+②-③	Remedy for cash shortage	
				Investment plan	Financial plan
675,802	689,756	456,323	909,235	—	—

1. Analysis of changes in cash flow for the current year:
Operating activities: Net cash inflow of NT$689,756 thousand from operating activities.
Investing activities: Net cash outflow of NT$191,831 thousand due to the acquisition of fixed assets and the increase in other financial assets.
Financing activities: Net cash outflow of NT$264,492 thousand due to the repayments of short-term and long-term borrowings and the distribution of cash dividend.
2. Remedy for cash shortage and analysis of liquidity
(1) Analysis of remedy for cash shortage: None.
(2) Liquidity analysis for the past two fiscal years:

Item	2022	2021	Variation %
Cash flow ratio	68.07	29.69	129.25
Cash flow adequacy ratio	108.47	104.86	3.44
Cash reinvestment ratio	9.83	5.94	65.47

Analysis of variations:
1. Increase in cash flow ratio was mainly due to the increase in net cash flow from operating activities.
2. Increase in cash reinvestment ratio was mainly due to the increase in cash flow from operating activities.

3. Cash liquidity analysis for the coming year:

Cash balance at the beginning of the period (1)	Estimated net cash flow from operating activities for the year (2)	Estimated cash outflow for the year (3)	Estimated ending cash balance (shortage) (1)+ (2)- (3)	Remedy for estimated cash shortage	
				Investment plan	Financial plan
909,235	404,352	487,326	826,261	—	—

4. Analysis of changes in cash flow for the coming year:
(1) Operating activities: Under a normal business operation, the net cash income from operating activities.
(2) Investing activities: It is expected to expand business scale, which will result in the acquisition of fixed assets and the increase in long-term investment.
(3) Financing activities: It is expected to distribute dividend in cash and repay bank loans, which will result in the cash outflow.

4 Effect upon Financial and Business Performance of Any Major Capital Expenditures During the Most Recent Year

None.

5 Reinvestment Policy for the Most Recent Year, the Main Reasons for the Profits/Losses Generated Thereby, the Plan for Improving Re-investment Profitability, and Investment Plans for the Coming Year.

December 31, 2022
Unit: NT$ Thousand

Name of investment company	Investee	Ownership at the end of the period (%)	Investee's income for the current period	Main reason for gain or loss	Improvement plan	Investment plan for the coming year
TAI-SAW TECHNOLOGY CO., LTD	TAI-SAW TECHNOLOGY INC.	100%	(2,416)	A strategic investment for the investment in TAI-SAW TECHNOLOGY(WUXI) INC. in Mainland China.	Remaining as a strategic investment.	Increase in investment depending on the Company's development needs.
TAI-SAW TECHNOLOGY CO., LTD	GIA-STONE ELECTRONICS	100%	(30)	A strategic investment that is engaged in general trading business.	Remaining as a strategic investment.	None
TAI-SAW TECHNOLOGY CO., LTD	tst biomedical electronics CO., LTD.	84.78%	182,077	A strategic investment.	Remaining as a strategic investment.	Increase in investment depending on the Company's development needs.
TAI-SAW TECHNOLOGY CO., LTD	TST Technology USA INC.	100%	2,382	A strategic investment that is engaged in general trading business.	Remaining as a strategic investment.	Increase in investment depending on the Company's development needs.
TAI-SAW TECHNOLOGY CO., LTD	SNT Devices Limited	70%	3,916	A strategic investment that is engaged in general trading business.	Remaining as a strategic investment.	Increase in investment depending on the Company's development needs.
TAI-SAW TECHNOLOGY CO., LTD	SNT INC	50%	2,803	A strategic investment that is engaged in general trading business.	Remaining as a strategic investment.	Increase in investment depending on the Company's development needs.
TAI-SAW TECHNOLOGY CO., LTD	Beyond Fountain Co., Ltd.	100%	(36)	A strategic investment.	Remaining as a strategic investment.	None
TAI-SAW TECHNOLOGY CO., LTD	RFM Integrated Device Inc.	0%	7,906	A strategic investment.	Remaining as a strategic investment.	Increase in investment depending on the Company's development needs.
TAI-SAW TECHNOLOGY CO., LTD	Sawnics Inc.	23.57%	(69,865)	A strategic investment.	To improve the availability.	Increase in investment depending on the Company's development needs.
TAI-SAW TECHNOLOGY CO., LTD	TAIWAN CRYSTAL SUPERIOR TECHNOLOGY CO., LTD.	30%	(9,852)	A strategic investment.	To improve the availability.	Increase in investment depending on the Company's development needs.
TAI-SAW TECHNOLOGY CO., LTD	CIROCOMM TECHNOLOGY CORPORATION	65.49%	(44,524)	A strategic investment.	To improve the availability.	Increase in investment depending on the Company's development needs.
TAI-SAW TECHNOLOGY	TAI-SAW TECHNOLOGY(WUXI) INC.	100%	(2,645)	The output efficiency did not	Remaining as a strategic	Increase in investment depending

INC.				meet the expectation.	investment.	on the Company's development needs.
CIROCOMM TECHNOLOGY CORPORATION	CIROCOMM TECHNOLOGY CORP. LTD.	100%	(742)	A strategic investment.	Remaining as a strategic investment.	Increase in investment depending on the Company's development needs.
CIROCOMM TECHNOLOGY CORPORATION	SHENZHEN CIROCOMM TECHNOLOGY CORP. LTD.	100%	(1,037)	A strategic investment.	Remaining as a strategic investment.	Increase in investment depending on the Company's development needs.

6 Assessment of Risks

6.1 Effects of Interest Rate, Exchange Rate Fluctuations, and Inflation on the Company's Profit or Loss and Measures to be Taken in the Future：

6.1.1 Although the overall economy is recovering, the interest rate in the short term will remain low and have minor impact on the Company's operating costs.

6.1.2 The Company's overseas sales are much higher than domestic sales, therefore, the exchange rate fluctuations affect the Company's revenue and profit to a certain degree shown as follows:

Unit: NT$ Thousand

Item/Year	2022	2023Q1
Net gain (loss) on foreign	84,387	(11,896)
Operating revenue	3,357,990	516,236
Operating income	478,401	15,879
Net gain (loss) on foreign	2.51%	(2.30%)
Net gain (loss) on foreign	17.64%	(74.92%)

6.1.3 Measures in response to exchange rate fluctuations:

The Company does not engage in currency derivatives speculation, and it only hedges the currency risk arising from the sales revenue dominated in foreign currencies, such as USD, through delivery forwards (DF). The Company's measures in response to exchange rate fluctuations are as follows:

① Fully collecting the information on changes of exchange rates, which serves as a reference for the adjustment of foreign currency positions, to grasp the trend of foreign exchange rate.

② Aiming at paying procurement with the sales revenue in the same currency to implement an automated hedging strategy.

③ Before the sales unit provides a price quotation to customers, it shall consider and access the future trend of exchange rate and other related factors in order to decide the appropriate and reasonable price and minimize the effect of exchange rate fluctuations.

④ Hedging the currency risk properly using the financial derivatives for hedging.

⑤ In light of the Company's natural hedging strategy through the assets and liabilities denominated in foreign currencies within a certain period, under the principle of hedge, the assets in foreign currencies generated from operating revenue may be hedged by proper leverage of liabilities in foreign currencies. Through the holdings of both hard and soft currencies, a natural balance then can be achieved to avoid foreign exchange losses.

6.2 Policy regarding High-Risk Investments, Highly Leveraged Investments, Loans to Others, Endorsements, Guarantees, and Derivatives Transactions, and the Main Reasons for the Profits/Losses Generated Thereby; and Responsive Measures to be Taken in the Future

Risk	Implementation status in 2022	Policy and responsive measures
High-risk and highly leveraged investments	None.	The Company does not engage in any high-risk and highly leveraged investments.
Loans to others	None.	1. Loans to others shall be resolved individually in the board of directors' meetings. 2. Borrowers (1) A company or business with which it does business. (2) Loans between the parent company and its subsidiaries, or between subsidiaries. 3. The Company has adopted the "Procedures for loaning to others" to control such transactions.
Endorsements and guarantees	1.Loan guarantee for Tai-Saw Technology (Wuxi) 2.Loan guarantee for Sawnics 3.Loan guarantee for Cirocomm Technology Corp.	Handled in accordance with the Company's "Procedures for Making Endorsements and Guarantees".
Derivative transactions	The Company exploits the derivatives such as foreign exchange delivery forwards to reduce its cash flow and fair value risk exposure arising from exchange rate fluctuations of assets or liabilities denominated in foreign currencies recognized or highly probable expected transactions.	1. The purpose of the Company's derivative transactions is mainly to avoid risk arising from the foreign-currency-denominated net assets or net liabilities under fluctuated exchange rates. The hedging strategy that is not for trading minimizes its exposure to market price risk. 2. The Company values its sales and purchases mainly in JPY and USD, and their fair values vary with the market exchange rates. However, the positions and durations of the Company's assets and liabilities in foreign currencies match, and the market risk is therefore offset. In the event of short-term gap, the Company will utilize the foreign exchange forwards to hedge such risk, and thus it is expected that there will be no material market risk.

6.3 R&D Plans and Expected R&D Investment in the Future

6.3.1 R&D Plans in the Future

6.3.1.1 SAW Component

A. Our company has continued our efforts in developing elastic SAW components for 4G LTE and exploring more products required for 5G and sub-GHz applications as the application of widely-demanded bands of 4G LTE expands, as well as 5G and sub-GHz applications grow rapidly. At present, considering great demand for different frequency bands, we are developing filtering products based on various types of technology to meet the needs of our customers, such as surface acoustic wave filters, duplexers, and triplexers despite the fact that there are many filters and duplexers equivalent to 4G LTE. TC-SAW, BAW, Ceramic Solution filter will further develop and expand new technological products to meet the demands of markets and our customers.

B. As communication infrastructure continues to develop, the number of frequency bands used for signals has tripled, and functional integration has become a trend in electronic products separating interference from adjacent frequency bands. In this regard, we have developed a number of special Notch and Extractor filters and are continuing to expand our product range in response to customer requirements.

D. Development of CSP chip size packaging technology: As wireless communication products get smaller, more multi-functional, and more cost-effective, developing CSP chip size packaging technology has become a certain trend. In addition to the developed consumer electronics, our company has also completed the development of a special CSP packaging process for automotive electronics and will continue our efforts in increasing CSP chip size product line for commercial and automotive applications so as to provide customers with more solutions.

D. It is an irreversible trend that electronic components will be lighter, thinner, shorter and smaller. Our company has successfully developed small size 1.6x1.2mm duplexers (Duplexer B1, B2, B3, B5, B7 and B8) from the original CSP chip level package size of 1.8x1.4mm and achieved mass production, which can be applied by mobile phone and module customers.

E. Global Navigation System (GNSS) has a great potential in the whole industry, especially in the mobile phone and car market. We have developed the GPS Module and Diplexer, a consumer and in-car application software. In the future, we will invest more resources in the development and integration of satellite navigation system products from around the world for more diversified and more competitive products and bigger market.

F. With the expansion of the 5G market, the market for repeaters, and base station infrastructure, more special filters (suitable for special environments) have been developed by the head offices to offer better service to customers in the future.

G. High Frequency SAW Resonator products have been widely used as high-speed networks emerge and develop rapidly. However, it is quite hard for High Frequency SAW Resonator to control frequency in processing, which makes it hard to get ideal yields and increases cost. Currently, we use special method in the front-end process to continuously improve and reach the optimal conditions as a way of increasing yields and improving market competitiveness.

H. In response to the rapid change in electronic products and higher requirements for products specifications and features, our company has learnt about the market trend and are actively investing in the development of new technologies to improve our products. We are currently researching and designing HiQ SAW products to provide a complete solution for 5/6G WiFi to get

more competitive.

I. Digitalization requires electronic devices to be multi-functional, followed by the growing trend that application groups should get more modular and integrated and that individual unit parts shall get smaller. To deal with the trend, we are developing new miniaturized packages in the 30-35% lower order, such as 0.9x0.7mm and 1.4x1.1mm, and are expanding them to secure a competitive market in existing and new application groups in the future.

J. As predicted by many organizations, the demand for electric vehicles and electronic devices is expected to continue to grow in the future. In response, we are expanding our product development of accessories for automotive application groups (WiFi, GPS, LTE/5G Module, etc.), strengthening our model group and planning further expansion.

6.3.1.2 BAW Crystal Component

A. Miniaturized crystal product design and development:

The communication products are getting thinner, lighter, shorter and smaller. The size of existing crystal oscillators ranges from 7.0X5.0mm, 6.0X3.5mm, 5.0X3.2mm, 4.0X2.5mm, 3.2X2.5mm, 2.5X2.0mm, 1.6X1.2mm to 1.2X1.0mm. Among them, except for crystal oscillators of 1.2x1.0mm that is under trial production and yield improvement, others are all mass-produced whose yield and quality have reached the highest level in the industry. In the future, more efforts will be made in cost reduction to enhance market competitiveness. The main frequencies (26MHz/32MHz/37.4MHz/38.4MHz/40MHz/48MHz/76.8MHz) of crystal oscillators of 1.2x1.0mm has been developed and have been recognized by major IC design companies who recommended them to their customers for use in their terminals, which demonstrates their promising future in the market. In the future, we will work harder to upgrade overall yield and expand into both lower frequency (24MHz/26MHz) and higher frequency (80Mz/96MHz/100MHz/120MHz).

Besides, products with the size of 1.0x0.8mm have also been developed and have undergone samples trial in recent years. Although the market demand is not yet strong due to the price factor, miniaturization is a certain trend under the influence of wearable products.

Temperature compensates oscillators/voltage-controlled temperature compensated oscillators (TCXO/VCTCXO) and crystal oscillators (XO) have also progressed from 5.0X3.2mm and 3.2X2.5mm to 2.5X2.0mm/2.0x1.6mm/1.6x1.2mm for mass production. The development of 7.0X5.0mm and 3.2X2.5mm 32.768KHz TCXO has been completed for the demand of smart meters. The smaller size of 2.1x1.3 mm 32.768KHz TCXO has also been developed and is about to enter trial production and the next stage of development focuses on low voltage for biotechnology needs.

For IOT and portable devices, we have developed an enable/disable TCXO and a low voltage (1.2V) TCXO with a frequency stability of 0.5ppm. The next step is to develop a TCXO that supports 125C for the wide temperature and automotive markets. In this regard, we have developed samples that can be trial-produced this year, and even mass-produced according to demand. In response to the increasing demand for temperature-sensing crystal oscillators, products with the size of 2.5x2.0mm and 2.0x1.6mm have been mass-produced, while the 1.6x1.2mm size is nearing completion and is expected to enter trial production this year. With the demand for 5G communications, the need for TCXO with better phase noise at high frequencies has also risen. In response to AKM's launch of a new generation of TCXO ICs supporting up to 104MHz, we are also actively developing 76.8MHz and 96MHz high-frequency

TCXOs, whose samples are currently produced in small quantities and the products are expected to be available for mass production this year.

In response to the increasing demand for temperature-sensing crystal oscillators, products with the size of 2.5x2.0mm and 2.0x1.6mm have been mass-produced, while the 1.6x1.2mm size is nearing completion and is expected to enter trial production this year.

Demand for miniaturized (Low Profile) crystal oscillators is also climbing for wearable devices and smart card applications. The Ring Wall Type ceramic package has currently been widely used for miniaturized products in small sizes of 2.0x1.6mm and 1.6x1.2mm. The miniaturized and market-competitive products can achieve a height of 0.4mm max at 2.0x1.6mm and 0.31mm max at 1.6x1.2mm, respectively, while the smaller products at 1.2x1.0mm reduce the height to 0.25mm and 1.0x0.8mm to 0.22mm.

B. Design and development of high-price products

We have been played an active role in meeting the demand for high frequency crystal oscillators (48MHz/76.8MHz/96MHz) for domestic and overseas design centers. Our products development has been more mature as our components have been recognized and recommended to end users. Besides, we will still work on improving quality and yield rate to meet strict specifications. In the next stage, we will invest in miniaturized (1.6x1.2mm and 1.2mmx1.0mm) thermal sensitive high frequency crystal oscillator(76.8MHz) for verification by domestic and international design centers. The product is already on the BOM list to facilitate promotion and customers' material selection.

Thermistor Crystal Oscillators (TSX) are another option for future 5G mobile communication on top of temperature Compensated Oscillators (TCXO), which will be widely used in mobile communication systems. The high frequency 76.8MHz 1612 TSX has already been certified by international manufacturers and is expected to enter mass production this year. In addition to mobile applications, the 55.2MHz 2016 TSX for UWB automotive applications has also been certified by customers and is being mass-produced.

To meet the demand and strict characteristics of Ethernet/ Stone/ Storage applications, we have also introduced a >100MHz baseband chip (reverse Mesa blank), which is currently in the design and trial stage.

In response to the rising demand for IOT, smart meters and smart appliances, the operating temperature range of crystal oscillators has been increased from commercial specifications (-20C to +75C) and industrial specifications (-40C to +85C) to a wider operating temperature range (-40C to +125C). It is expected that a range of crystal oscillators will be developed for such a wide operating temperature range and will be used in multiple related applications. Also, in response to this demand, crystal oscillators (XO) with low operating voltage (1.2V) and crystal oscillators (XO) with low phase noise have also been developed.

The demand for differential output oscillators, such as LVPECL, LVDS, HCSL climbs with the increasing requirements for high-speed data transmission in Servers, Cloud Data Centers, Network Switches, Backhaul, and Optical Fiber Communication. At present, differential output oscillators with very low phase jitter characteristics of 50fs Jitter have been developed for high-speed data transfer applications of 200G, 400G and 800G as part of efforts to expand high-end market.

We also develop programmable oscillators to meet the diverse applications of our customers at different frequencies, offering a complete range of services to our customers

C. Development of diversified products

The diversity in customers asks for the diversity in products. For instance, the crystal oscillator (XO) has made products requiring high frequency and high/low driving power possible and is almost complete. Nevertheless, for products with different output modes (CMOS, PECL, LVDS, HSCL...) , such as voltage controlled temperature compensate oscillator (VCTCXO), its existing output mode (Clipped sine wave) and frequency accuracy are widely used in Mobile and GPS, but it cannot meet the needs of all customers. That's why we have been developing products with different output modes (CMOS) and higher precision. We have also developed high performance crystal oscillators with Ultra Low Jitter of 0.050ps.

Power saving and low power consumption is a growing demand as requested by wearable devices and IOT sensing and communication devices, followed by greater need in the Enable/Disable of TCXO.To deal with this, our company has started to develop related TCXO. In order to provide a safer, more comfortable and more convenient driving environment, the demand for automotive safety, navigation, communication and entertainment electronic systems is also expected to grow significantly. To respond, we have developed TCXO with a temperature range of -40~125C and are developing TCXO that meet the requirements of automotive AEC-Q200 with an operating temperature range of -40C to +105C, expanding market share in the automotive market. Several customization programs are underway for the Xtal MCF, which can be used at frequencies up to 150MHz/4pole for high performance products. We have also successfully developed programmable crystal oscillators (PXO/PVCXO/PTCXO) up to GHZ to provide high-frequency products with different frequencies quickly.

D. Development of high- precision products

The crystal oscillator with +/-3ppm level at room temperature is under strict process control and the most suitable design is completed for mass production at a stable yield. Under rigorous design conditions, normal yield can be achieved with frequency stability of +/-10ppm/-40~85C, and products with temperature characteristic can be accurately manufactured with low frequency disturbance of <0.05ppm.

There is an immediate need for high-precision products as the frequency demanded by customers has reached the ppb level. VCTCXO of 500 ppb can be mass-produced and the developed of 100-200ppb is underway. The OCXO can reach 5~100ppb and is taking orders steadily.

6.3.2 Expected R&D investment in the future

The expected 2023 R&D investment will be NT$252,978 thousand .

6.4 Effect of Significant Domestic and International Policy and Legal Changes on the Company's Financial Operations and Countermeasures

The Company keeps abreast of significant domestic and international policy and legal changes and assesses their impact on the Company and finds out that there has been no significant adverse impact on the Company's financial operations.

6.5 Effect on the Company's Financial Operations of Developments in Technology (including cyber security risks) as well as Industrial Change, and Measures to be Taken in Response

6.5.1 Risk assessment and analysis of developments in technology (including cyber security risks) and measures to be taken in response

Cyber Security and Network Risks Control

In addition to the establishment of firewall, filtering of malicious emails, protection of employees' access to internet, update of operating system, deployment of antivirus software and information security monitoring service, the Company strengthens its information operation through internal risk management system to evaluation relevant risk of information system and periodically make improvement according to the risk assessment result, thereby reducing systematic risk.

Countermeasures for Information System Risk

The Company has set up the remote backup and recovery management mechanism, enhanced all simulation tests of the server room and conducted annual disaster recovery drill to not merely secure the normal operation of information system and security of data, but also reduce the risk of system downtime due to unexpected disasters or human errors, and ensure system recovery.

6.5.2 Effect of Industrial Change on the Company's Financial Operations and Countermeasures

In recent years, driven by global telecommunications liberalization, rapid economic development, rising consumer spending power, advances in wireless communication systems and new technologies, drastic growth can be seen in mobile communication equipment and services market. Wireless communication technologies are widely used, including in Cordless Telephone, Smart Phone, wireless PC, terminals, WLAN, Bluetooth, GPS, Digital Radio, Home RF, electric vehicle electronics, LEO satellite communications applications, etc. As a result, the demand for key frequency components such as SAW filters, resonators, crystal resonators, and voltage-controlled temperature compensate oscillators is also climbing rapidly. By actively taking advantage of the development trend and rising market demand, our company is gradually expanding our business model and manufacturing diversified products to increase our revenue and market share effectively. Therefore, technological and industrial changes have exerted a positive impact on the Company's financial operations.

The Company is the first domestic manufacturer to develop and mass-produce SAW filters. Its SAW filters and high-order crystal oscillator components are the first to be adopted and recognized by mobile phone manufacturers and shipped in large quantities. In this regard, the future of the Company is bright and promising.

6.6 Crisis Management and Countermeasure for the Impact of Corporate Image Change

The company has good image and reputation in market and there's no changes in corporate image which cause corporate's crisis.

6.7 Risk Associated with Mergers and Acquisitions

Currently, the company has no plans for mergers and acquisitions

6.8 Risk Associated with Factory Expansion.

Benefits of Factory Expansion

The company's factory expansion is based on production capacity plan. The factories in WuXi and Pingzhen will expend at the same time to increase economies of scale and fulfill market demand and increase market share.

Risks of Factory Expansion

If market demand declines, it will reduce capacity utilization rate, increase fixed cost and impact the revenue.

Countermeasures

The company will adopt a phased capacity expansion plan and adjust the expansion plan by market condition to reduce the risk of expansion.

6.9 Risk Associated with Sales/Purchasing Concentration

6.9.1 Risk Associated with Purchasing Concentration

The major raw materials of the company are supplied and negotiated by 2 to 3 qualified suppliers. The purchase number of major suppliers account for approximately 27.23% of total purchase amount in 2022. The high purchasing ratio comes from marker factor- the supplier occupies the 60%~70% of ceramic substrate market. However, there's no purchasing concentration risk.

6.9.2 Risk Associated with Sales Concentration

Based on the sales distribution of the company in 2022, the sales to company A and company B are more concentrated than to other customers. The company will continue to adjust customer and product assortments and develop new customers to adjust and reduce sales concentration.

For aforementioned customer with high sales concentration, the company reduce the risk by requiring them to provide guarantee and restricting lending amount gradually. Therefore, there's no potential material risk associated with sales concentration.

6.10 Impact and Risk Associated with Sales of Significant number of Shares by the Company's Directors, Supervisors, or Shareholder Owned More than 10% of the Company's Outstanding Shares

None

6.11 Risk Associated with Change in Management

None

6.12 Risk Associated with Litigious and Non-Litigious Matter of the Company's Directors, Supervisors, President, Principles, or shareholders Owned More than 10% of the Company's Outstanding Shares

None.

6.13 Other Significant Risk

6.13.1 Risk Management

The purpose of the company's risk management policy is to establish a risk mechanism for identifying, measuring and monitoring and controlling risk and build an integrated risk management system. The objectives are to achieve business goal and enhance shareholder value through risk management-oriented business model.

6.13.2 Risk Management Structure:

The company has established risk management team with the president serving as convener. The president is responsible for coordinating and direct the operation of risk management team. Following are responsibilities of each unit in risk management.

Management Center

Establishing contingency plan to maintain the operation of administrative system, allocate the human resource, conduct financial risk assessment, file insurance claim, maintain the operation of environmental, health and safety, review regulations, liaise with media and maintain public relationship.

Sales & Marketing Center

Collecting market information, managing customer relationships, collecting and following up account receivable.

Product and Engineering Division

Assessing new product development risk, and establishing contingency plan to control the progress and maintain environment of research and development.

MFG Operation Center

Establishing contingency plan for production and operation, coordinating the production and marketing, human resource allocation planning, and maintain on-site environmental safety.

Supply Chain Management

Establishing contingency plan for supplier management, raw material procurement, water-electricity supply and equipment purchase.

Quality Center

Establishing contingency plan for record and document retention and management, product quality management, and product testing.

Internal Audit Office

Based on the internal control system and annual audit plan, audit the implementation of risk in each unit and issue audit reports based on the audit result.

7 Other Necessary Supplements

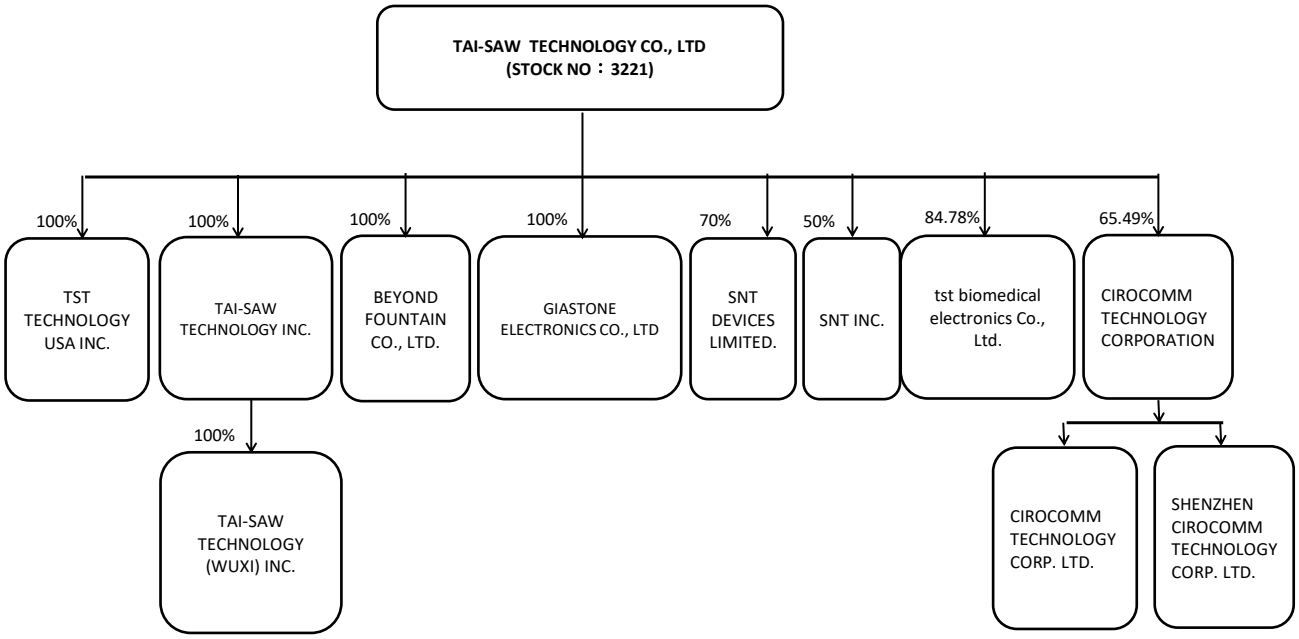
None.

VIII. Special Disclosures

1 Information Related to the Company's Affiliates

1.1 Consolidated Business Report of Company's Affiliates

1.1.1 Organizational chart of affiliates (December 31, 2022)



1.1.2 Basic information on affiliates

December 31, 2021

Unit: US$

Name	Date of Incorporated	Address	Capital	Major Business
TAI-SAW TECHNOLOGY INC.	2002.12.23	Offshore Chambers, P.O Box 217, Apia, Samoa	$25,000,000	Investment holding
GIA-STONE ELECTRONICS CO., LTD.	2003.11.10	Offshore Chambers, O .Box 217, Apia, Samoa	$100,000	Trading
TAI-SAW TECHNOLOGY (WUXI) INC.	2003.3.27	No. 1231 Lianfu Rd., Xishan Economic Development Zone, Wuxi City	$20,000,000	Manufacturing of electronic parts and components
TST TECHNOLOGY USA INC.	2008.8.14	2211 S. HACIENDA BLVD., #100, HACIENDA HEIGHTS, CA 91745	$200,000	Technology service and trading
SNT DEVICES LIMITED.	2009.3.27	1004 AXA Centre, 151 Gloucester Road, Wan Chai, Hong Kong.	$500,000	Trading
SNT INC.	2009.7.8	601-2, No. 156 Gwanggyo-ro, Yeongtong-gu, Suwon-si, Gyeonggi-do, 443-270 Korea	$100,000	Trading

Name	Date of Incorporated	Address	Capital	Major Business
BEYOND FOUNTAIN CO., LTD.	2009.10.9	Offshore Chambers, O .Box 217, Apia, Samoa	$1,000,000	Investment holding
tst biomedical electronics CO., LTD.	2018.12.21	2F., No. 3, Gongye 2nd Rd., Pingzhen Dist., Taoyuan City	NT$150,000,000	Retail of medical devices
CIROCOMM TECHNOLOGY CORPORATION	1996.1.31	No. 37, Gongye S. Rd., Erzhen Vil., Guantian Dist., Tainan City	NT$800,000,000	Manufacturing of electronic parts and components

1.1.3 The companies presumed to have a relationship of control and subordination, in information of shareholders in common: None.

1.1.4 The industries covered by the businesses operated by the affiliates overall

Name	Controlling company (subordinate)	Controlling relationship (subordination)	Mutual dealings and division of work among affiliates
TAI-SAW TECHNOLOGY INC.	TAI-SAW TECHNOLOGY CO., LTD	Subordinate	Holding of overseas investments
GIA-STONE ELECTRONICS CO., LTD.	TAI-SAW TECHNOLOGY CO., LTD	Subordinate	Trading
TAI-SAW TECHNOLOGY (WUXI) INC.	TAI-SAW TECHNOLOGY INC.	Subordinate	Manufacturing of electronic parts and components
TST TECHNOLOGY USA INC	TAI-SAW TECHNOLOGY CO., LTD	Subordinate	Technology service and trading
SNT DEVICES LIMITED.	TAI-SAW TECHNOLOGY CO., LTD	Subordinate	Trading
SNT INC.	TAI-SAW TECHNOLOGY CO., LTD	Subordinate	Trading
BEYOND FOUNTAIN CO., LTD.	TAI-SAW TECHNOLOGY CO., LTD	Subordinate	Holding of overseas investments
tst biomedical electronics CO., LTD.	TAI-SAW TECHNOLOGY CO., LTD	Subordinate	Retail and wholesale of medical devices
CIROCOMM TECHNOLOGY CORPORATION	TAI-SAW TECHNOLOGY CO., LTD	Subordinate	Manufacturing of electronic parts and components
CIROCOMM TECHNOLOGY CORP. LTD.	CIROCOMM TECHNOLOGY CORPORATION	Subordinate	Holding of overseas investments
SHENZHEN CIROCOMM TECHNOLOGY CORP. LTD.	CIROCOMM TECHNOLOGY CORPORATION	Subordinate	Trading

1.1.5 Information on the directors, supervisors, and president of each affiliate

December 31, 2022

Unit: US$; Share

Name	Title	Name or Representative	Shareholding	
			Shares/ contribution	Shareholding %/ contribution %
TAI-SAW TECHNOLOGY INC.	Director	TAI-SAW TECHNOLOGY CO., LTD Representative: Huang, Yu-Tung	21,252,595 Shares	100.00
TAI-SAW TECHNOLOGY (WUXI) INC.	Director	TAI-SAW TECHNOLOGY INC. Representative: Huang, Yu-Tung	US$20,000,000	100.00
	Director	TAI-SAW TECHNOLOGY INC. Representative: Chen, Jui-Hung		
	Director	TAI-SAW TECHNOLOGY INC. Representative: Yeh, Mei-Yu		
	Supervisor	TAI-SAW TECHNOLOGY INC. Representative: Lei, Te-Fu		
GIA-STONE ELECTRONICS CO., LTD.	Director	TAI-SAW TECHNOLOGY CO., LTD Representative: Huang, Yu-Tung	50,000 Shares	100.00
TST TECHNOLOGY USA INC.	Director	TAI-SAW TECHNOLOGY CO., LTD Representative: Huang, Yu-Tung	200,000 Shares	100.00
	President	TAI-SAW TECHNOLOGY CO., LTD Representative: Chen, Jui-Hung		
SNT DEVICES LIMITED. (HK)	Director	SHIN, YONGJIN	0 Shares	0
SNT INC (Korea)	Director	TAI-SAW TECHNOLOGY CO., LTD Representative: Huang, Yu-Tung	US$51,000	50.00
	Director	TAI-SAW TECHNOLOGY CO., LTD Representative: Lei, Te-Fu		
	Director	SAWNICS Inc. Representative: Yang Hyung Kook	US$51,000	50.00

Name of enterprise	Title	Name or representative	Shareholding	
			Shares/ contribution	Shareholding %/ contribution %
BEYOND FOUNTAIN CO., LTD.	Director	TAI-SAW TECHNOLOGY CO., LTD Representative: Chen, Jui-Hung	514,500 Shares	100.00
	Director	TAI-SAW TECHNOLOGY CO., LTD Representative: Lei, Te-Fu		
	Director	TAI-SAW TECHNOLOGY CO., LTD Representative: Chang, Ming-Hung		
tst biomedical electronics CO., LTD.	Director	Huang, Yu-Tung	100,000 Shares	0.87
	Director	TAI-SAW TECHNOLOGY CO., LTD Representative: Chen, Jui-Hung	9,750,000 Shares	84.78
	Supervisor	Yen, Kuo-Lung	0 Shares	0
CIROCOMM TECHNOLOGY CORPORATION	Director	TAI-SAW TECHNOLOGY CO., LTD Representative: Huang, Yu-Tung	8,461,363 Shares	65.49
	Director	TAI-SAW TECHNOLOGY CO., LTD Representative: Chen, Jui-Hung		

1.1.6 Operations of affiliates

December 31, 2022

Unit: NT$ Thousands, except NT$ for earnings per share

Name of enterprise	Paid-in capital	Total assets	Total liabilities	Net value	Operating revenue	Operating income	Net income for the current period (after tax)	Earnings per share (after tax)
TAI-SAW TECHNOLOGY INC	668,374	509,006	641	508,364	0	(35)	(2,416)	(0.00)
TAI-SAW TECHNOLOGY (WUXI) INC.	614,200	592,350	110,947	481,403	354,903	(13,498)	(2,645)	Note4
GIA-STONE ELECTRONICS CO., LTD.	1,660	1,829	83	1,745	0	(35)	(30)	(0.02)
TST TECHNOLOGY USA INC.	28,874	44,562	13,470	31,093	35,690	1,474	2,382	0.08
SNT DEVICES LIMITED.	6,142	29,625	15,191	14,434	59,405	3,942	3,916	0.64
SNT INC	3,132	60,372	54,796	5,576	30,589	(1,367)	2,803	Note4
BEYOND FOUNTAIN CO., LTD.	15,800	641	0	641	0	(35)	(35)	(0.00)
tst biomedical electronics CO., LTD	115,000	375,356	78,620	296,736	752,870	214,563	182,077	1.58
CIROCOMM TECHNOLOGY CORPORATION	129,192	251,859	152,317	99,542	185,314	(51,546)	(44,524)	(0.34)

Note 1: If an affiliate is a foreign company, values such as paid-in capital are translated into NT$ using the exchange rate on the reporting date and the average exchange rate.

Note 2: Exchange rate at the end of the period:

USD/NTD 30.7100
USD/RMB 6.9669
USD/KRW 1248.3740

Average exchange rate:

USD/NTD 29.8489
USD/RMB 6.7504
USD/KRW 1281.0687

Note 3: Financial data of the affiliates are from their audited financial statements for 2022.

Note 4: It did not issue any shares, so it is not applicable.

Note 5: The business performance of the affiliates is based on their individual financial statements.

1.2 Consolidated financial statements of the affiliates

The entities included in the Company's consolidated financial statements of the affiliates are identical to those included in the consolidated financial statements of the Company and its subsidiaries, so the consolidated financial statements of the affiliates are identical to those of the Company and its subsidiaries. Please refer to page 156~243 of the annual report.

2 Private Placements of Securities in the Most Recent Year.

None.

3 Holding or Disposal of the Company's Shares by Subsidiaries of the Company in the Most Recent Fiscal Year and as of the Publication Date of the Annual Report.

None.

4 Other Necessary Supplements

None.

5 Disclosure of Events Which May Have a Significant Influence on Stockholders' Equity or Share Price, in Compliance with Item 3, Paragraph 2 In Article 36 of the Securities and Exchange Law of the R.O.C. during 2022 and as of the Annual Report Printing Date.

None.

Audit Committee's Review Report

The Board of Director has prepared the company's 2022 Business Report, Financial Statement (including consolidated financial statement), and proposal for profit distribution. The CPA firm of KPMG was retained to audit TAI-SAW TECHNOLOGY's Financial Statement and has issued an audit report relation to the Financial Statement. The Business Report, Financial Statements, and profit distribution proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of TAI-SAW TECHNOLOGY CO., LTD. According to article 14-4 of the Securities and Exchange Act and the article 219 of Company Act, we hereby submit this report.

To TAI-SAW TECHNOLOGY CO., LTD., 2023 Annual Shareholders' Meeting

Chairman of Audit Committee: Huang, Wen-Ho

March 22, 2023

Representation Letter

The entities that are required to be included in the combined financial statements of Tai-Saw 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, Tai-Saw Technology Co., Ltd. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Tai-Saw Technology Co., Ltd.
Chairman: Huang, Yu-Tong
Date: March 22, 2023

Independent Auditors' Report

To the Board of Directors of Tai-Saw Technology Co., Ltd.:

Opinion

We have audited the consolidated financial statements of Tai-Saw 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 of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2022 and 2021, 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 developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountant 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 Accountant 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.

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.

Recognition of revenue

The accounting policy on the recognition of revenue are discussed in Note 4(16) of the notes to parent company only financial statements. Please refer to Note 6(20) to the parent company only financial statement for the information of revenue from Contracts with Customers.

Description of key audit matter:

The principal activities of the Group is sales of frequency devices and SAW (surface acoustic wave) devices. The sales revenue is arising from sales of wired and wireless communication, computer hardware, peripherals and components. As the goods are shipped out, the customer has the right to set the price and application of the goods and has the primary responsibility for reselling goods, as well as the risk of their obsolescence, the Group recognizes revenue and accounts receivable at that point. Since the trading volume of operating revenue is high and is arising from global operating locations. Therefore, the appropriateness on recognition timing of sales revenue is one of the most important evaluations in performing our audit procedures.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain key audit procedures that included understanding of revenue recognition policies and assessing whether revenue recognition policies are appropriate based on sales terms and revenue recognition criteria; physically observed and understanding the design and process of implementation of internal controls and testing operating effectiveness; sample testing selected sales to confirm with customer orders and delivery note; testing sales cut-off, on a sample basis, for transactions incurred within a certain period before or after the balance sheet date by reviewing related sales terms, inspecting delivery documents, and other related supporting document to evaluate whether the yearend sales revenue was recorded in proper period.

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.

Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

6. Obtain sufficient and appropriate audit evidence regarding the financial information of 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 auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Hai-Ni Huang and Wan-Yuan Yu.

KPMG

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

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and its 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 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 auditors' report and consolidated financial statements, the Chinese version shall prevail.

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

Tai-Saw 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(1))	$ 909,235	25	675,802	18
1136	Current financial assets at amortized cost (note 6(2))	335,248	9	98,886	3
1150	Notes receivable (note 6(2))	5,599	-	20,627	1
1170	Accounts receivable, net (note 6(2))	457,425	13	555,905	15
1180	Accounts receivable due from related parties (notes 6(2) and 7)	75,804	2	111,261	3
1200	Other receivables (note 7)	5,824	-	3,286	-
1310	Inventory, net (note 6(3))	547,130	15	496,411	13
1410	Prepayments (note 7)	55,911	2	80,099	2
1470	Other current assets (notes 6(11), 7 and 8)	8,362	-	14,309	-
	Total current assets	2,400,538	66	2,056,586	55
	Non-current assets:				
1510	Financial assets at fair value through profit or loss－non-current (note 6(2))	11,977	-	30,328	1
1517	Financial assets at fair value through other comprehensive income－non-current (note 6(2))	95,286	3	96,193	3
1550	Investments measured by equity method (note 6(4))	139,272	4	432,510	12
1600	Property, plant and equipment (notes 6(9) and 8)	818,423	22	916,149	24
1755	Right-of-use assets (note 6(10))	51,625	1	58,408	2
1780	Intangible assets	3,624	-	5,043	-
1840	Deferred tax assets (note 6(16))	100,902	3	81,756	2
1990	Other non-current assets (notes 6(11) and 7)	21,547	1	19,435	1
	Total non-current assets	1,242,656	34	1,639,822	45
	Total assets	**$ 3,643,194**	**100**	**3,696,408**	**100**

		December 31, 2022		December 31, 2021	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (note 6(12))	$ 210,000	6	224,920	6
2120	Financial liabilities at fair value through profit or loss－Current (note 6(2))	59,860	2	44,970	1
2130	Contract liabilities－Current (note 6(20))	15,698	-	11,966	-
2150	Notes payable	33,933	1	47,701	1
2170	Accounts payable	203,323	6	211,511	6
2180	Payables to related parties (note 7)	7,503	-	14,480	-
2200	Other payables (note 6(14))	241,793	7	250,160	7
2230	Current tax liabilities (note 6(16))	132,267	4	79,296	2
2280	Lease liabilities－current (note 6(13))	8,032	-	8,110	-
2320	Long-term liabilities-current portion (note 6(12))	86,968	2	90,196	3
2399	Other current liabilities	10,204	-	15,910	1
	Total current liabilities	1,009,581	28	999,220	27
	Non-Current liabilities:				
2500	Financial liabilities at fair value through profit or loss－non-current (note 6(2))	-	-	9,899	-
2540	Long-term borrowings (note 6(12))	169,242	5	213,589	6
2570	Deferred tax liabilities (note 6(16))	311	-	43,373	1
2580	Lease liabilities－non-current (note 6(13))	23,952	1	30,213	1
2640	Net defined benefit liability, non-current (note 6(15))	10,725	-	6,557	-
2670	Other non-current liabilities- other (note 6(4))	2,765	-	3,373	-
	Total non-current liabilities	206,995	6	307,004	8
	Total liabilities	1,216,576	34	1,306,224	35
	Equity (notes 6(17) and (18))**:**				
	Equity attributable to owners of parent:				
3110	Ordinary shares	1,040,444	29	1,028,684	28
3200	Capital surplus	734,577	20	773,940	21
	Retained earnings:				
3310	Legal reserve	75,240	2	21,460	1
3320	Special reserve	87,554	2	67,103	2
3350	Unappropriated retained earnings	637,200	17	553,309	15
	Total retained earnings	799,994	21	641,872	18
3400	Other equity	(229,444)	(6)	(108,048)	(3)
	Total equity attributable to owners of parent	2,345,571	64	2,336,448	64
36XX	Non-controlling interests	81,047	2	53,736	1
	Total equity	2,426,618	66	2,390,184	65
	Total liabilities and equity	**$ 3,643,194**	**100**	**3,696,408**	**100**

See accompanying notes to consolidated financial statements.

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

Tai-Saw 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 Common Share)

		2022		2021	
		Amount	%	Amount	%
4000	**Operating revenues** (notes 6(20) and 7)	$ 3,357,990	100	2,930,605	100
5000	**Operating cost** (notes 6(3), (13), (15), (18), 7 and 12)	2,429,761	72	2,206,593	75
5900	**Gross profit from operations**	928,229	28	724,012	25
5910	Unrealized gain from sale	5	-	34	-
5900	**Realized gross profit**	928,224	28	723,978	25
6000	**Operating expenses** (notes 6(2), (13), (15), (18), 7 and 12)**:**				
6100	Selling expenses	115,430	3	144,479	5
6200	General and administrative expenses	141,107	4	151,871	5
6300	Research and development expenses	194,174	6	192,654	7
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	(888)	-	5,745	-
	Total operating expenses	449,823	13	494,749	17
	Other income (expenses):				
6900	**Net operating income**	478,401	15	229,229	8
7000	**Non-operating income and expenses** (notes 6(13), (22) and 7)**:**				
7100	Interest income	5,513	-	2,089	-
7020	Other gains and losses	17,804	1	443,381	15
7050	Finance costs	(7,890)	-	(7,379)	-
7060	Share of profit of associates accounted for using equity method (note 6(4))	(34,324)	(1)	(22,601)	(1)
	Total non-operating income and expenses	(18,897)	-	415,490	14
7900	**Income before income tax**	459,504	15	644,719	22
7950	**Less: income tax expenses** (note 6(16))	122,140	4	135,377	5
	Net income	337,364	11	509,342	17
8300	**Other comprehensive income (loss):**				
8310	**Items that may not be reclassified subsequently to profit or loss:**				
8311	Gains (losses) on remeasurements of defined benefit plans (note 6(15))	(2,758)	-	(1,015)	-
8316	Unrealized gains or losses from investments in equity instrumentsmeasured at fair value through other comprehensive income	(118,807)	(3)	12,823	-
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss (note 6(4))	(9)	-	(48)	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (note6 (16)	(552)	-	(203)	-
		(121,022)	(3)	11,963	-
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation	14,462	-	(1,505)	-
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	10,752	-	(15,509)	(1)
	Total items that may be reclassified to subsequently to profit or loss	25,214	-	(17,014)	(1)
8300	**Other comprehensive loss**	(95,808)	(3)	(5,051)	(1)
	Total comprehensive income	**$ 241,556**	**8**	**504,291**	**16**
	Net profit attributable to:				
	Owners of parent	$ 324,917	11	537,797	19
	Non-controlling interests	12,447	-	(28,455)	(2)
		$ 337,364	**11**	**509,342**	**17**
	Comprehensive income attributable to:				
	Owners of parent	$ 225,763	7	532,855	18
	Non-controlling interests	15,793	-	(28,564)	(2)
		$ 241,556	**7**	**504,291**	**16**
	Earnings per share (New Taiwan Dollars) (note 6(19))				
	Basic earnings per share	**$**	**3.18**		**5.28**
	Diluted earnings per share	**$**	**3.10**		**5.21**

See accompanying notes to consolidated financial statements.

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

Tai-Saw 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													
			Retained earnings				Other equity interest							
	Ordinary share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Total	Exchange Differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Deferred compensation cost	Total	Treasury shares	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2021	$ 1,036,024	771,137	89,138	67,103	(67,678)	88,563	(61,552)	(19,695)	(21,922)	(103,169)	(11,095)	1,781,460	21,775	1,803,235
Net income (loss) for the period	-	-	-	-	537,797	537,797	-	-	-	-	-	537,797	(28,455)	509,342
Other comprehensive income (loss) for the year end	-	-	-	-	(812)	(812)	(16,905)	12,775	-	(4,130)	-	(4,942)	(109)	(5,051)
Total comprehensive income (loss) for the year end	-	-	-	-	536,985	536,985	(16,905)	12,775	-	(4,130)	-	532,855	(28,564)	504,291
Appropriation and distribution of retained earnings:														
Legal Reserve	-	-	(67,678)	-	67,678	-	-	-	-	-	-	-	-	-
Changes in equity of associates and joint ventures accounted for using equity method	-	28,406	-	-	-	-	-	-	-	-	-	28,406	-	28,406
Retirement of treasury stock	(5,650)	(5,445)	-	-	-	-	-	-	-	-	11,095	-	-	-
Difference between consideration and of carrying amount of subsidiaries acquired or disposed	-	2,942	-	-	-	-	-	-	-	-	-	2,942	-	2,942
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(7,768)	(7,768)
Share-based payment transactions	(1,690)	(2,493)	-	-	-	-	-	-	15,575	15,575	-	11,392	-	11,392
Cash dividends from capital surplus	-	(20,607)	-	-	-	-	-	-	-	-	-	(20,607)	-	(20,607)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	16,324	16,324	-	(16,324)	-	(16,324)	-	-	-	-
Non-controlling interests arising from mergers and acquisitions	-	-	-	-	-	-	-	-	-	-	-	-	63,861	63,861
Disposal of partial interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	4,432	4,432
Balance at December 31, 2021	1,028,684	773,940	21,460	67,103	553,309	641,872	(78,457)	(23,244)	(6,347)	(108,048)	-	2,336,448	53,736	2,390,184
Net income for the period	-	-	-	-	324,917	324,917	-	-	-	-	-	324,917	12,447	337,364
Other comprehensive income (loss) the year end	-	-	-	-	(2,206)	(2,206)	21,868	(118,816)	-	(96,948)	-	(99,154)	3,346	(95,808)
Total comprehensive income (loss) for the year end	-	-	-	-	322,711	322,711	21,868	(118,816)	-	(96,948)	-	225,763	15,793	241,556
Appropriation and distribution of retained earnings:														
Legal Reserve	-	-	53,780	-	(53,780)	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	20,451	(20,451)	-	-	-	-	-	-	-	-	-
Cash dividends distributed to common shareholders	-	-	-	-	(164,589)	(164,589)	-	-	-	-	-	(164,589)	-	(164,589)
Changes in issue of shares by subsidiaries not in proportion to shareholding	-	(1,182)	-	-	-	-	-	-	-	-	-	(1,182)	1,182	-
Changes in equity of associates and joint ventures accounted	-	(5,473)	-	-	-	-	-	-	-	-	-	(5,473)	-	(5,473)
Share-based payment transactions	11,760	18,246	-	-	-	-	-	-	(24,448)	(24,448)	-	5,558	-	5,558
Capital increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	10,336	10,336
Cash dividends from capital surplus	-	(50,954)	-	-	-	-	-	-	-	-	-	(50,954)	-	(50,954)
Balance at December 31, 2022	**$ 1,040,444**	**734,577**	**75,240**	**87,554**	**637,200**	**799,994**	**(56,589)**	**(142,060)**	**(30,795)**	**(229,444)**	**-**	**2,345,571**	**81,047**	**2,426,618**

See accompanying notes to consolidated financial statements.

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

Tai-Saw 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 operating activities:			
Profit before tax	$	459,504	644,719
Adjustments:			
Adjustments to reconcile profit (loss):			
Depreciation expense		171,330	188,171
Amortization expense		4,486	7,045
Gain on reversal of expected credit impairment loss		(888)	5,745
Net gain on financial assets or liabilities at fair value through profit or loss		78,658	4,394
Interest expense		7,890	7,379
Interest income		(5,513)	(2,089)
Share-based payment transactions		5,558	11,392
Share of loss of associates and joint ventures accounted for using equity method		34,324	23,325
Gain on disposal of property, plant and equipment		(7,370)	(1,535)
Gain on disposal of investments		(5,039)	(429,176)
Reversal of inventory reserve and obsolescence loss		82,580	(14,162)
Realized loss from sales by associates accounted for using equity method		5	34
Gain from in bargain purchase transaction		-	(12,842)
Total adjustments to reconcile profit		366,021	(212,319)
Changes in operating assets and liabilities:			
Notes receivable		15,028	(13,060)
Accounts receivable		99,409	(128,085)
Receivables from related parties		35,457	(53,512)
Other receivables		(1,491)	43,716
Inventories		(133,299)	(98,284)
Prepayments		24,188	(19,694)
Other current assets		(2,923)	3,548
Contract liabilities		3,732	4,799
Notes payable		(13,768)	9,258
Accounts payable		(8,188)	29,697
Accounts payable to related parties		(6,977)	(1,186)
Other payables		(7,993)	88,674
Other current liabilities		(5,706)	383
Net defined benefit liability		1,962	1,417
Other non-current liabilities		(25)	54
Total changes in operating assets and liabilities		(594)	(132,275)
Total adjustments		365,427	(344,594)
Cash inflow generated from (used in) operations		824,931	300,125
Interest received		4,466	1,832
Interest paid		(8,264)	(5,438)
Income taxes paid		(131,377)	(5,244)
Net cash flows from (used in) operating activities		689,756	291,275

(Continued)

See accompanying notes to consolidated financial statements.

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

Tai-Saw Technology Co., Ltd. and subsidiaries

Consolidated Statements of Cash Flows (Continued)

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	25,623
Acquisition of financial assets at amortized cost	(365,120)	(116,700)
Proceeds from disposal of financial assets at amortized cost	130,003	76,372
Proceeds from disposal of financial assets at fair value through profit or loss	(10,425)	-
Proceeds from disposal of investments accounted for using equity method	103,163	-
Proceeds from disposal of subsidiaries	-	114,320
Acquisition of property, plant and equipment	(70,276)	(201,826)
Proceeds from disposal of property, plant and equipment	7,370	13,926
Decrease in refundable deposits	2,594	1,465
Acquisition of intangible assets	(3,069)	(2,182)
Net cash flow from acquisition of subsidiaries	-	36,009
Decrease (Increase) in other non-current assets	5,020	(427)
Decrease in restricted current assets	8,909	11,270
Net cash flows from (used in) investing activities	(191,831)	(42,150)
Cash flows from (used in) financing activities:		
Decrease in short-term borrowings	(14,920)	(115,080)
Proceeds from long-term borrowings	46,000	230,961
Proceeds from long-term borrowings	(93,575)	(221,048)
Payment of lease liabilities	(8,410)	(8,356)
Cash dividends paid	(215,543)	(20,607)
Acquisition of non-controlling interests	-	(5,046)
Disposal of partial interests in subsidiaries	-	4,652
Capital increase in non-controlling interests	10,336	-
Net cash flows from financing activities	(276,112)	(134,524)
Effect of exchange rate changes on cash and cash equivalents	11,620	7,440
Net increase in cash and cash equivalents	233,433	122,041
Cash and cash equivalents at beginning of year	675,802	553,761
Cash and cash equivalents at end of year	**$ 909,235**	**675,802**

See accompanying notes to consolidated financial statements.

1. Company history

Tai-Saw Technology Co., Ltd. (The "Company") was incorporated in November 1997 under the approval of Ministry of Economic Affair, Republic of China (R.O.C). The address of the Company's registered office is No. 3, Gongye 2nd Rd., Yongfeng Vil., Pingzhen Dist., Taoyuan City 324403, Taiwan (R.O.C.). The shares of the Company have been listed for trading at the Taipai Exchange in R.O.C. since February 2006. The principal activities of the Company are the, research and development, design, manufacture, and sales of radio communications components and their system equipment and computer hardware and peripheral components as well as the manufacture and packaging of integrated circuits.

2. Approval date and procedures of the parent-company-only financial statements:

The Consolidated financial statements were authorized for issue by the Board of Directors on March 22, 2023.

3. New standards, amendments and interpretations adopted:

(1) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. ("FSC") 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"

(2) 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"

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

The Group 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 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 "Classification of Liabilities as Current or Non-current"
- 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 applied in the preparation of these Consolidated financial statements are summarized as follows. Except for those described individually, the significant accounting policies have been applied consistently to all periods presented in these Consolidated financial statements.

(1) Statement of compliance

The 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), International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C (hereinafter referred to as the "IFRSs endorsed by the FSC").

(2) Basis of preparation

A. Basis of measurement

The Consolidated financial statements have been prepared on a historical cost basis except for the following material items in the balance sheets:

(a) Financial assets at fair value through profit or loss (FVTPL) are measured at fair value;

(b) Financial assets at fair value through other comprehensive income (FVOCI) are measured at fair value; and,

(c) The net defined benefit liabilities are measured as the fair value of the plan assets, less, the present value of the defined benefit obligation.

B. Functional and presentation currency

The functional currency of the Group is determined based on the primary economic environment in which the entity operates. The Consolidated financial statements are presented in New Taiwan Dollars (NTD), which is the Company's functional currency. Unless otherwise noted, all financial information presented in NTD has been rounded to the nearest thousand.

(3) Basis of consolidation

A. 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 the 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 alike 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 noncontrolling 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.

When the Group loses control over a subsidiary, it derecognizes the assets (including any goodwill) and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any interest retained in the former subsidiary is measured at fair value when control is lost, with the resulting gain or loss being recognized in profit or loss. The Group recognizes as gain or loss in profit or loss the difference between (i) the fair value of the consideration received as well as any investment retained in the former subsidiary at its fair value at the date when control is lost; and (ii) the assets (including any goodwill), liabilities of the subsidiary as well as any related non-controlling interests at their carrying amounts at the date when control is lost, as gain or loss in profit or loss. When the Group loses control of its subsidiary, it accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if it had directly disposed of the related assets or liabilities.

B. List of subsidiaries in the consolidated financial statements:

The list of subsidiaries is includal in the consolidated financial statement is as follows:

Name of Investor	Name of subsidiary	Business	Percentage of Ownership		Note
			December 31, 2022	December 31, 2021	
the Company	Tai-Saw Technology Inc.	Overseas investment holding	100.00%	100.00%	
the Company	Gia-Stone Electronics Co., Ltd.	Trades	100.00%	100.00%	

Name of Investor	Name of subsidiary	Business	Percentage of Ownership December 31, 2022	Percentage of Ownership December 31, 2021	Note
the Company	TST biomedical electronics Co., Ltd.	Clinical machine wholesale and retail	84.78%	84.78%	
the Company	TST Technology USA Inc.	Technological consulting services	100.00%	100.00%	
the Company	SNT Devices Limited (SNT-HK)	Trades	70.00%	70.00%	
the Company	SNT Inc. (SNT-KR)	Trades	50.00%	50.00%	
the Company	Beyond Fountain Co, Ltd. (Beyond)	Overseas investment holding	100.00%	100.00%	
the Company	RFM Integrated Device Inc. (RFMi)	Semiconductor electric wafer materials and components manufacturing	- %	49.00%	Note 1
the Company	Cirocomm Technology Corp.	Semiconductor electric wafer materials and components manufacturing	65.49%	56.76%	Note 2
Tai-Saw Technology Inc.	Tai-Saw Technology (Wuxi) Inc.	Semiconductor electric wafer materials and components manufacturing	100.00%	100.00%	
Cirocomm Technology Corp.	Hong Kong Cirocomm Technology Corp.	Semiconductor electric wafer materials and components manufacturing	100.00%	100.00%	
Cirocomm Technology Corp.	Shenzhen Cirocomm Technology Corp	Semiconductor electric wafer materials and components manufacturing	100.00%	100.00%	

Note 1: The Company disposed of 51% equity interest in RFMi to Akoustis Technologies Inc. (hereinafter referred to as Akoustis) on October 15, 2021, the remaining 49% equity interest in FRMi was fully sold on April 29, 2022. Please refer to Note 6(4), 6(6) and 6(7).

Note 2: The Company acquired ordinary shares of Cirocomm in September 29, 2022 for cash capital not in proportion to shareholding, increasing the shareholding from 56.76%to 65.49%.

C. List of subsidiaries which are not included in the consolidated financial statements: None.

(4) Foreign currency

A. Foreign currency transactions

Transactions in foreign currencies are translated into the functional currencies at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period (hereinafter referred to as the reporting date), monetary items denominated in foreign currencies are retranslated 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.

Foreign currency differences arising from retranslation are recognized in profit or loss except for the following differences in equity instruments at FVOCI, which are recognized in other comprehensive income:

(a) an investment in equity securities designated as at fair value through other comprehensive income; or

(b) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective.

B. 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 Company disposes of only part of its 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.

(5) 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.

A. It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

B. It is held primarily for the purpose of trading;

C. It is expected to be realized within twelve months after the reporting period; or

D. 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:

A. It is expected to be settled in the normal operating cycle;

B. It is held primarily for the purpose of trading;

C. It is due to be settled within twelve months after the reporting period; or

D. It 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.

(6) 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.

(7) Financial instruments

Trade receivables and debt securities issued 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 an accounts receivable without a significant financing component) or financial liability is initially measured 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.

A. 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; Fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company 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.

(a) 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.

(b) Fair assets measured at 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 never reclassified to profit or loss.

Dividend income derived from equity investments is recognized on the date that the Company's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

(c) Financial assets measured at FVTPL

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including financial derivatives. 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.

(d) 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, assets at amortized costs, notes and accounts receivable, other receivables, guarantee deposits paid and other financial assets) and contract assets.

The Company measures loss allowances at an amount equal to lifetime ECL, 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 accounts receivable and contract asset are always measured at an amount equal to lifetime ECL.

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.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when the financial asset is more than 270 days past due or the borrower is unlikely to pay its credit obligations to the Company in full.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of investment grade which is considered to be BBB- or higher per Standard & Poor's, Baa3 or higher per Moody's or twA or higher per Taiwan Ratings.

Lifetime 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.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls. 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.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as customer credit conditions default or overdue for more than the grace period for each category;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;

- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

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.

(e) 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.

B. Financial liabilities and equity instruments

(a) 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.

(b) Equity transaction

Equity instruments refer to surplus equities of the assets after the deduction of all the debts for any contracts. Equity instruments issued are recognized as the amount of consideration received less the direct cost of issuing.

(c) 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.

(d) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations has been discharged or cancelled, or has 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 is recognized in profit or loss.

(e) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is 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.

C. Derivative financial instruments

The Company holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

(8) Inventories

Inventories are measured at the lower of cost or net realizable value. The cost of inventories is based on the standard cost method and includes expenditure and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in process, the cost includes an appropriate share of direct labors and 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.

(9) Investment in associates

Associates are those entities over which the Group has a significant influence and the authority to participate in the financial and operating policy d but not to the extent of controlling or joint controlling over those 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 equity-accounted investees, after adjustments to align their accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

The Consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of, 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 the Group's interests in the associate that are not related to the Group.

When the Group's share of losses or exceeds its interests in an associate, the carrying amount of the investment, including any long term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent the Group has an obligation or has made payments on behalf of the investee.

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. 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 shall 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.

(10) Joint Arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. The IFRS classifies joint arrangements into two types — joint operations and joint ventures, which have the following characteristics: (a) the parties are bound by a contractual arrangement; and (b) the contractual arrangement gives two or more of those parties joint control of the arrangement. IFRS 11 "Joint Arrangements" defines joint control as the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (ie activities that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control.

A joint venture is a joint arrangement whereby the Group has joint control of the arrangement (i.e. joint venturers) in which the Group has rights to the net assets of the arrangement , rather than rights to its assets and obligations for its liabilities. The Group recognizes its interest in a joint venture as an investment and accounts for that investment using the equity method in accordance with IAS 28 "Investments in Associates and Joint Ventures", unless the Group qualifies for exemption from that Standard. Please refer to note 4(8) for the application of the equity method.

When assessing the classification of a joint arrangement, the Group considers the structure and legal form of the arrangement, the terms in the contractual arrangement, and other facts and circumstances. When the facts and circumstances change, the Group reevaluates whether the classification of the joint arrangement has changed.

When assessing the classification of a joint arrangement, the Group considers the structure and legal form of the arrangement, the terms in the contractual arrangement, and other facts and circumstances. When the facts and circumstances change, the Group reevaluates whether the classification of the joint arrangement has changed.

(11) Property, plant and equipment

A. Recognition and measurement

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.

B. 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.

C. 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 of property, plant and equipment for current and comparative periods are as follows:

(a) Buildings: 5 to 48 years

(b) Machinery and equipment: 2 to 5 years

(c) Office equipment: 5 to 10 years

(d) Leasehold improvements: 2 to 10 years

(e) Other equipment and leased assets: 15 years

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

(12) Lessee

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.

A. As a lessee

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:

(a) fixed payments, including in-substance fixed payments;

(b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

(c) amounts expected to be payable under a residual value guarantee; and

(d) 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:

(a) there is a change in future lease payments arising from the change in an index or rate; or (b) there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or

(c) 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

(d) there is a change of its assessment on whether it will exercise an extension or termination option; or

(e) there are 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 balance sheet.

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

B. As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

(13) Intangible assets

A. Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

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.

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

B. Subsequent expenditure

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.

C. Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets of 1 to 3 years, other than goodwill, from the date that they are available for use.

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

(14) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets 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.

(15) Provisions

A provision is recognized if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

A provision for warranties is recognized when the underlying products or services are sold, based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(16) Revenue recognition

After the Group identifies the performance obligations in the customer contract, the Group shares the transaction price among the performance obligations and recognizes revenue when the performance obligations are satisfied.

The transaction price is not adjusted for the material financial components of contracts which the period between goods or services are transferred and the consideration received is within one year.

Sales revenue

Merchandise sales revenue is arising from sales of wired and wireless communication, computer hardware and peripheral components. As the goods are shipped out, the customer has the right to set the price and application of the goods and has the primary responsibility for reselling goods, as well as the risk of their obsolescence,(506) recognizes revenue and accounts receivable at that point.

The control of ownership of processed products is not transferred at the time of material is sent for processing, so that revenue is not recognized at the time when material is sent to vendor for processing.

(17) Government grants

The Group recognizes an unconditional government grant related to research and development, salary, and working capital as non-operating income when the grant becomes receivable. Grants that compensate The Group for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

(18) Employee benefits

A. Defined contribution plans

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

B. Defined benefit plans

The Group’ s net obligation in respect of defined benefit plans is calculated separately for each 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.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

C. 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 Group 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.

(19) Share-based payment arrangements

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share based-payment awards with non-vesting conditions, the grant date fair value of the share based payment is measured to reflect such conditions, and there is no true up for differences between expected and actual outcomes.

The grant date of a share based payment is the date which the board of directors authorized the price and number of a share based payments.

(20) Income tax

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 below:

A. 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;

B. 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

C. 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 reverse, 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:

A. The Group has a legal enforceable right to setoff current tax assets against current tax liabilities and

B. The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

   (a) the same taxable entity; or

   (b) different taxable entity which intends 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 profit 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.

(21) Business combination

The Group accounts for business combinations using the acquisition method. The goodwill arising from an acquisition is measured as the excess of (i) the consideration transferred (which is generally measured at fair value) and (ii) the amount of non-controlling interest in the acquiree, both over the identifiable net assets acquired at the acquisition date. If the amount calculated above is a deficit balance, the Group recognized that amount as a gain on a bargain purchase in profit or loss immediately after reassessing whether it has correctly identified all of the assets acquired and all of the liabilities assumed.

All acquisition-related transaction costs are expensed as incurred, except for the issuance of debt or equity instruments.

For each business combination, the Group measures any non-controlling interests in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets, if the non-controlling interests are present ownership interests and entitle their holders to a proportionate share of the acquire's net assets in the event of liquidation. Other components of non-controlling interests are measured at their acquisition-date fair values, unless another measurement basis is required by the IFRSs endorsed by the FSC.

In a business combination achieved in stages, the Group remeasures its previously held equity interest in the acquiree at its acquisition-date fair value, and recognizes the resulting gain or loss, if any, in profit or loss. In prior reporting periods, the Group may have recognized changes in the value of its equity interest in the acquiree in other comprehensive income. If so, the amount that was recognized in other comprehensive income will be recognized on the same basis as would be required if the Group had disposed directly of the previously held equity interest. If the disposal of the equity interest required a reclassification to profit or loss, such an amount will be reclassified to profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, provisional amounts for the items for which the accounting is incomplete are reported in the Group's financial statements. During the measurement period, the provisional amounts recognized at the acquisition date are retrospectively adjusted, or additional assets or liabilities are recognized to reflect new information obtained about facts and circumstances that existed as of the acquisition date. The measurement period will not exceed one year from the acquisition date.

(22) Earnings per share

The Group discloses basic and diluted earnings per share attributable to ordinary shareholders of the Group. Basic earnings per share is calculated as the profit attributable to the ordinary shareholders of the Group divided by the weighted-average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Group, divided by the weighted-average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as employee remuneration through the issuance of shares and unvested restricted stock awards.

(23) 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:

The preparation of the parent-company-only financial statements in conformity with the Regulations requires management to make 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 following period.

The accounting policies do not have significant effects on the amounts recognized in the consolidated financial statements.

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

(1) Write-down of inventories

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The estimation is based on historical sales and current market conditions, the changes in market conditions may impose significant influence on such estimation. Please refer to note 6(3) for details.

(2) The Impairment of investment in associates

When there is evidence of impairment that the investment in the related enterprise may have been impaired and the carrying amount may not be recoverable, then the Group assesses the impairment of the investment. The management of the Group assesses the impairment based on the forecast of the future cash flow of the associates, including the assumptions of the sales growth rate, gross profit margin and expense rate estimated by the internal management of the associates. The Group also considers the relevant market and industry profiles to determine the reasonableness of its relevant assumptions.

The Group’s financial division conducts independent verification on fair value by using data sources that are independent, reliable, and representative of exercise prices. This financial division also periodically adjusts valuation models, conducts retrospective 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:

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

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

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

6. Explanation of significant accounts:

(1) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand and petty cash	$ 1,036	1,089
Demand deposits and check deposits	883,631	652,569
Time deposits	24,568	22,144
	$ 909,235	**675,802**

Please refer to note 6(20) for the interest rate risk of the financial assets and liabilities of the Group.

(2) Financial assets and liabilities

A. Financial assets and liabilities at fair value through profit or loss:

	December 31, 2022	December 31, 2021
Financial assets mandatorily measured at fair value through profit or loss－non-current:		
Contingent consideration (note6(4))	**$ 11,977**	**30,328**
Financial liabilities hold for trading:		
Forward exchange contracts	$ -	744
Put option on common stock of RFMi (note6(4))	-	44,226
Put option on common stock of Sawnics (note6(4))	59,860	9,899
	$ 59,860	**54,869**
Current	$ 59,860	44,970
Non-current	-	9,899
	$ 59,860	**54,869**

The Group uses derivative financial instruments to hedge certain currency risk arising from its operating activities. The derivative financial instrument at fair value through profit or loss and financial liabilities held for trading as the Group did not apply hedge accounting on December 31, 2021 are as follows:

	December 31, 2022			
	Amount (in thousands)		Currency	Maturity date
Forward exchange sold	USD	2,250	USD to JPY	January 5, March 8, 2022

B. Financial assets at fair value through other comprehensive income:

	December 31, 2022	December 31, 2021
Equity investments at fair value through other comprehensive income:		
Listed common shares		
Domestic Company–Crystalwise Technology Inc.	$ 1,414	7,791
Domestic Company–MERCURY Electronic Ind Co., Ltd	34,140	39,240
Unlisted common shares		
Domestic Company–Jingyue Microwave IC MFG. Co., Ltd.	619	619
Listed common shares		
U.S.A. Company–Akoustis Technologies Inc. (hereinafter referred to as Akoustis)	59,113	48,543
	$ 95,286	**96,193**

The Group has invested in the ordinary shares of the above entity for medium to long term strategic purposes and expects to generate profit from the long term investment. The management of the Group considers that the inclusion of fluctuations in short-term fair value of such investments in profit or loss is inconsistent with the long-term investment plan described above and has therefore chosen to designate such investments as financial assets at fair value through other comprehensive income.

In March, April and August 2021, the Group made disposal of equity interests of Taitien Electronics Co., Ltd. measured at fair value through other comprehensive income at $1,440, $3,895 and $20,288, respectively. The accumulated gain on disposals amounted to $16,324, which have been transferred from other equity interest to retained earnings.

C. Financial assets measured at amortized cost— current

	December 31, 2022	December 31, 2021
Deposit account (over three months)	**$ 335,248**	**98,886**

The Group has assessed that these financial assets are held-to-maturity to collect contractual cash flows, which consist solely of payments of principal and interest on principal amount outstanding. Therefore, these investments were classified as financial assets measured at amortized cost.

The Group held financial asset with the annual interest rates of 1.85%~5.00% and 0.16% that have passed initial expiry date for over 3 months in the years ended December 31, 2022 and 2021, respectively.

Please refer to note 6(20) for credit risk.

D. Notes receivable and accounts receivable (including related parties):

	December 31, 2022	December 31, 2021
Notes receivable	$ 5,707	20,734
Accounts receivable	470,532	569,865
Accounts receivable－related parties	75,829	111,322
	552,068	701,921
Less: Loss allowance	(13,240)	(14,128)
	$ 538,828	**687,793**

The payment terms granted to customers are generally 90 days for sales of goods. The Group has adopted a policy of trading only with reputable parties and uses other publicly available financial information and historical transaction records to evaluate its sales customers. The Group continuously monitors credit risk and credit ratings of the counterparty, and distributes the total amount of the transaction to eligible customers of each credit rating. Credit risk exposure is controlled through the credit limit of the counterparty that is reviewed and approved annually by the Management Committee in charge. Additionally, on the reporting date, the Group reviews the recoverability of its receivables to ensure the uncollectible amount are recognized appropriately as impairment loss. Therefore, the executives evaluate the Group's credit risk to be limited.

The Group measures loss allowance for notes and accounts receivable (including related party) using the simplified approach under IFRS 9 with the lifetime expected credit losses. The expected credit loss for the lifetime is calculated using a provision matrix, which takes into account of the customer’ s previous default history, current financial status and industrial economic trends. As historical experiences of credit losses of the Group shows that there is no significant difference in loss patterns between different customer groups, the provision matrix does not further differentiate among customer groups and only sets the expected credit loss rate based on the number of days of overdue accounts receivable.

If there is evidence that the counterparty faces serious financial difficulties and the Group cannot reasonably expect to recover the debt, such as the counterparty is in liquidation or the debt has been more than 180 days past dues, the Group will directly offset the relevant receivables, but will continue to pursue the debts collection. Amounts recovered as a result of debt collection are recognized in profit or loss.

The loss allowance provisions in Taiwan were determined as follows:

	December 31, 2022		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 498,952	0.03%	130
1 to 30 days past due	33,558	0.62%	210
31 to 60 days past due	5,299	3.04%	161
61 to 90 days past due	1,292	14.42%	186
91 to 120 days past due	447	14.07%	63
More than 180 days past due	12,520	99.75%	12,490
	$ 552,068		**13,240**

	December 31, 2021		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 632,560	0.05%	318
1 to 30 days past due	37,605	1.35%	507
31 to 60 days past due	17,972	4.75%	853
61 to 90 days past due	1,155	13.61%	157
91 to 120 days past due	241	20.83%	50
121 to 180 days past due	60	24.71%	15
More than 180 days past due	12,328	100.00%	12,228
	$ 701,921		**14,128**

The movements in the allowance for notes and accounts receivables (including related parties) were as follows:

	2022	2021
Balance at January 1	$ 14,128	4,748
Impairment loss recognized (reversed)	(888)	5,745
Acquisition through businesscombination	-	3,635
Balance at December 31	**$ 13,240**	**14,128**

As of December 31, 2022 and 2021, the financial assets and liabilities were not pledged as collateral.

(3) Inventories

	December 31, 2022	December 31, 2021
Raw materials	$ 165,633	184,350
Work in progress and semi-finished good	88,841	94,008
Finished goods	93,311	144,176
Merchandises	199,345	73,877
	$ 547,130	**496,411**

Components of operating costs were as follows:

	2022	2021
Cost of goods sold	$ 2,347,181	2,220,755
Write-down of inventories (Reversal of write-downs)	82,580	(14,162)
	$ 2,429,761	**2,206,593**

As of December 31, 2022 and 2021, the inventories were not pledged as collateral.

(4) Investments accounted for using equity method

A summary of the Company’ s financial information for investments accounted for using the equity method at the reporting date is as follows:

	December 31, 2022	December 31, 2021
Associates	$ -	261,753
Joint ventures	139,272	170,757
	$ 139,272	**432,510**

A. Associates

	Main Businesses and Products	Main operating location/ Country registered in	December 31, 2022 Amount	December 31, 2022 Percentage of ownership %	December 31, 2021 Amount	December 31, 2021 Percentage of ownership %
Taiwan Crystal Superior Technology Co., Ltd.	Electronic components manufacturing	Taiwan	$ -	30.00	-	30.00
RFM Integrated Device Inc. (RFMi) (Note)	Electronic components manufacturing	USA	-	-	261,753	49.00
			$ -		**261,753**	

Note: The Company disposed of 51% equity interest in RFMi, a subsidiary of the Company, to Akoustis on October 15, 2021, thus losing control of the subsidiary. Akoustis exercised its call option on April 29, 2022 and acquired the remaining 49% of equity interest in RFMi from the Company at the contracted price. The disposal price was $221,063 (including cash of $103,163 and the common share option of Akoustis amounting to $117,900), and the gain on disposal amounted to $4,730.

(a) Cirocomm Technology Corp.

The following consolidated financial information of significant associates- Cirocomm:

	January 1, 2021~ January 29, 2021
Sales revenue	$ 20,912
Net income	(9,906)
Other comprehensive income	(7)
Net profit attributable to non-controlling interests	**$ (9,913)**
Comprehensive income, attributable to non-controlling interests	**$ 5,980**
Comprehensive income, attributable to controlling interests	**$ (3,933)**
Share of net assets of associates as of January 1	$ 66,342
Comprehensive income attributable to the Group	(3,933)
Share of net assets of associates as of December 31	62,409
Add: Goodwill	3,689
Transfer to consolidated entity	(66,098)
	$ -

(b) RFMi

The following parent-company-only financial information of significant associates has been adjusted according to individually prepared IFRS financial statements of these associates:

	April 29, 2022	December 31, 2021
Current assets	$ 111,216	80,621
Non-current assets	2,882	2,958
Current liabilities	(58,271)	(38,886)
Non-current liabilities	**$ 55,827**	**44,693**
Net assets attributable to non-controlling interests	**$ 30,433**	**22,793**
Net assets attributable to the company	**$ 25,394**	**21,900**

	January 1, 2022~ April 29, 2022	October 15, 2021~ December 31, 2021
Sales revenue	$ 70,414	44,877
Net income	7,906	4,587
Other comprehensive income	$ 3,228	(568)
Net profit attributable to non-controlling interests	**$ 11,134**	**4,019**
Comprehensive income, attributable to non-controlling interests	**$ 5,678**	**2,050**
Comprehensive income, attributable to the owner of Company	**$ 5,456**	**1,969**
Share of net assets of associates as of January 1	$ 21,899	40,666
Decrease in this period	(260,312)	(20,168)
Other comprehensive income	-	(568)
Comprehensive income attributable to the Group	5,518	1,969
Share of net assets of associates as of December 31	(232,895)	21,899
Add: Intangible assets (Note 1)	114,074	121,033
Add: Goodwill	74,595	74,595
Add: Other adjustments (Note 2)	44,226	44,226
	$ -	**261,753**

Note 1: Intangible assets consist mainly of developed technology and customer relationships.

Note 2: The sale agreement for the equity interest in RFMi entered into between the Company and Akoustis in October 2021 included a put option (the put option was valued at $44,226 under the option pricing model as of December 31, 2021) that Akoustis may decide before June 30, 2022 whether to acquire the remaining 49% equity interest in RFMi from the Company at US$7,500 thousand (US$3,500 thousand in cash and common shares of Akoustis value at US$4,000 thousand). Akoustis exercised its call option on April 29, 2022, as explained in the preceding paragraph.

(c) Taiwan crystal superior technology Co., Ltd.

The Group’s financial information for investments accounted for using the equity method that are individually insignificant was as follows:

	2021
Attributable to the Group:	
Net losses	$ (878)
Other comprehensive income	(48)
	$ (926)

Due to the fact that the Group does not have the obligation of assuming the excess losses, it ceased the recognition of the losses from the investment of Taiwan crystal superior technology Co., Ltd. For the years ended December 31, 2022 and 2021, the unrecognized investment losses amounted to $3,102 and $583, respectively. As of December 31, 2022 and 2021, the accumulated unrecognized losses are amounted to $3,685, and $583, respectively.

B. Joint ventures

The following table summarizes the financial information of Sawnics Inc as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarized financial information to the carrying amount of the Group's interest in Sawnics Inc.

	December 31, 2022	December 31, 2021
Percentage ownership interest	**23.57%**	**24.54%**
Current assets	$ 375,722	441,292
Non-current assets	532,223	472,128
Current liabilities	(132,555)	(115,343)
Non-current liabilities	(208,321)	(175,954)
Net assets	**$ 567,069**	**622,123**
Group's share of net assets	$ 133,658	144,209
Elimination of unrealized profit on downstream sales	(1,131)	(3,236)
Intangible assets	6,745	10,321
Other adjustment	-	19,463
Carrying amount of interest in joint venture	**$ 139,272**	**170,757**

	2022	2021
Operating revenue	$ 369,049	542,826
Net losses	(69,865)	(63,607)
Other comprehensive income	-	-
Total comprehensive income	**$ (69,865)**	**(63,607)**
Comprehensive income (loss) attributable to non-controlling interests	**$ (38,034)**	**(43,565)**
Comprehensive income (loss) attributable to the Company	**$ (31,831)**	**(20,042)**

In January 2016, the Group entered into a contract with Dr. Yang, chief executive officer of Sawnics Inc., for the issuance of put option. The contract outlines that it shall purchase 122,222 shares at $7,800 thousand won per share from the Group within 3 years of the profit-making years or within 5 years after the company's shares are listed. In addition, in July 2018, the Group entered into a contract with Dr. Yang, chief executive officer of Sawnics Inc., for the issuance of put option. The contract outlines that it shall purchase 109,895 shares at $13,310 won per share, on top of compound annual interest rate of 2% (the contract signing date is the start date of compound interest rate, the compound interest period should last for 3 years at longest) from the Group within 3 years of the profit-making years or within 5 years after the company's shares are listed. Pursuant to the reorganization of the equity interest of Sawnics Inc., the Group paid Dr. Yang as consideration for the cancellation of the call and put options amounting to $2,433,320 thousand won (equivalent to $59,860) as approved by the Board of Directors on March 22, 2023. The amount also represents the fair value of the above equity trading rights as of December 31, 2022.

Sawnics Inc. processed a cash capital increase of preferred share in October 2021 and the Group did not participate in the subscription. The shareholding ratio decreased from 29.13% to 26.64%, in proportion to the reduction in shareholding, other comprehensive income recognized on an accumulated basis are transferred to losses on disposals of investments in the amount of $1,344. See note 6(22) to Consolidated financial statement for the year ended December 31, 2021 for details.

Sawnics Inc. processed a cash capital increase of preferred share in October 2021 and the Group did not participate in the subscription. The shareholding ratio decreased from 26.64% to 24.54%, In proportion to the reduction in shareholding, other comprehensive income recognized on an accumulated basis are transferred to losses on disposals of investments in the amount of $1,015. See note 6(22) to Consolidated financial statement for the year ended December 31, 2021 for details.

As of December 31, 2021, the Group's shareholding in Sawnics Inc. included 385 thousand convertible preference shares, each unit has one share of voting right.

The material rights, obligations and issues relating to the aforesaid preferred share are as follows:

(a) The preferred share has no maturity date. The issue price per share is $5,000 won and the dividend is set at an annual interest rate of 2%. If there are undistributed dividend or insufficient earnings for distribution, the earnings should not be accumulated to subsequent years when the entity has surplus for deferred distribution preference share may participate in the distribution of earnings with ordinary shares in addition to collecting dividends.

(b) When Sawnics Inc. issues new shares with cash, the shareholders of preference shares and the shareholders of common shares will have the same priority in the new share option.

(c) The Group may, within two to four years from the date of issuance, demand that Sawnics Inc. to purchase the preference shares at the issue price per share plus interest at the interest rate of the three-year treasury bond multiplied by 150% during the period from the issue date to the actual redemption date.

(d) From the day following the annual general shareholders' meeting of Sawnics Inc.in 2015 to the date of the December 15, 2024, the Group has been able to convert each preference share into a common share of $5,000 won per share.

Sawnics Inc. made a preference share conversion in December 2022. The Group converted 385 thousand preference shares into 404 thousand common shares. The shareholding ratio decreased from 24.54% to 23.57%, other comprehensive income recognized on an accumulated basis were transferred to investment losses in the amount of $549 in proportion to the decreases in shareholding.

C. Collateral

As of December 31, 2022 and 2021, the investments accounted for using equity method were not pledged as collateral.

(5) Business Combination

On January 29, 2021, the Group invested the amount of $24,446 in Cirocomm to acquire 14% of its ownership, causing the Group's shareholding increase from 39.67% to 53.67%, and obtained control over Cirocomm. Therefore, Cirocomm and its subsidiaries have been included in the Group's consolidated entity. The previously held non-controlling interests investment is remeasured at fair value, the entire difference amounting to $3,166 is calculated into current profit. See note 6 (22) for details.

Cirocomm and its subsidiaries are engaged in designing, manufacturing and sale of dielectric ceramic filter and antenna. The Group's acquisition of Cirocomm is expected to expand the market share of the Group in the relevant areas.

If the acquisition had occurred on January 1, 2021, management estimates that consolidated revenue would have been $2,951,517 and profit after income tax would have been $219,934. In determining these amounts, the management has assumed that the fair value adjustments, determined provisionally, that arose on the acquisition date would have been the same if the acquisition had occurred on January 1, 2021.

A. The main types of transfer consideration, assets acquired and liabilities assumed on the acquisition date, and the amount of recognized gain on bargain purchase are as follows:

(a) The following table summarizes the acquisition date fair value of major class of consideration transferred:

	Amount	
Long-term equity investments－measured at fair value	$	54,667
Cash		24,446
Total	**$**	**79,113**

(b) The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the acquisition date:

	Amount
Cash and cash equivalents	$ 61,719
Other current assets	107,019
Property, plant and equipment	176,002
Intangible assets	7,011
Other non-current assets	34,218
Short-term borrowings	(100,000)
Long-term borrowings (Including current potion)	(59,756)
Other current liabilities	(61,288)
Other non-current liabilities	(9,109)
Total identifiable net assets acquired	**$ 155,816**

(c) Gain on a bargain purchase due to acquisition is as follows:

	Amount
Consideration transferred	$ 79,113
Add: Non-controlling interest in the acquiree	63,861
Less: Fair value of identifiable net assets	(155,816)
Gain on bargain purchase	**$ (12,842)**

The fair value of the non-controlling interest of Cirocomm amounting to $63,861 is based on the 14% equity purchase price as of the base day for valuation. The fair value measurement was based on the significant unobservable inputs in the market and categorised as a Level 3 fair value under IFRS 13. The key assumption is that market participants will consider adjustments due to lack of discount on control when measuring the fair value of the non-controlling interest of Cirocomm.

The Group’s previously held 39.67% ownership of Cirocomm is remeasured to fair value at the acquisition date, and recognized as loss on disposal of investment amounting to $11,431. Please refer to note 6(22).

B. Acquisition of ownership interests in subsidiaries

The Group acquired 1,682 thousand ordinary shares of Cirocomm in June 2021 for cash amounting to $5,046, increasing the shareholding from 51.00% to 56.76%.

The following table summarizes the effect on the equity attributable to the shareholders of the Group arising from above mentioned changes in ownership interests in Cirocomm:

	Amount
Carrying amount of non-controlling interests acquired	$ 7,768
Consideration paid to non-controlling interest	(5,046)
Capital surplus-difference between the consideration and the Company	**$ 2,722**

(6) Changes in a parent's ownership interest in a subsidiary did not result in the Group's loss of control

The Group acquired 3,966 thousand ordinary shares of Cirocomm in September 2022 for cash capital increase amounting to $39,664, increasing the shareholding from 56.76% to 65.49%.

The effect of the increase or decrease in the adjusted capital reserve of the the Group as a result of the change in the shareholding ratio as a result of the non-subscription of the the Group in proportion to its shareholding is as follows:

	Amount
Carrying amount of purchases	$ 38,482
Consideration paid	(39,664)
Capital surplus-The effect of not subscribing to the new shares of subsidiary in proportion to the shareholding	**$ (1,182)**

The Group disposed of 778 thousand shares of Cirocomm in cash of $4,652 in February 2021, but did not resulting in loss of control, the shareholding decreased from 53.67% to 51.00%.

The following table summarizes the effect on the equity attributable to the shareholders of the Group arising from above mentioned changes in ownership interests in Cirocomm:

	Amount
Carrying amount of proceeds from disposal of subsidiaries' s equity	$ (4,432)
Consideration received	4,652
Capital surplus-The effect of not subscribing to the new shares of subsidiary in proportion to the shareholding	**$ 220**

(7) Loss control of subsidiaries

The Group disposed of 51% of equity interest in RFMi and lost control of it on October 15, 2021. The disposal price amounting to $238,255 (US$6,000 thousand in cash and US$2,500 thousand in the common shares of Akoustis); the sale contract between the Group and Akoustis on equity interests included a contingent consideration agreement. If RFMi's annual revenue for the years ended December 31, 2022 and 2023 exceeds the revenue standard set out in the contract, The Group will be able to charge Akoustis an additional US$1,500, respectively. Accordingly, the Group calculated the fair value of the above contingent consideration agreement based on evaluation report on the base day as $11,977 (Accounted for as non-current financial assets at fair value through profit or loss. Please refer to note 6(b)). The gain on disposal amounting to $442,967 in the above transaction includes the unrealized gain on valuation of $215,049 arising from the residual equity interest of 49% in RFMi being repurchased by the Group at the fair value of $259,275 deemed to be disposed of on October 15, 2021. The above gain on disposal is recognized under "Other gains and losses" of statement of comprehensive income.

In addition, the above-mentioned equity trading contract includes a put option; which outline that prior to June 30, 2022, Akoustis was able to decide whether to acquire the remaining 49% of equity interest in RFMi from the the Group at US$7,500 thousand (US$3,500 thousand in cash and US$4,000 thousand in Akoustis ordinary shares).Akoustis has been exercised such right on April 29, 2022, please refer to note 6(4) for details.

The carrying amount of assets and liabilities of RFMi on October 15, 2021 were as follow:

	Amount
Cash and cash equivalents	$ 53,860
Decrease in short-term loans	27,559
Other current assets	3,496
Non-current assets	2,912
Current liabilities	(47,161)
Carrying amount of the net assets	**$ 40,666**

(8) Material non-controlling interests of subsidiaries

The material non-controlling interests of subsidiaries were as follows:

Name of subsidiary	Main business place / company registered country	Percentage of noncontrolling interests	
		December 31, 2022	December 31, 2021
Cirocomm Technology Corp.	Taiwan	34.51%	43.24%

	December 31, 2022	December 31, 2021
Current assets	$ 203,290	187,266
Non-current assets	48,569	67,786
Current liabilities	(107,624)	(127,816)
Non-current liabilities	(44,693)	(33,259)
Net assets	**$ 99,542**	**93,977**
Book value of non-controlling interests	**$ 34,352**	**31,487**

	January 1 to December 31, 2022	January 30 to December 31, 2021
Operating revenue	**$ 185,314**	**201,117**
Net Income (Losses)	$ (44,524)	(63,310)
Other comprehensive income	89	(41)
Total comprehensive income	**$ (44,435)**	**(63,351)**
Profit attributable to non-controlling interests	**$ (15,365)**	**(29,018)**
Comprehensive income, attributable to non-controlling interests	**$ (15,335)**	**(29,038)**
Net cash flows from operating activities	$ 1,887	(59,939)
Net cash flows from investing activities	2,338	150,651
Net cash flows from financing activities	43,894	(86,590)
Effect of exchange rate changes on cash and cash equivalents	345	577
Net decrease in cash and cash equivalents	**$ 48,464**	**4,699**

(9) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Company for the years ended December 31, 2022 and 2021, were as follows:

	Land	Buildings and construction	Machinery equipment	Office equipment	Leasehold improvements	Other equipment	Construction in progress and inspection equipment	Total
Cost:								
Balance on January 1, 2022	$ 133,994	516,545	1,957,435	26,053	48,687	164,310	76,092	2,923,116
Additions	-	8,736	32,381	2,333	845	14,634	11,347	70,276
Disposal	-	-	(5,031)	(75)	-	(3,929)	-	(9,035)
Reclassification	-	-	22,380	16,479	-	584	(49,907)	(10,464)
Effect of exchange rate changes on cash and cash equivalents	-	2,614	6,413	103	-	234	-	9,364
Balance on December 31, 2022	**$ 133,994**	**527,895**	**2,013,578**	**44,893**	**49,532**	**175,833**	**37,532**	**2,983,257**
Balance on January 1, 2021	$ 62,031	444,299	1,895,131	23,089	10,740	147,377	-	2,582,667
Acquisition through business	71,963	64,276	34,324	1,051	203	6,013	-	177,830
Disposal of subsidiaries	-	-	(646)	(775)	-	-	-	(1,421)
Additions	-	11,881	57,872	4,301	37,889	15,314	77,466	204,723
Disposal	-	(2,505)	(28,520)	(1,495)	-	(2,689)	-	(35,209)
Reclassification	-	-	2,764	-	(145)	(1,605)	(1,374)	(360)
Effect of exchange rate changes on cash and cash equivalents	-	(1,406)	(3,490)	(118)	-	(100)	-	(5,114)
Balance on December 31, 2021	**$ 133,994**	**516,545**	**1,957,435**	**26,053**	**48,687**	**164,310**	**76,092**	**2,923,116**
Depreciation:								
Balance on January 1, 2022	$ -	217,392	1,624,754	17,800	4,326	142,695	-	2,006,967
Depreciation	-	19,031	117,040	2,792	5,050	18,310	-	162,223
Disposal	-	-	(5,031)	(75)	-	(3,929)	-	(9,035)
Reclassification	-	-	(153)	16	-	(637)	-	(774)
Effect of exchange rate changes on cash and cash equivalents	-	525	4,731	79	-	118	-	5,453
Balance on December 31, 2022	**$ -**	**236,948**	**1,741,341**	**20,612**	**9,376**	**156,557**	**-**	**2,164,834**
Balance on January 1, 2021	$ -	198,052	1,529,777	15,373	189	129,452	-	1,872,843
Depreciation	-	20,481	134,771	3,579	4,137	16,049	-	179,017
Disposal	-	(895)	(37,408)	(1,075)	-	(2,684)	-	(42,062)
Reclassification	-	-	-	-	-	(62)	-	(62)
Effect of exchange rate changes on cash and cash equivalents	-	(246)	(2,386)	(77)	-	(60)	-	(2,769)
Balance on December 31, 2021	**$ -**	**217,392**	**1,624,754**	**17,800**	**4,326**	**142,695**	**-**	**2,006,967**
Carrying amounts:								
Balance on December 31, 2022	**$ 133,994**	**290,947**	**272,237**	**24,281**	**40,156**	**19,276**	**37,532**	**818,423**
Balance on January 1, 2021	**$ 62,031**	**246,247**	**365,354**	**7,716**	**10,551**	**17,925**	**-**	**709,824**
Balance on 2021	**$ 133,994**	**299,153**	**332,681**	**8,253**	**44,361**	**21,615**	**76,092**	**916,149**

The property, plant and equipment of the Group had been pledged as collateral for long-term borrowings; please refer to note 8.

Please refer to note 6(12) for the information on sale-and-leaseback with CHAILEASE FINANCE CO., LTD. during March 2021.

(10) Right-of-use assets

The Group leases many assets including buildings and vehicles. Information about leases for which the Group is a lessee was presented below:

	Land	Buildings	Transportation equipment	Total
Cost:				
Balance at January 1, 2022	$ 27,335	48,189	6,272	81,796
Additions	-	1,616	-	1,616
Derecognition for the year	-	(1,814)	-	(1,814)
Effects of Changes in Foreign Exchange Rates	402	-	-	402
Balance at December 31, 2022	**$ 27,737**	**47,991**	**6,272**	**82,000**
Balance at January 1, 2021	$ 27,551	44,177	5,560	77,288
Acquisition through business combination	-	-	142	142
Additions	-	4,026	570	4,596
Effects of Changes in Foreign Exchange Rates	(216)	(14)	-	(230)
Balance at December 31, 2021	**$ 27,335**	**48,189**	**6,272**	**81,796**
Accumulated depreciation:				
Balance at January 1, 2022	$ 5,922	15,032	2,434	23,388
Depreciation for the year	557	6,411	2,139	9,107
Derecognition for the year	-	(1,814)	-	(1,814)
Effects of Changes in Foreign Exchange Rates	85	(391)	-	(306)
Balance at December 31, 2022	**$ 6,564**	**19,238**	**4,573**	**30,375**
Balance at January 1, 2021	$ 5,418	9,505	154	15,077
Depreciation for the year	546	6,328	2,280	9,154
Effects of Changes in Foreign Exchange Rates	(42)	(801)	-	(843)
Balance at December 31, 2021	**$ 5,922**	**15,032**	**2,434**	**23,388**
Carrying amount:				
Balance at December 31, 2022	**$ 21,173**	**28,753**	**1,699**	**51,625**
Balance at January 1, 2021	**$ 22,133**	**34,672**	**5,406**	**62,211**
Balance at December 31, 2021	**$ 21,413**	**33,157**	**3,838**	**58,408**

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

	December 31, 2022	December 31, 2021
Overdue receivables	$ 5,925	5,836
Allowance for doubtful accounts	(5,925)	(5,836)
Net amount	-	-
Prepayments for equipment	8,884	3,298
Refundable deposits	12,553	14,575
Restricted current assets	-	8,870
Other	8,472	7,001
Net amount	29,909	33,744
Less: Recorded in other current assets	(8,362)	(14,309)
Other non-current assets	**$ 21,547**	**19,435**

As of December 31, 2022 and 2021, the restricted assets had been pledged as collateral for short-term borrowings; please refer to note 8.

(12) Bank borrowings

A. Short-term borrowings

The details of short-term borrowings were summarized as follows:

	December 31, 2022	December 31, 2021
Secured bank loans	$ 120,000	145,000
Unsecured bank loans	90,000	70,000
Other secured loans	-	9,920
	$ 210,000	**224,920**
Unused short-term credit lines	**$ 380,700**	**166,500**
Range of interest rates	**1.630%~ 2.200%**	**0.9000%~ 1.510%**

(a) For the above sale and leaseback transaction, the lease period stipulated in the contract is 18 months. During the lease period, the merged company shall pay a monthly rent of $1,120 and provide a lease deposit of $2,000. After evaluation, this transaction does not qualify for sale and leaseback. Therefore, the Group regards this transaction as a financing of a secured loan. As of December 31, 2022, the above lease has ended.

(b) As of December 31, 2022 and 2021, the assets of the Group had been pledged as collateral for borrowings; please refer to note 8.

B. Long-term borrowings

The details of long-term borrowing were as follows:

	December 31, 2022	December 31, 2021
Secured bank loans	$ 200,607	223,385
Unsecured bank loans	55,603	80,400
	256,210	303,785
Less: current portion	(86,968)	(90,196)
Total	**$ 169,242**	**213,589**
Unused short-term credit lines	**$ 9,272**	**15,488**
Range of interest rates	**1.360%~ 2.375%**	**0.8700%~ 2.000%**

(a) The secured bank borrowings are collateralized by our own land and buildings, and are due to mature between 2024 and 2036.

(b) Please refer to note 6(23) for the disclosure of interest risk and liquidity risk.

(c) For the collateral for bank borrowing, please refer to note 7 and 8.

(13) Lease liabilities

The carrying amounts of lease liabilities were as follows:

	December 31, 2022	December 31, 2021
Current	**$ 8,032**	**8,110**
Non-current	**$ 23,952**	**30,213**

For the maturity analysis, please refer to note 6(23).

The amounts recognized in profit or loss was as follows:

	2022	2021
Interest on lease liabilities	**$ 420**	**489**
Expenses relating to short-term leases	**$ 4,338**	**3,053**
Expenses relating to leases of low-value assets	**$ 203**	**287**

The amounts recognized in the statement of cash flows by the Group were as follows:

	2022	2021
Total cash outflow for leases	**$ 13,371**	**12,185**

A. Real estate leases

The Group leases land and buildings for its plant and office and the leases typically run for a period of 3 to 10 years. At the end of the term of the lease, the Group has preemption right of the land and buildings leased.

B. Other leases

The Group leases transportation equipment and machines, with lease terms of two to three years.

In addition, the Group has elected not to recognize the rightofuse assets and lease liabilities for other equipment, which qualify as shortterm leases,which qualifies as shortterm leases and lowvalue asset leases.

(14) Other Payable

The other payable of the Group were as follows:

	December 31, 2022	December 31, 2021
Salaries and bonus payable	$ 60,158	72,261
Employee and director/supervisor remuneration payable	83,380	82,768
Commission payable	14,226	13,783
Service fees payable	700	1,540
Equipment payable	4,491	2,692
Labor and health insurance payable	4,954	4,587
Consumables payable	13,642	12,108
Freight payable	1,105	1,721
Other	59,137	58,700
	$ 241,793	**250,160**

(15) Employee benefits

A. Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value for the years ended December 31, 2022 and 2021 are as follows:

	December 31, 2022	December 31, 2021
Present value of the defined benefit obligations	$ 39,563	33,320
Fair value of plan assets	(28,838)	(26,763)
Net defined benefit liabilities	**$ 10,725**	**6,557**

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 based on years of service and average monthly salary for the six months prior to retirement.

(a) 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 $28,838 an $26,763 as of December 31, 2022 and 2021, respectively. 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.

(b) Movements in present value of the defined benefit obligations

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

		2022	2021
Defined benefit obligations at January 1	$	33,320	30,748
Current service and interest costs		1,536	1,511
Remeasurements of the net defined benefit liabilities:			
─Actuarial loss (gain) arising from experience adjustments		8,426	1,356
─Actuarial loss (gain) arising from changes in financial assumptions		(3,522)	43
Benefits paid from plan assets		(197)	(338)
Defined benefit obligation as of December 31	**$**	**39,563**	**33,320**

(c) Movements in the fair value of the defined benefit plan assets

The movements in the fair value of the defined benefit plan assets of the Company for the years ended December 31, 2022 and 2021 were as follows:

		2022	2021
Fair value of plan assets as of January 1	$	26,763	26,623
Interest income		126	94
Remeasurements of the net defined benefit liabilities			
─Return on plan assets (excluding current interest)		2,146	384
Benefits paid from plan assets		(197)	(338)
Fair value of plan assets as of December 31	**$**	**28,838**	**26,763**

(d) Expenses recognized in profit or loss

The Company's expenses recognized in profit or losses for the years ended December 31, 2022 and 2021, were as follows:

	2022	2021
Net interest on the net defined benefit liabilities	$ 20	11
Current service costs	1,390	1,406
	$ 1,410	**1,417**

(e) Actuarial assumptions

The following were the Company's significant actuarial assumptions of the present value of the defined benefit obligation at the reporting date:

	December 31, 2022	December 31, 2021
Discount rate	111.12.31	110.12.31
Future salary increase rate	1.287%-1.458%	0.338%-0.469%

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date for 2022 is $1,170.

The weighted-average lifetime of the defined benefits plans for the years ended December 31, 2022 is 4.61 to 10.77 years.

(f) Sensitivity analysis

When calculating the present value of defined benefit obligations, our company must use judgment and estimation to determine actuarial assumptions as of the balance sheet date, including discount rates and future salary changes. Any changes in actuarial assumptions may have a significant impact on the amount of defined benefit obligations recognized by our company.

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

	Impact on the defined benefit obligations	
	Increased 0.25%	Decreased 0.25%
December 31, 2022		
Discount rate	$ (856)	885
Future salary increasing rate	859	(835)
December 31, 2021		
Discount rate	$ (396)	799
Future salary increasing rate	770	(748)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation 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 is no change in the method and assumptions used in the preparation of sensitivity analysis for 2022 and 2021.

B. Defined contribution plans

In accordance with the provisions of the Labor Pension Act, the Group should contribute 6% of its employees' monthly wages to their labor pension personal accounts of the Bureau of Labor Insurance, Ministry of Labor (hereinafter referred to as the Bureau of Labor Insurance).

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to $21,726 and $21,128 for the years ended December 31, 2022 and 2021, respectively.

(16) Income taxes

A. Income tax expense:

The components of income tax in the years 2022 and 2021 were as follows:

		2022		2021
Current income tax expense				
Current period	$	161,500		83,313
Additional surtax on undistributed retained earnings		15,724		-
Adjustment for prior periods		6,572		1,225
		183,796		84,538
Deferred tax (benefit) expense				
Origination and reversal of temporary differences		(61,656)		45,754
The carry forwards of unused tax losses		-		5,085
		(61,656)		50,839
	$	**122,140**		**135,377**

The Group did not recognize any income tax expense directly in equity for the years ended 2022 and 2021.

The amount of income tax recognized in other comprehensive income was as follows:

	2022	2021
Items that will not be reclassified subsequently to profit or loss:		
Remeasurements of the defined benefit plans	**$ 552**	**203**

Reconciliation of income tax and profit before tax for 2022 and 2021 is as follows:

	2022	2021
Income before income tax	**$ 459,504**	**644,719**
Income tax at the Company's domestic tax rate	$ 91,901	115,378
Effect of tax rates in foreign jurisdiction	363	761
Non-deductible expenses and others	(8,671)	5,050
Change in unrecognized deductible temporary differences	15,065	310
Additional surtax on undistributed retained earnings	15,724	-
Change in unrecognized deductible tax losses differences	4,268	18,432
Investment tax credits	(3,082)	(5,779)
Underestimated in the previous period	6,572	1,225
Total	**$ 122,140**	**135,377**

B. Deferred tax assets and liabilities

(a) Unrecognized deferred tax asset

Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2022	December 31, 2021
Tax effect of deductible temporary differences	$ 92,587	77,522
Unused tax losses	102,437	98,169
	$ 195,024	**175,691**

The R.O.C. Income Tax Act allows unused tax losses as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

As of December 31, 2022, the information of the Group's unused tax losses for which no deferred tax assets were recognized are as follows:

Year of loss	Unused tax loss	Expiry date
2017 (examined and assessed)	$ 53,118	2027
2018 (examined and assessed)	77,770	2028
2019 (examined and assessed)	83,307	2029
2020 (examined and assessed)	96,525	2030
2021 (filing)	85,721	2031
2022 (estimated)	44,387	2032
	$ 440,828	

As of December 31, 2022, the information of the Group's overseas subsidiaries unused tax losses for which no deferred tax assets were recognized are as follows:

Year of loss	Unused tax loss	Expiry date
2019 (examined and assessed)	$ 34,898	2024
2020 (examined and assessed)	34,045	2025
2022 (estimated)	2,416	2027
	$ 71,359	

(b) Recognized deferred tax assets and liabilities

Deferred tax assets:

	Allowance for doubtful accounts over the quota	Unrealized loss from inventory valuation	Unrealized gain or loss from disposal of fixed asset	Leave payment payable	Unrealized gain or loss from foreign exchange	Deficit deductions	Others	Total
Balance at January 1, 2022	$ 466	50,270	3,928	2,308	1,075	-	23,709	81,756
Recognized in profit or loss	92	16,372	(1,277)	(97)	2,001	-	1,503	18,594
Recognized in other comprehensive income	-	-	-	-	-	-	552	552
Balance at December 31, 2022	**$ 558**	**66,642**	**2,651**	**2,211**	**3,076**	**-**	**25,764**	**100,902**
Balance at January 1, 2021	$ 208	52,137	6,271	1,899	342	5,085	1,795	67,737
Recognized in profit or loss	258	(1,867)	(2,343)	409	733	(5,085)	21,711	13,816
Recognized in other comprehensive income	-	-	-	-	-	-	203	203
Balance at December 31, 2021	**$ 466**	**50,270**	**3,928**	**2,308**	**1,075**	**-**	**23,709**	**81,756**

Deferred tax liabilities:

	Unrealized financial asset at fair value through profit	Gains on disposal of investments	Unrealized gain from foreign exchange	Total
Balance at January 1, 2022	$ (149)	(43,224)	-	(43,373)
Recognized in profit or loss	149	42,965	(52)	43,062
Balance at December 31, 2022	**$ -**	**(259)**	**(52)**	**(311)**
Balance at January 1, 2021	$ (7)	-	-	(7)
Recognized in profit or loss	(142)	(43,224)	-	(43,366)
Balance at December 31, 2021	**$ (149)**	**(43,224)**	**-**	**(43,373)**

C. The Company's tax returns have been examined by the tax authorities through 2020.

(17) Capital and other equity interest

A. Ordinary shares

	December 31, 2022	December 31, 2021
Number of shares (unit in thousand)	**150,000**	**150,000**
Share capital	**$ 1,500,000**	**1,500,000**
Number of shares issued and adequacy received (unit in thousand)	**104,044**	**102,868**
Issued shares	**$ 1,040,444**	**1,028,684**

Changes in share capital for 2022 and 2021 are as follows:

	2022	2021
Balance on January 1	$ 1,028,684	1,036,024
Issuance of restricted stock	12,000	-
Retirement of restricted stock	(240)	(1,690)
Retirement of treasury share	-	(5,650)
Balance of December 31	**$ 1,040,444**	**1,028,684**

On August 29, 2018, the Company issue 6,000 thousand ordinary shares, with subscription price of $40.7 per share, under private placement of ordinary shares would be subject to section 43-8 requirements under the Securities and Exchange Act. The Company can only apply for these shares to be traded publicly after a three-year period has elapsed from the delivery date of the private placement securities, and after applying for a public offering with the Financial Supervisory Commission. The application of an aforementioned privately placed shares for public offering had been approved by the Competent Authorities. Therefore, the above public offering took effect on July 25, 2022.

The issued ordinary shares of $10 per share in issue, except for the provisions of note 6(18) relating to employee restrict new shares, each share shall have one voting right and the right to receive dividends.

B. Capital surplus

	December 31, 2022	December 31, 2021
May used to offset losses, distribute cash or transfer to share capital (a)		
Difference arising from subsidiary's share price and its carrying value	$ 516,113	567,067
Treasury stock sold to employees	4,118	4,118
May used to offset losses (b)		
Difference arising from subsidiary's share price and its carrying value	13,554	13,554
Changes in equity of associates accounted for using equity method	151,860	157,333
Changes in equity of subsidiaries	16,526	17,708
Restricted stock awards	32,406	14,160
	$ 734,577	**773,940**

(a) Such capital surplus may be used to make up for loss or may be used to issue cash or transfer to capital of the Company if there was no loss, provided that the capital is transferred in proportion of the paid-in capital yearly.

(b) Such capital reserve represents the effect of equity transactions recognized due to changes in equity interests of associates and the adjustments to the capital reserve of subsidiaries accounted for under equity method by the Company, when the Company has not actually acquired or engaged in disposal of equity interests in subsidiaries and associates.

C. Retained earnings and dividend policy

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. Please refer to notes 6(21) for the Company's policies of remuneration of employees and directors according to the articles of incorporation.

At this stage, the Company has adopted a residual dividend policy and has properly allocated dividends according to the budget for future capital expenditure and funding demand, of which cash dividend is not less than 10% of the total dividend. However, such distribution of earnings may be made in cash or in stocks and adjusted by resolution of the general shareholders' meeting from the Company's actual profit and fund position for the appropriate year.

However, that this provision will not apply when the legal reserve has already reached the total capital of the company. Legal reserve used to offset accumulated deficits When the Company is not suffering from loss, the portion of the legal reserve which exceeds 25% of the total paid-in share capital may be distributed in cash in addition to allocate to the share capital.

The Group's special reserve is recognized and reversed in accordance with the requirements of FSC Letter No.1010012865 and "Applicable FAQ on the recognition of Special reserves after the adoption of International Financial reporting standards (IFRSs)".

On July 8, 2021, the resolution of loss off-setting proposal for the years of 2020 was approved by shareholders' meeting of the Company.

Item	Amount
Unappropriated retained earnings after distribution of earnings from previous period	$ -
Less: remeasurement of defined benefit plans is recognized in retained earnings	1,727
After-tax net loss for the year ended December 31, 2020	(69,405)
Deficit yet to be compensated at year end	(67,678)
Add: Legal reserve used to offset accumulated deficits	67,678
Unappropriated retained earnings after deficit is offset	**$ -**

In addition, the Company's general shareholders' meeting resolved on July 8, 2021 to issue cash from capital reserve of $20,607. The related information is available on the Market observation Post System website.

The appropriation of earnings for the years ended December 31,2021 passed the resolution of general meeting of shareholders on June 9, 2022. The amounts of dividends distributed to owners were as follows:

	Earnings distribution	Amount per share
	2021	2021
Legal reserve	$ 53,780	-
Special reserve	20,451	-
Cash dividends paid	164,589	1.60

In addition, the Company's general shareholders' meeting resolved on June 9, 2022 to issue cash from capital reserve of $50,954. The related information is available on the Market observation Post System website.

The Company proposed an amendment to the earnings distribution for the year ended December 31, 2021 at the board of directors on June 16, 2022 to amend the legal reserve, which is amounted to $55,331 after amendment. The remaining amount are the same as aforesaid and will be resolved by general shareholders' meeting, which is to be held for year ended December 31, 2023.

On March 22, 2023, the Company's Board of Directors resolved to appropriate the 2022 earnings was as follows:

	Earnings distribution	Amount per share
	2022	2022
Legal reserve	$ 32,271	-
Special reserve	111,904	-
Cash dividends paid	208,089	2.00

The distribution of earnings for the year ended December 31, 2022 is pending for a resolution of the general shareholders' meeting to be held on June 1, 2023.

As of March 22, 2023, a resolution was approved during the board of directors for the distribution of cash dividends at $0.5 per share by capital surplus amounting to $52,022.

D. Other comprehensive income accumulated in reserves

	Exchange Differences on translation of Foreign financial statements	Unrealized gains(losses) from financial assets measured at fair value through other comprehensive income	Unearned compensa	Total
Balance at January 1, 2022	$ (78,457)	(23,244)	(6,347)	(108,048)
Exchange differences on foreign operations	21,868	-	-	21,868
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	(118,816)	-	(118,816)
Share-based payment compensation	-	-	(24,448)	(24,448)
Balance at December 31, 2022	**$ (56,589)**	**(142,060)**	**(30,795)**	**(229,444)**
Balance at January 1, 2021	$ (61,552)	(19,695)	(21,922)	(103,169)
Exchange differences on foreign operations	(16,905)	-	-	(16,905)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	12,775	-	12,775
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	(16,324)	-	(16,324)
Share-based payment compensation	-	-	15,575	15,575
Balance at December 31, 2021	**$ (78,457)**	**(23,244)**	**(6,347)**	**(108,048)**

E. Non-controlling interests

	2022	2021
Balance at January 1	$ 53,736	21,775
Amounts attributable to the non-controlling interests:		
Net income (loss)	12,447	(28,455)
Exchange differences on translation of foreign financial statements	3,346	(109)
Non controlling interests generated from acquisition	-	(7,768)
Disposal of partial interests in subsidiaries	-	4,432
Increase in non-controlling interests	10,336	-
Changes in issue of shares by subsidiaries not in proportion to shareholding	1,182	-
Non-controlling interests arising from mergers and acquisitions	-	63,861
Balance at December 31	**$ 81,047**	**53,736**

F. Treasury stock

	2021
Balance at January 1	565
Retirement of stock	(565)
Balance at December 31	-

In accordance with the requirements of Securities and Exchange Act, treasury shares held by the Company should not be pledged, and do not hold any shareholder rights such as distribution and voting rights.

(18) Share-based payments

A. the Company – employee restricted shares

The shareholders' meeting resolved on June 9, 2022 to issue shares amounting to $12,000 thousand in total,and the employee subscription price is $0. These shares are restricted to full-time employees of the Company who conformed to certain requirements and November 3, 2022 is the grant date. 1,200 thousand of shares are actually issued and the fair value on the grant date was $25.50.

The restricted stock is kept by a trust, which is appointed by the Company, before the vesting condition is met. These shares shall not be sold, pledged, transferred, gifted, hypothecated or disposed of by any other means to third parties during the custody period. Holders of restricted stock awards are entitled to the same rights as the Company's existing ordinary shareholders except for the fact that restricted stock awards are held in trust and have vesting conditions. Also, the Company has the right to take back all unvested shares without compensation and to cancel all restricted stock awards issued to employees who fail to comply with the vesting condition.

The information of the Company's restricted employee new shares (in thousands) is as follows:

New restricted employee shares	2022 Unit: Thousand shares	2021 Unit: Thousand shares
Given at the beginning of the period and unvested	960	1,129
New restricted employee shares given up in current period	(24)	(169)
New restricted employee shares vested in current period	(661)	-
New restricted employee shares issued in current period	1,200	-
Given at the end of the period and unvested	**1,475**	**960**

For the years ended December 31, 2022 and 2021, some employees left the Group before they had acquired their rights, and the Company recovered and canceled 24 thousand and 169 thousand shares, respectively without compensation to their employees. The registration of the relevant changes has been completed.

For the years ended December 31, 2022 and 2021, the compensation cost recognized amounted to $5,558 and $11,392, respectively.

(19) Earnings per share

The calculation of basic earnings per share and diluted earnings per share was as follows:

	2022	2021
Basic earnings per share:		
Net income (loss) attributable to ordinary shareholders of the Company	**$ 324,917**	**537,797**
Weighted-average number of shares outstanding during the year (in thousands of shares)	**102,332**	**101,908**
Basic earnings per share (NTD)	**$ 3.18**	**5.28**
Diluted earnings per share:		
Net income (loss) attributable to ordinary shareholders of the Company (diluted)	**$ 324,917**	**537,797**
Weighted average number of shares outstanding during the year (in thousands of shares)	102,332	101,908
Effect of potential dilutive ordinary shares (in thousands of shares):		
Employee stock dividend	1,621	684
Issuance of restricted stock	883	612
Weighted-average number of ordinary shares outstanding (in thousands of shares) (diluted)	**104,836**	**103,204**
Diluted earnings per share (NTD)	**$ 3.10**	**5.21**

(20) Revenue from contracts with customers

A. Details of revenues

	2022	2021
Sale of goods	$ 3,357,990	2,930,605

B. Contract balances

	December 31, 2022	December 31, 2021	January 1, 2021
Contract liabilities－current			
Sale of goods	$ 15,698	11,966	7,167

For details on trade receivables and allowance for impairment, please refer to note 6(2).

The amount of revenue recognized for the years ended December 31, 2022 and 2021, which was included in the contract liability balance at the beginning of the period, was $9,379 and $4,264, respectively.

(21) Remuneration to employees and directors

In accordance with the articles of incorporation the Company should contribute no more than 8% and no lesss than 5% of the profit as employees' and directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The amount of remuneration of each director and supervisor and of compensation for employees entitled to receive the abovementioned employee compensation is approved by the Board of Directors. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

For the years ended December 31, 2022 and 2021, the Company estimated its employee remuneration amounting to $42,220 and $60,150, and directors' remuneration amounting to $13,920 and $22,560, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during 2022 and 2021. If there are any subsequent adjustments to the actual remuneration amounts approved by the Board of Directors, the adjustment will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year. Shares distributed to employees as employees remuneration are calculated based on the closing price of the Company's shares on the day before the approval by the Board of Directors.

Related information about the Company's remuneration to employees and directors would be available at the Market Observation Post System website.

(22) Non-operating income and expenses

A. Other gains and losses

	2022	2021
Rental income	$ 1,291	1,106
Grant income	7,685	18,671
Litigation compensation income	-	933
Net gains on disposal of property, plant and equipment	973	1,535
Gain recognised in bargain purchase transaction	-	12,842
Gains (losses) on disposals of investments using equity method	5,039	429,176
Net loss (gain) on assets or liabilities at fair value through profit or loss	(78,658)	(7,665)
Foreign exchange gains (losses), net	74,041	(14,977)
Others	7,433	1,760
	$ 17,804	**443,381**

B. Financial costs

	2022	2021
Interest expense of borrowings	$ 7,470	6,890
Interest expense of lease liability	420	489
	$ 7,890	**7,379**

(23) Financial instruments

A. Credit risk

A credit risk is the risk of having financial losses arising from counterparties failing to meet their required contract obligation. The credit risk of the Group is mainly due to receivables arising from operating activities and deposits held in banks and financial institutions. The maximum credit risk exposure is the same as the carrying amount of financial assets on the consolidated balance sheet.

To reduce credit risks, management appointed project team to continuously evaluates and controls the credit approvals, credit limit and other monitoring procedures to ensure any overdue receivables have taken necessary procedures. Additionally, on the reporting date, the Group reviews the recoverability of its receivables to ensure the uncollectible amount are recognized appropriately as impairment loss.

The credit risk is limited because the trading counterparty of current capital and derivative financial instruments is a financial institution with good credit.

The credit risk of the Company was mainly concentrated in the top ten largest customers of the Group. As of December 31, 2022 and 2021, the ratio of total accounts receivable from the above customers was 41.81% and 34.26% respectively. The credit concentration risk of the remaining accounts receivable was relatively insignificant.

B. Liquidity risk

The Group manages and maintains sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Group's management supervises the banking facilities and ensures in compliance with the terms of the loan agreements.

The Group's current liabilities are due within one year and are not required to be repaid immediately. The statement of liquidity risk of long-term borrowings and lease liabilities are prepared on the basis of undiscounted cash flows (including principal and estimated interest) of the financial liabilities at the earliest date on which repayment may be required from the Group is as follows:

	Carrying amount	Contractual cash flows	Within 1 year	1~3 years	More than 3 years
December 31, 2022					
Non-derivative financial liabilities					
Short-term borrowings	$ 210,000	210,686	210,686	-	-
Notes and accounts payables (including related parties)	244,759	244,759	244,759	-	-
Lease liabilities (current and non-current)	31,984	33,070	8,352	9,718	15,000
Long-term borrowings (current and non-current)	256,210	266,642	90,183	110,588	65,871
Salary and bonus payable	60,158	60,158	60,158	-	-
Accrued remuneration of employees and directors	83,380	83,380	83,380	-	-
	$ 886,491	**898,695**	**697,518**	**120,306**	**80,871**
December 31, 2021					
Non-derivative financial liabilities					
Short-term borrowings	$ 224,920	225,399	225,399	-	-
Notes and accounts payables (including related parties)	273,692	273,692	273,692	-	-
Lease liabilities (current and non-current)	38,323	39,811	8,514	12,217	19,080
Long-term borrowings (current and non-current)	303,785	316,729	88,043	134,852	93,834
Salary and bonus payable	72,261	72,261	72,261	-	-
Accrued remuneration of employees and directors	82,768	82,768	82,768	-	-
	$ 995,749	**1,010,660**	**750,677**	**147,069**	**112,914**

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

C. Currency risk

(a) Exposure to foreign currency risk

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

	December 31, 2022		
	Foreign currency	Exchange rate	NTD
Financial assets			
Monetary Items			
USD	$ 32,401	30.71	995,035
JPY	397,392	0.2324	92,354
GBP	6	37.09	223
CAD	528	22.67	11,970
CNY	6,757	4.4080	29,785
Financial assets at fair value through profit or loss			
USD	390	30.71	11,977
Financial assets at FVOCI			
USD	1,925	30.71	59,113
Investment accounted for equity method			
KRW	5,661,463	0.0246	139,272
Financial liabilities			
Monetary Items			
USD	5,027	30.71	154,379
JPY	83,431	0.2324	19,389
CNY	3,439	4.4080	15,159
KRW	5,527	0.0246	136
Financial liability at fair value through profit or loss			
USD	1,949	30.71	59,860

	December 31, 2021		
	Foreign currency	Exchange rate	NTD
Financial assets			
Monetary Items			
USD	$ 30,950	27.6800	856,696
JPY	593,684	0.2405	142,781
GBP	6	37.3000	224
CAD	525	21.62000	11,351
CNY	19,095	4.3440	82,949
Financial assets at fair value through profit or loss			
USD	1,114	27.68	30,828
Financial assets at FVOCI			
USD	1,754	27.68	48,543
Investment accounted for equity method			
USD	9,456	27.68	261,753
KRW	7,266,255	0.0235	170,757
Financial liabilities			
Monetary Items			
USD	5,753	27.68	159,243
JPY	204,231	0.2405	49,118
CNY	9,130	4.3440	39,661
Financial liability at fair value through profit or loss			
USD	1,955	27.6800	54,125

(b) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the foreign currency exchange gains and losses resulted from the translation of cash and cash equivalents, trade receivables, other receivables, trade payables and other payables which are denominated in foreign currencies. A strengthening (weakening) of 1% of the NTD against the CNY at December 31, 2022 and 2021, would have increased or decreased the profit before income tax by $29,421 and $9,909, respectively.

(c) Foreign exchange gains or losses on monetary items

Due to the variety of the functional currencies of the Company’ s entities, the Company’ s foreign Gains (losses) on monetary items amounted to $74,041 and $(14,977), for the year ended December 31, 2022 and 2021, respectively.

D. Interest rate risk

The Group is subject to fair value risk of interest rate changes as it holds time deposits at fixed interest rates. The Company is subject to cash flow risk of interest rate changes as it holds demand bank deposits and bank borrowings at floating rates.

The following sensitivity analysis is based on the exposure to the interest rate risk of nonderivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year.

If the interest rate had increased or decreased by 0.25%, the Group's net income would have increased or decreased by $1,081 and $280 for the year ended December 31, 2022 and 2021, respectively, with all other variable factors remaining constant.

E. Other price risk

If securities price had increased or decreased by 1%, the Group's net income would have increased or decreased by $967 for the year ended December 31, 2022, with all other variable factors remaining constant.

F. Fair value of financial instruments

(a) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss and financial assets at fair value through other comprehensive income is measured on a recurring basis. 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			
	Carrying Fair value amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Contingent consideration	**$ 11,977**	-	-	**11,977**	**11,977**

	December 31, 2022				
		Fair value			
	Carrying Fair value amount	Level 1	Level 2	Level 3	Total
Financial assets at FVOC					
Investments in equity instruments					
United State listed common stocks	$ 59,113	59,113	-	-	59,113
Domestic listed stocks	1,414	250	1,164	-	1,414
Listed common stocks	34,140	-	-	34,140	34,140
Unlisted common shares	619	-	-	619	619
	$ 95,286	**59,363**	**1,164**	**34,759**	**95,286**
Financial liabilities measured at fair value through profit or loss					
Derivative instruments					
Put option on common stock	**$ 59,860**	**-**	**-**	**59,860**	**59,860**

	December 31, 2021				
		Fair value			
	Carrying Fair value amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Contingent consideration	**$ 30,328**	**-**	**-**	**30,328**	**30,328**
Investments in equity instruments					
United State listed common stocks	$ 48,543	48,543	-	-	48,543
Domestic listed stocks	7,791	1,378	6,413	-	7,791
Listed common stocks	39,240	-	-	39,240	39,240
Unlisted common shares	619	-	-	619	619
	$ 96,193	**49,921**	**6,413**	**39,859**	**96,193**

	December 31, 2021				
		Fair value			
	Carrying Fair value amount	Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value through profit or loss					
Derivative instruments					
Forward exchange contract	$ 744	-	744	-	744
Put option on common stock	44,226	-	-	44,226	44,226
Put option on common stock	9,899	-	-	9,899	9,899
Total	**$ 54,869**	**-**	**744**	**54,125**	**54,869**

As of December 31, 2022 and 2021, there has been no transfer at fair value level.

(b) Valuation techniques for financial instruments measured at fair value

The Group held its foreign listed US dollar corporate bonds and domestic listed company stocks, which are measured at fair value according to standard provisions and conditions: the fair value is measured using the quoted prices in an active market.

Except for the above financial instruments with an active market, the Group estimated the fair value of the remaining financial instruments by using the valuation techniques. The valuation technique is used to arrive at their fair value, for which the market transaction prices of the similar companies and market conditions are considered.

(c) Transfer between level 1 and level 2: None.

(d) Reconciliation of level 3 fair values:

	Financial assets at fair value through profit and loss - derivatives	
	2022	2021
Balance at January 1	$ 30,328	-
Acquisition	-	30,328
Total gains and losses recognized in profit or loss	(18,351)	-
Balance at December 31	**$ 11,977**	**30,328**

	Financial assets at fair value through other comprehensive income equity instrument investment	
	2022	**2021**
Balance at January 1	$ 39,859	19,519
Total gains and losses recognized in other comprehensive income	(5,100)	20,340
Balance at December 31	**$ 34,759**	**39,859**

	Financial liabilities at fair value through profit and loss - derivatives	
	2022	**2021**
Balance at January 1	$ 54,125	6,285
Acquisition	-	44,226
Derecognized	(44,226)	
Total gains and losses recognized in profit or loss	49,961	3,614
Balance at December 31	**$ 59,860**	**54,125**

(e) 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 their fair value include financial assets at FVOCI – equity investments.

The Group classified its equity investments without an active market as recurring level 3 fair values in the fair value hierarchy due to the use of significant unobservable inputs. The significant unobservable inputs of the equity investments without an active market are independent, therefore, there is no correlation between them.

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 at FVOCI－equity investments without an active market	Market approach	• Price-to-book ratios as of (December 31, 2022 and December 31, 2021 were 1.21 and 1.94, respectively.) • Liquidity discount as of (December 31, 2022 and December 31, 2021 were both 30.00%.)	• The higher the price-to-book ratio, the higher the fair value. • The higher the liquidity discount, the lower the fair value.

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial liabilities measured at fair value through profit or loss –Contingent consideration	Discounted Cash Flow Method	• Risk-adjusted discount rate (December 31, 2022 and December 31, 2021 were 14.1% and 12.2%, respectively.)	• The higher the Risk-adjusted discount rate, the higher the fair value.

After using binomial option pricing model to measure subsequent financial liabilities, the Company acquired Sawnics Inc. and sold RFMi’ s equity related fair value put.

(24) Financial risk management

A. Overview

The Company have exposures to the following risks from its financial instruments:

(a) credit risk

(b) liquidity risk

(c) market risk

The following likewise discusses the Group’ s objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risk exposures, please refer to the respective notes in the accompanying parent-company-only financial statements.

B. risk management objective and strategy

Other than derivative financial instruments, the main financial instruments of the Group are cash and cash equivalents that are used to maintain a balance between continuity of funding and flexibility. The other financial assets and liabilities held by the Group, include accounts receivable and payable, which are generated from operating activities.

In accordance with a reviewed policy, the Group will not engage in derivative financial instruments for the purpose of speculation.

C. 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 Company’ s cash and cash equivalents, receivables, beneficiary certificates－mutual funds, and investments.

Credit risk exposure to each financial institution is controlled by the Group. As a result, the Group believes that there is no significant concentration of credit risk of cash, cash equivalents and financial assets.

The Group continuously evaluates the credit policy, which includes insurance limits and credit ratings of its customers. The Group performs a periodic evaluation on its uncollected accounts receivable. Before delivery it also needs to assess the creditworthy of the customers. For the years ended December 31, 2022 and 2021, the Group had no concentration of credit risk arising from sales transactions. The Group evaluates the collectability of accounts receivable and provides adequate reserves for bad debts, if necessary.

The Group hedges the risk through financial instruments, and primarily uses selected financial instruments and specific banks. For foreign exchange instruments, the Group mainly uses spot and forward exchange contracts, and if necessary, it uses other derivative financial instruments approved by the Board of Directors.

For related information about endorsement guarantee, please refer to notes 13.

D. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. There is no liquidity risk of being unable to raise capital to settle contract obligations since the Company have sufficient capital and working capital to fulfill the contract obligations.

E. Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices. Market risk comprises foreign currency risk, interest rate risk, and other price risk (such as risk related to equity instruments).

(a) Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group’s exposures to risk from changes in interest rate arise primarily from the Group’s bank loans with variable interest rates.

(b) Foreign currency risk

Foreign currency risk is the risk that fluctuations in foreign currency exchange rates will adversely affect the future cash flow and fair value of financial instruments. The Group’s exposure to the risk of changes in foreign currency exchange rates relates primarily to the Group’s operating activities (when revenue or expense is denominated in a currency different from the Company’s functional currency) and the Group’s net investments in foreign subsidiaries.

To achieve foreign currency risk management, the Group hedges its forecast sales and purchases over the following three months. The Group also hedges certain trades without considering limits of time.

When the nature of a hedge is not an economic one, the period of the derivatives should correspond to the period of the hedged items according to the Group's policies to maximize hedge effectiveness.

The Group holds net foreign currency borrowings to hedge the fluctuation risk arises from the translation of USD, EUR and GBP due to foreign currency transactions.

(c) Other market price risks

The Group manages equity investments, both singly and as a whole, by diversification of investments and sets a limitation on the amount of equity securities. Information on equity securities transactions within the portfolio has to be provided to the top management of the Company regularly, and all buy and sell decisions should be reviewed and approved by the Board of Directors.

(25) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios to support its business and maximize owner value.

The Group is in a technology and capital-intensive industry, and to fit in with its long-term scheme for stable and long-term growth, it is critical for the Group to undertake a conservative dividend policy. According to the Company's articles of incorporation, cash dividends should not be less than 10% of the sum of cash dividends and stock dividends.

There were no changes in the Group's approach to capital management during the year ended December 31, 2022.

The Group's debt-to-capital ratio at the reporting date was as follows:

	December 31, 2022	December 31, 2021
Total liabilities	$ 1,216,576	1,306,224
Less: cash and cash equivalents	(909,235)	(675,802)
Net debt	**$ 307,341**	**630,422**
Total equity	**$ 2,426,618**	**2,390,184**
Debt-to-capital ratio	**12.67%**	**26.38%**

The decrease in debt-to-capital ratio on December 31, 2022 was due to the decrease in long-term borrowings, which resulted in an decrease in the Group's liabilities.

(26) Financing activities of non-cash transactions

The Group's investing and financing activities which did not affect the current cash flow in the Years ended December 31, 2022 and 2021, were as follows:

	January 1, 2022	Cash flows	Acquisition of right-of-use assets	Foreign exchange movement	Due to mergers and acquisitions	December 31, 2022
Short-term borrowings	$ 224,920	(14,920)	-	-	-	210,000
Lease liabilities (current and non-current)	38,323	(8,410)	1,616	455	-	31,984
Long-term borrowings (current and non-current)	303,785	(47,575)	-	-	-	256,210
	$ 567,028	**(70,905)**	**1,616**	**455**	**-**	**498,194**

	January 1, 2021	Cash flows	Acquisition of right-of-use assets	Foreign exchange movement	Due to mergers and acquisitions	December 31, 2021
Short-term borrowings	$ 240,000	(115,080)	-	-	100,000	224,920
Lease liabilities (current and non-current)	41,161	(8,356)	4,596	780	142	38,323
Long-term borrowings (current and non-current)	234,116	9,913	-	-	59,756	303,785
	$ 515,277	**(113,523)**	**4,596**	**780**	**159,898**	**567,028**

7. Related-party transactions:

(1) Name and relationship with related parties

The following is a summary of the Group's subsidiaries and other related parties that have had transactions with the Company during the periods covered in the consolidated financial statements:

Name of related parties	Relationship with the Company
Cirocomm Technology Corp. (Note 1)	Subsidiary
Sawnics Inc.	Joint venture
RFM Integrated Device Inc. (Note 2)	Associate
Jingyue Microwave IC MFG. Co., Ltd.	Associate
WNC (Kunshan) Corporation	Substantive related party
Wistron NeWeb Corporation	Substantive related party

Name of related parties	Relationship with the Company
Wistron NeWeb (Kunshan) Corporation	Substantive related party
NeWeb Vietnam Co., Ltd.	Substantive related party
Gemtek Technology Co., Ltd. (Note 3)	Substantive related party
TriKnight Capital Corporation (Note 3)	Substantive related party

Note 1: Associate which became subsidiary after January 29, 2021.

Note 2: The subsidiary became an associate of the Company after October 15, 2021. On April 29, 2022, the Company sold the residual shares of RFMi, since then, which was no longer an associate.

Note 3: No longer a substantive relative party after its outgoing of the Company's Chairman of the Board since June 9, 2022.

(2) Significant transactions with related parties

A. Operating revenue

Related Party Categories	2022	2021
Joint venture	$ 24,854	80,727
Associate	70,849	28,981
Substantive related party	212,968	186,091
	$ 308,671	**295,799**

The credit terms for related parties were 60 to 90 days after month-end. The terms and pricing of sales transactions with related parties were not significantly different from those offered by other customers.

B. Purchases

Related Party Categories	2022	2021
Joint venture	$ 79,071	102,639
Associate	40,876	39,979
	$ 119,947	**142,618**

The payment terms to related parties were 60 to 120 days. The terms and pricing of purchase transactions with related parties were not significantly different from those offered by other vendors.

C. Accounts receivables from related parties (excluding loans to related parties)

Accounts	Related Party Categories	December 31, 2022	December 31, 2021
Accounts receivable	Joint venture	$ 5,678	7,054
	Associate	-	31,542
	Substantive related party	70,126	72,665
		$ 75,804	**111,261**

The uncollected guarantee is receivables due from related parties outstanding. As of December 31, 2022 and 2021, the account receivables recognized as expected credit losses are amounted to $26, and $62, respectively.

D. Prepaid payment

Accounts	Related Party Categories	December 31, 2022	December 31, 2021
Prepaid payment	Taiwan Crystal Superior Technology Co., Ltd.	$ 12,767	28,689

E. Accounts payable to related parties (excluding loans to related parties)

Accounts	Related Party Categories	December 31, 2022	December 31, 2021
Accounts payable	Joint venture	$ 7,503	14,480

F. Refundable deposits

Accounts	Related Party Categories	December 31, 2022	December 31, 2021
Refundable deposits	Taiwan Crystal Superior Technology Co., Ltd.	$ 10,000	10,000

G. Guarantees

Accounts	Related Party Categories	December 31, 2022	December 31, 2021
Balance of guarantees	Joint venture	$ 42,994	38,752
Actual usage amount		$ 811	9,633

H. Acquisition of subsidiary

The Company obtained a total of 5,770 shares of Cirocomm from TriKnight Capital Corporation for cash amounting to $24,446 and $5,046, respectively on January 29 and June 8, 2021. For details on the acquisition of the subsidiaries, please refer to note 6(5).

I. Others

Accounts	Related Party Categories	2022	2021
Rental Revenue (Note 1)	Associate	$ 1,200	1,125
Other Revenue (Note 2)	Associate	$ -	165
Management service expenses	Associate	$ 1,050	958

Note 1: The Group leases machinery and equipment to its associates. The terms of the leases are agreed between the parties. The rent from February 2020 to May 2021 is $65 per month; and the rent from June 2021 is $100 per month.

Note 2: The Group provides business and operations consultation services to the associates. The contract terms are determined by mutual agreement. From January 2021, the Company received $165 per month and a year-end bonus of one month worth.

(3) Key management personnel compensation

Key management personnel's compensation comprised:

	2022	2021
Short-term employee benefits	$ 38,385	43,258
Share-based payments	296	296
	$ 38,681	**43,554**

Remuneration of Directors and other major management is determined by the Remuneration Committee in accordance with individual performance and market trends.

8. Pledged assets:

The carrying amounts of pledged assets were as follows:

Asset	Purpose of pledge	December 31, 2022	December 31, 2021
Restricted deposits (recognized as other current assets)	Short-term of banks borrowings guarantee	$ 9,319	5,000
Property, plant and equipment	Long-term/short-term of banks borrowings and Letter of Credit Guarantee	310,820	294,985
Machinery and equipment	Other short-term of banks borrowings guarantee	-	9,920
		$ 320,139	**309,905**

9. Commitments and contingencies:

Same as stated in other notes, the material commitments and contingent events of the Group at the balance sheet date are as follows:

(1) As of December 31, 2022 and 2021, the Group had unused letter of credit of $32,872 and $66,641, respectively.

(2) As of December 31, 2022 and 2021, the Group's signed and yet to be paid commitments to purchase engineering equipment amounted to $32,280 and $10,894, respectively.

(3) As of December 31, 2022 and 2021, the notes issued amounting to $18,052 and $5,052, respectively were for the provision of training and education cooperation, energy efficiency management services and for the use of the refundable deposit on grants application for research and development projects and were recoverable and canceled upon termination of the obligation of the guarantee.

(4) As of December 31, 2022 and 2021, bank guarantee limit letters were provided to the Customs Administration, Ministry of Finance as a guarantee of customs duty of post-release duty payment on imported goods, the amount covered by such bank guarantee limit letters were $4,000 and $4,500, respectively.

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 funtion / By item	For the year ended December 31,					
	2022			2021		
	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	330,155	221,582	551,737	345,156	266,674	611,830
Labor and health insurance	26,036	12,918	38,954	30,584	19,310	49,894
Pension	12,849	10,287	23,136	12,501	10,044	22,545
Others	27,144	11,804	38,948	24,005	11,355	35,360
Depreciation	150,662	20,668	171,330	147,204	40,967	188,171
Amortization	569	3,917	4,486	629	6,416	7,045

13. Other disclosures:

(1) 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:

A. Loans to other parties: Please refer to Table 1.

B. Guarantees and endorsements for other parties: Please refer to Table 2.

C. Securities held as of December 31, 2022 (excluding investment in subsidiaries, associates and joint ventures): Please refer to Table 3.

D. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: Please refer to Table 4.

E. Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

F. Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

G. Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock: Please refer to Table 5.

H. Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock: None.

I. Trading in derivative instruments:Please refer to notes 6(2).

J. Business relationships and significant intercompany transactionsPlease refer to Table 6.

(2) Information on investees: Please refer to Table 7.

(3) Information on investment in mainland China:

A. The names of investees in Mainland China, the main businesses and products, and otherinformation: Please refer to Table 8.

B. Limitation on investment in Mainland China: Please refer to Table 8.

C. Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China for the year ended December 31, 2022(its subsidiaries have been eliminated in the consolidated financial statements), which were disclosed in the "Information on significant transactions".

(4) Major shareholders: None

14. Segment information:

(1) General information

The principal activities of the Group are the research and development, design, manufacture, and sales of radio communications components and their system equipment and computer hardware and peripheral components as well as the manufacture and packaging of integrated circuits. It is a single reportable segments, so there is no separate List the sales revenue information by industry.

(2) Product and service information

The detail of product and service information as of December 31, 2022 and 2021; please refer to note 6(20).

(3) Geographic information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

	2022	2021
Revenue from external customers:		
Taiwan	$ 1,160,126	527,528
Americas	434,211	498,622
Asia	1,455,534	1,599,068
Europe	281,422	272,058
Others	26,697	33,329
	$ 3,357,990	**2,930,605**

	December 31, 2022	December 31, 2021
Non-current assets:		
Taiwan	$ 607,170	695,856
Asia	243,958	253,466
Americas	291	277
	$ 851,419	**949,599**

Note: Non-current assets include property, plant and equipment, intangible assets, and other assets, but exclude financial assets at fair value through profit or loss－non-current, financial assets at fair value through other comprehensive income－non-current, investments measured by equity method, deferred tax assets, and refundable deposits (recognized as other non-current assets).

(4) Major customers

As of December 31, 2022 and 2021, there was no single customer revenues from a single customer that account for more than 10% of the Group’ s revenue.

Tai-Saw Technology Co., Ltd. and Subsidiaries

Loans to other parties

For the year ended December 31, 2022

Table 1 (In Thousands of New Taiwan Dollars)

No.	Name of lender	Name of borrower	Account	Related party	Highest balance of 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 (Note 1)	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 2)
													Item	Value		
0	The Company	Tst biomedical	Other receivables	Yes	300,000	-	-	1.3%	2	-	Operating capital	-	None	-	938,228	938,228

Note 1: (1) For those companies with business transaction with the Company, please fill in 1.

(2) For those companies with short-term financing needs, please fill in 2.

Note 2: Pursuant to "Procedure of Loans to Other Parties" of the Company and its subsidiaries,the maximum amount of lending purposes shall not exceed 40% of the ultimate parent company's net worth. For a single debtor, the amount of loans shall not exceed 40% of the ultimate parent company's net value.

Note 3: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

Tai-Saw Technology Co., Ltd. and Subsidiaries

Guarantees and endorsements for other parties

For the year ended December 31, 2022

Table 2 (In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 2)	Highest balance for guarantees and endorsements during the period (Note 2)	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 (Note 2)	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	Note
		Name	Relationship with the Company (Note 1)											
0	The Company	Tai-Saw (Wuxi)	4	469,114	64,430	61,420	3,218	-	2.62%	2,345,571	Y	N	Y	
0	The Company	Cirocomm	2	469,114	200,000	200,000	90,728	-	8.53%	2,345,571	Y	N	N	
0	The Company	Sawnics Inc.	1	469,114	45,101	42,994	811	-	1.83%	2,345,571	N	N	N	

Note 1: There are seven conditions in which the Company may have guarantees or endorsements for other parties:

(1) Having business relationship.

(2) Subsidiaries in which the Company holds more than 50% of its total outstanding common shares.

(3) The companies in which the parent company and the subsidiary together hold more than 50% of its outstanding common shares.

(4) The parent company which holds, directly or indirectly through a subsidiary, more than 50% of its outstanding common shares.

(5) Fulfillment of contractual obligations by providing mutual endorsements and guarantees for peer or joint builders in order to undertake a construction project.

(6) The stockholders of the Company provide guarantees or endorsements for the entity in proportion to percentage of ownership for joint investment.

(7) The companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for preconstruction homes pursuant to the Consumer Protection Act for each other.

Note 2: The total amount of an endorsement guarantee that a Group may endorse is limited to 100% of the net interests of the shareholders of the Company and to 20% of the net interests of the shareholders of the Company for a single enterprise.

Tai-Saw Technology Co., Ltd. and Subsidiaries

Securities held as of December 31, 2022 (excluding investment in subsidiaries, associates and joint ventures)

December 31, 2022

Table 3 (In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with the Company	Account title	Ending balance				Highest Percentage of ownership (%) during the year	Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value		
The Company	Crystalwise Technology Inc.	None	Financial assets at fair value through other comprehensive income－non-current	202	1,414	0.46%	1,414	0.46%	
The Company	Jingyue Microwave Integrated Circuit Manufacturing Co., Ltd.	None	Financial assets at fair value through profit or loss－non-current	12	619	0.20%	619	0.20%	
The Company	Mercury Electronic Ind Co.,Ltd	None	Financial assets at fair value through profit or loss－non-current	3,000	34,140	12.18%	34,140	12.18%	
The Company	Akoustis Technologies Inc.	None	Financial assets at fair value through profit or loss－non-current	683	59,113	1.19%	59,113	1.19%	

Tai-Saw Technology Co., Ltd. and Subsidiaries

Individual securities acquired or disposed of with accumulated amounts exceeding the lower of than NT$300 million or 20% of the capital stock

For the year ended December 31, 2022

Table 4 (Shares in Thousands /Amounts in Thousands)

Name of company	Category and name of security	Account name	Name of counter-party	Relationship with the company	Beginning Balance		Purchases		Sales				Ending Balance	
					Shares (thousands)	Amount	Shares (thousands)	Amount	Shares (thousands)	Price	Cost	Gain (loss) on disposal	Shares (thousands)	Amount
The Company	RFM Integrated Device Inc.	Investments in equity-accounted investees	Akoustis Technologies Inc.	Non-related party	490	261,753 (Note 1)	-	-	(490)	221,063	216,333 (Note 2)	4,730	-	-

Note 1: The opening and closing balances include gains and losses recognized using the equity method.

Note 2: Carrying cost comprises the amounts at the beginning of the period of $261,753, the current valuation adjustment of $4,183, the current cumulative effect of $1,582, and the adjustment for amortization of intangible assets amounting to $(6,959), as well as the carrying value of call option for ordinary shares amounting to $(44,226). Please refer to note 6(7) for the transactions.

Tai-Saw Technology Co., Ltd. and Subsidiaries

Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock

For the year ended December 31, 2022

Table 5 (In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)	
			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	Tai-Saw (Wuxi)	100% holding grandson company	Purchase	248,583	20.00%	60 days	-	-	(45,031)	(24.40)%
The Company	Wistron NeWeb	Substantive related party	Sales	120,229	5%	90 days	-		41,744	9.38%

Note: The inter-company transactions and balances had been eliminated in the consolidated financial statements.

Tai-Saw Technology Co., Ltd. and Subsidiaries

Business relationships and significant intercompany transactions

For the year ended December 31, 2022

Table 6 (In Thousands of New Taiwan Dollars)

No. (Note 2)	Name of company	Name of counter-party	Nature of relationship (Note 3)	Intercompany transactions			
				Account	Amount	Trading terms	Percentage of the consolidated net revenue or total assets (Note 1,4)
0	The Company	SNT Devices Limited	1	Sale	48,757	Note 5	1.45%
1	Tai-Saw Technology (Wuxi) Inc.	The Company	2	Accounts receiable	45,031	Note 5	1.41%
1	Tai-Saw Technology (Wuxi) Inc.	The Company	2	Processing income	190,192	Note 5	5.66%

Note 1: The table represented the amount of significant transaction exceeding 1 percent of the consolidated operating revenue or total assets.

Note 2: The characters of business transactions between parent company and its subsidiaries are coded as follows:

(1) The parent company is coded "0".

(2) The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 3: The relationships with transactions are as follows:

(1) Parent company to its subsidiaries.

(2) Subsidiaries to the parent company.

(3) Transactions between subsidiaries.

Note 4: The ratio of the transaction amount of the consolidated total sales revenue and consolidated total assets are calculated as follows:

(1) For transaction amount accounted for as asset or liability, the ratio is calculated based on the closing balance amount of the consolidated total assets.

(2) For transaction amount accounted for as profit or loss, the ratio is calculated based on the accumulated amount at the end of the financial period of the consolidated total sales revenue.

Note 5: The transaction conditions between the company and its subsidiaries are equivalent to those of non-related parties.

Tai-Saw Technology Co., Ltd. and Subsidiaries

Information on investees (excluding information on investees in Mainland China)

For the year ended December 31, 2022

Table 7

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2022			Highest Percentage of Ownership during the year	Net income (losses) of investee	Share of profits/ losses of investee	Note
				December 31, 2022	December 31, 2021	Shares (thousands)	Percentage of Ownership	Carrying value				
The Company	Tai-Saw Technology Inc.	Samoa	Overseas investment holding	668,374	668,374	21,253.0	100.00%	499,729	100.00%	(2,416)	(3,189)	Subsidiary (Note 2)
The Company	Gia-Stone Electronics Co., Ltd.	Samoa	Trades	1,660	1,660	50	100.00%	1,745	100.00%	(30)	(30)	Subsidiary
The Company	TST biomedical electronics Co., Ltd.	Taiwan	Clinical machine wholesale and retail	105,000	105,000	9,750	84.78%	242,478	84.78%	182,077	154,361	Subsidiary
The Company	TST Technology USA Inc	United States	Technological consulting services and trade	24,240	24,240	1,000	100.00%	31,093	100.00%	2,382	2,382	Subsidiary
The Company	SNT Devices Limited	Hong Kong	Trades	-	-	140	70.00%	9,366	70.00%	3,916	2,741	Subsidiary
The Company	SNT Inc.	South Korea	Trades	50	50	(Note 1)	50.00%	2,789	50.00%	2,803	1,402	Subsidiary
The Company	Beyond Fountain Co, Ltd	Samoa	Overseas investment holding	808	808	515	100.00%	641	100.00%	(36)	(36)	Subsidiary
The Company	RFM Integrated Device Inc.	United States	Semiconductor electric wafer materials and components manufacturing	-	248,583	-	- %	-	49.00%	7,906	(3,085)	Associate
The Company	Cirocomm Technology Corp.	Taiwan	Semiconductor electric wafer materials and components manufacturing	73,223	71,359	8,461	65.49%	70,473	65.49%	(44,524)	(27,723)	Subsidiary (Note 3)
The Company	Sawnics Inc.	South Korea	Semiconductor electric wafer materials and components manufacturing	204,229	204,229	641	23.57%	139,272	24.54%	(69,865)	(31,831)	Joint venture (Note 4)
The Company	Taiwan Crystal Superior Technology Co., Ltd.	Taiwan	Semiconductor electric wafer materials and components manufacturing	4,500	4,500	450	30.00%	-	30.00%	(9,852)	592	Associate (Note 5)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2022			Highest Percentage of Ownership during the year	Net income (losses) of investee	Share of profits/ losses of investee	Note
				December 31, 2022	December 31, 2021	Shares (thousands)	Percentage of Ownership	Carrying value				
Cirocomm Technology Corp.	Hong Kong Cirocomm Technology Corp.	Hong Kong	Semiconductor electric wafer materials and components manufacturing	118,880	118,880	4,000	100.00%	1,144	- %	(742)	(742)	Subsidiary

Note 1: The contribution of US$51 thousand is un-issued shares.

Note 2: This includes unrealized gross profit deferred adjustment of reversals amounting to $(773).

Note 3: This includes an adjustment for realized loss on fixed assets amounting to $(1,436).

Note 4: This includes unrealized gross profit deferred adjustment of reversals,amortized premium and other adjustments amounting to $(15,364).

Note 5: This includes unrealized gross profit deferred adjustment of reversals amounting to $(3,547).

Note 6: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

Tai-Saw Technology Co., Ltd. and Subsidiaries

The names of investees in Mainland China, the main businesses and products, and otherinformation

For the year ended December 31, 2022

Table 8 (In Thousands of New Taiwan Dollars)

(1) 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 (Note 5)	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2021 (Note 5)	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2022	Net income (losses) of the investee	Percentage of ownership	Highest percentage of ownership during the year	Investment income (losses) (Note 2)	Book value	Accumulated remittance of earnings in current period	Note
					Outflow	Inflow								
Tai-Saw Technology (Wuxi) Inc.	Semiconductor electric wafer materials and components manufacturing	614,200 (USD20,000)	Note 1	614,200 (USD20,000)	-	-	614,200 (USD20,000)	(2,645) (RMB(598))	100%	-%	(2,645) (USD(89)) (Note 3)	481,403 (USD15,676)	-	Note 6
Shenzhen Cirocomm Technology Corp.	Semiconductor electric wafer materials and components manufacturing	1,536 (USD50)	Note 2	1,536 (USD50)	-	-	1,536 (USD50)	(1,037) (RMB(234))	100%	-%	(1,037) (RMB(234)) (Note 4)	(2,959) (RMB(671))	-	Note 6

Note 1: Investment in companies in Mainland China through Tai-Saw Technology Inc..

Note 2: Investment in companies in Mainland China through Hong Kong Cirocomm.

Note 3: The information on investment income/loss for the years ended December 31, 2022 was derived from the investees' financial statements audited by the auditors for the same period.

Note 4: The information on investment income/loss for the years ended December 31, 2022 was derived from the investees' financial statements audited by the auditors for the same period.

Note 5: Except that the profit and loss of the investee for the current period is based on the annual average exchange rate of RMB$1=NT$4.4218 and that current investment profit recognized for the current period are based on the annual average exchange rate of USD$1=NT$29.8489. The amounts presented in this table are translated into NTD with USD$1=NT$30.71 and RMB$1=NT$4.4080 at the exchange rate on December 31, 2022.

(2) 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 Stipulated by Investment Commission, MOEA (Note)
615,736	698,653	1,407,343

Note: Pursuant to the Regulations Governing Permission for Investment and Technical Cooperation in the Mainland Area, the amount of paid-in capital within $5 billion is calculated at 60% of its net value.

Independent Auditors' Report

To the Board of Directors of Tai-Saw Technology Co., Ltd.:

Opinion

We have audited the parent-company-only financial statements of Tai-Saw Technology Co., Ltd. ("the Company"), which comprise the parent-company-only balance sheets as of December 31, 2022 and 2021, the parent-company-only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, and notes to the parent-company-only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent-company-only financial statements present fairly, in all material respects, the parent-company-only financial position of the Company as of December 31, 2022 and 2021, and its parent-company-only financial performance and its parent-company-only cash flows for the years ended December 31, 2022 and 2021, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountant 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 Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant 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 parent-company-only financial statements of the current period. These matters were addressed in the context of our audit of the parent-company-only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recognition of revenue

The accounting policy on the recognition of revenue are discussed in Note 4(17) of the notes to parent company only financial statements. Please refer to Note 6(17) to the parent company only financial statement for the information of revenue from Contracts with Customers.

Description of key audit matter:

The principal activities of the Company is sales of frequency devices and SAW (surface acoustic wave) devices. The sales revenue is arising from sales of wired and wireless communication, computer hardware, peripherals and components. As the goods are shipped out, the customer has the right to set the price and application of the goods and has the primary responsibility for reselling goods, as well as the risk of their obsolescence, the Company recognizes revenue and accounts receivable at that point. Since the trading volume of operating revenue is high and is arising from global operating locations. Therefore, the appropriateness on recognition timing of sales revenue is one of the most important evaluations in performing our audit procedures.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain key audit procedures that included understanding of revenue recognition policies and assessing whether revenue recognition policies are appropriate based on sales terms and revenue recognition criteria; physically observed and understanding the design and process of implementation of internal controls and testing operating effectiveness; sample testing selected sales to confirm with customer orders and delivery note; testing sales cut-off, on a sample basis, for transactions incurred within a certain period before or after the balance sheet date by reviewing related sales terms, inspecting delivery documents, and other related supporting document to evaluate whether the yearend sales revenue was recorded in proper period.

Responsibilities of Management and Those Charged with Governance for the parent-company-only Financial Statements

Management is responsible for the preparation and fair presentation of the parent-company-only financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of parent-company-only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent-company-only financial statements, 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.

Auditors' Responsibilities for the Audit of the Parent-company-only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent-company-only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 parent-company-only 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 parent-company-only 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 auditors' report to the related disclosures in the parent-company-only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent-company-only financial statements, including the disclosures, and whether the parent-company-only 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 this 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 parent-company-only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Hai-Ni Huang and Wan-Yuan Yu.

KPMG

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

Notes to Readers

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

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

(English Translation of Parent-Company-Only Financial Statements and Report Originally Issued in Chinese)

Tai-Saw 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(1))	$ 459,023	14	381,516	11
1136	Current financial assets at amortized cost (note 6(2))	220,163	7	10,810	-
1150	Notes receivable (note 6(2) and 7)	5,042	-	19,333	1
1170	Accounts receivable, net (note 6(2))	335,618	10	486,866	14
1180	Accounts receivable due from related parties (note 6(2) and 7)	104,281	3	138,633	4
1200	Other receivables (note 7)	2,036	-	746	-
1310	Inventory, net (note 6(3))	331,802	10	396,700	11
1410	Prepayments (note 7)	44,417	1	67,177	2
1470	Other current assets (notes 6 (8) and 8)	1,868	-	1,338	-
	Total current assets	1,504,250	45	1,503,119	43
	Non-current assets:				
1510	Financial assets at fair value through profit or loss－non-current (note 6(2))	11,977	-	30,328	1
1517	Financial assets at fair value through other comprehensive income－non-current (note 6(2))	95,286	3	96,193	3
1550	Investments measured by equity method (note 6(4))	997,586	30	1,102,251	32
1600	Property, plant and equipment (notes 6(5))	418,773	14	494,212	14
1755	Right-of-use assets (note 6(5))	27,772	1	32,684	1
1760	Investment property, net (note 6(7))	135,261	4	136,014	4
1780	Intangible assets	683	-	930	-
1840	Deferred tax assets (note 6(13))	74,501	2	60,467	2
1990	Other non-current assets (notes 6(8) and 7)	20,264	1	12,754	-
	Total non-current assets	1,782,103	55	1,965,833	57
	Total assets	**$ 3,286,353**	**100**	**3,468,952**	**100**

		December 31, 2022		December 31, 2021	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (note 6(9))	$ 170,000	5	165,000	5
2120	Financial liabilities at fair value through profit or loss－Current (note 6(2))	59,860	2	44,970	1
2130	Contract liabilities－Current (note 6(17))	13,516	-	10,294	-
2150	Notes payable	20,608	1	25,549	1
2170	Accounts payable	105,170	3	170,566	5
2180	Payables to related parties (note 7)	60,379	2	70,391	2
2200	Other payables (note 6(11))	193,574	6	200,642	6
2230	Current tax liabilities (note 6(13))	88,034	3	79,296	2
2280	Lease liabilities－current (note 6(10))	6,191	-	6,239	-
2320	Long-term liabilities-current portion (note 6(9))	67,543	2	78,155	2
2399	Other current liabilities	5,603	-	9,418	-
	Total current liabilities	790,478	24	860,520	24
	Non-Current liabilities:				
2500	Financial liabilities at fair value through profit or loss－non-current (note 6(2))	-	-	9,899	1
2540	Long-term borrowings (note 6(9))	113,576	3	181,119	5
2570	Deferred tax liabilities (note 6(13))	259	-	43,373	1
2580	Lease liabilities－non-current (note 6(10))	23,018	1	27,727	1
2640	Net defined benefit liability, non-current (note 6(12))	10,725	-	6,557	-
2670	Other non-current liabilities- other	2,726	-	3,309	-
	Total non-current liabilities	150,304	4	271,984	8
	Total liabilities	940,782	28	1,132,504	32
	Equity (notes 6(17) and (15))**:**				
3110	Ordinary shares	1,040,444	32	1,028,684	30
3200	Capital surplus	734,577	22	773,940	22
3310	Legal reserve	75,240	3	21,460	1
3320	Special reserve	87,554	3	67,103	2
3350	Unappropriated retained earnings	637,200	19	553,309	16
	Total retained earnings	799,994	25	641,872	19
3400	Other equity(note)	(229,444)	(7)	(108,048)	(3)
	Total equity	2,345,571	72	2,336,448	68
	Total liabilities and equity	**$ 3,286,353**	**100**	**3,468,952**	**100**

See accompanying notes to parent-company-only financial statements.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

Tai-Saw 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 Common Share)

		2022		2021	
		Amount	%	Amount	%
4000	**Operating revenues** (notes6 (17) and 7)	$ 2,366,577	100	2,587,370	100
5000	**Operating cost** (notes 6(3)、(10)、(12)、(15)、7 and 12)	1,747,655	74	1,985,205	77
5900	**Gross profit from operations**	618,922	26	602,165	23
5910	Unrealized gain from sale	(5)	-	(34)	-
5900	**Realized gross profit**	618,917	26	602,131	23
6000	**Operating expenses** (notes 6 (2)、(10)、(12)、(15)、7 and 12)**:**				
6100	Selling	76,835	3	80,570	3
6200	General and administrative	91,104	4	101,026	4
6300	Research and development	138,218	6	133,093	5
6450	Expected credit (gain) loss	(1,555)	-	8,523	-
	Total operating expenses	304,602	13	323,212	12
	Other income and expenses:				
6900	**Net operating income**	314,315	13	278,919	11
7000	**Non-operating income and expenses** (notes 6 (10)、(19) and 7)**:**				
7100	Interest income	3,175	-	99	-
7020	Other gains and losses	510	-	450,916	17
7050	Finance costs	(5,718)	-	(5,766)	-
7060	Share of profit of equity-accounted investees (note 6(4))	95,584	4	(55,011)	(2)
	Total non-operating income and expenses	93,551	4	390,238	15
7900	**Income before income tax**	407,866	17	669,157	26
7950	**Income tax expenses** (note 6(13))	82,949	4	131,360	5
8200	**Net income**	324,917	13	537,797	21
8300	**Other comprehensive income (loss):**				
8310	**Items that will not be reclassified subsequently to profit or loss**				
8311	Remeasurements of defined benefit plans (note 6(12))	(2,758)	-	(1,015)	-
8316	Unrealized gains or losses from investments in equity instruments measured at fair value through other comprehensive income	(118,807)	(5)	12,823	-
8330	Equity-accounted investees – share of other comprehensive income－Total items that will not be reclassified subsequently to profit or loss (note 6(4))	(9)	-	(48)	-
8349	Less: Income tax related to items that will not be reclassified subsequently (note 6(13))	(552)	-	(203)	-
		(121,022)	(5)	11,963	-
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	14,462	1	(16,905)	(1)
8370	Equity-accounted investees – share of other comprehensive income -items that may be reclassified subsequently to profit or loss	7,406	-	-	-
	Total items that may be reclassified subsequently to profit or loss	21,868	1	(16,905)	(1)
8300	**Other comprehensive income (loss)**	(99,154)	(4)	(4,942)	(1)
	Total comprehensive income	**$ 225,763**	**9**	**532,855**	**20**
	Earnings per share (New Taiwan Dollars) (note 6(16))				
	Basic earnings per share	**$ 3.18**		**5.28**	
	Diluted earnings per share	**$ 3.10**		**5.21**	

See accompanying notes to parent-company-only financial statements.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

Tai-Saw 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				Total other equity interest					
	Ordinary share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Total	Exchange differences on translation of foreign financial statements	Unrealized gains or losses from investments in equity instruments measured at fair value through other comprehensive income	Deferred compensation cost	Total	Treasury shares	Total equity
Balance as of January 1, 2021	$ 1,036,024	771,137	89,138	67,103	(67,678)	88,563	(61,552)	(19,695)	(21,922)	(103,169)	(11,095)	1,781,460
Net income for the period	-	-	-	-	537,797	537,797	-	-	-	-	-	537,797
Other comprehensive income for the period	-	-	-	-	(812)	(812)	(16,905)	12,775	-	(4,130)	-	(4,942)
Total comprehensive income for the period	-	-	-	-	536,985	536,985	(16,905)	12,775	-	(4,130)	-	532,855
Appropriation and distribution of retained earnings:												
Legal reserve appropriated used to cover accumulated deficits	-	-	(67,678)	-	67,678	-	-	-	-	-	-	-
Changes in equity of associates and joint ventures accounted for using equity method	-	28,406	-	-	-	-	-	-	-	-	-	28,406
Treasury Stock Retired	(5,650)	(5,445)	-	-	-	-	-	-	-	-	11,095	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	2,942	-	-	-	-	-	-	-	-	-	2,942
Share-based payment transactions	(1,690)	(2,493)	-	-	-	-	-	-	15,575	15,575	-	11,392
Cash dividends from capital surplus	-	(20,607)	-	-	-	-	-	-	-	-	-	(20,607)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	16,324	16,324	-	(16,324)	-	(16,324)	-	-
Balance at December 31, 2021	1,028,684	773,940	21,460	67,103	553,309	641,872	(78,457)	(23,244)	(6,347)	(108,048)	-	2,336,448
Net income for the period	-	-	-	-	324,917	324,917	-	-	-	-	-	324,917
Other comprehensive income for the period	-	-	-	-	(2,206)	(2,206)	21,868	(118,816)	-	(96,948)	-	(99,154)
Total comprehensive income for the period	-	-	-	-	322,711	322,711	21,868	(118,816)	-	(96,948)	-	225,763
Appropriation and distribution of retained earnings:												
Legal reserve appropriated	-	-	53,780	-	(53,780)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	20,451	(20,451)	-	-	-	-	-	-	-
Cash dividends of preference share	-	-	-	-	(164,589)	(164,589)	-	-	-	-	-	(164,589)
Changes in equity of associates and joint ventures accounted for using equity method	-	(5,473)	-	-	-	-	-	-	-	-	-	(5,473)
Changes in issue of shares by subsidiaries not in proportion to shareholding	-	(1,182)	-	-	-	-	-	-	-	-	-	(1,182)
Share-based payments	11,760	18,246	-	-	-	-	-	-	(24,448)	(24,448)	-	5,558
Changes in prepaid preferred stock construction dividends	-	(50,954)	-	-	-	-	-	-	-	-	-	(50,954)
Balance at December 31, 2022	**$ 1,040,444**	**734,577**	**75,240**	**87,554**	**637,200**	**799,994**	**(56,589)**	**(142,060)**	**(30,795)**	**(229,444)**	**-**	**2,345,571**

See accompanying notes to parent-company-only financial statements.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

Tai-Saw 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 operating activities:		
Profit before tax	$ 407,866	669,157
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	125,136	122,178
Amortization expense	550	786
Gain on reversal of expected credit impairment loss	(1,555)	8,523
Net gain on financial assets or liabilities at fair value through profit or loss	78,658	4,394
Interest expense	5,718	5,766
Interest income	(3,175)	(99)
Share-based payments	5,558	11,392
Share of loss of associates and joint ventures accounted for using equity method	(95,584)	55,011
Loss (gain) on disposal of property, plant and equipment	-	(11,769)
Expense transferred from addition of Property, plant and equipment	8,885	-
Loss (gain) on disposal of investments gains on disposals of investments	(5,039)	(429,176)
Reversal of inventory devaluation and obsolescence loss	56,300	(9,336)
Unrealized loss from sales by associates accounted for using equity method	(6,381)	(11,683)
Gain recognized in bargain purchase transaction	-	(12,842)
Total adjustments to reconcile profit	169,071	(266,855)
Changes in operating assets and liabilities:		
Notes receivable	14,291	(205)
Accounts receivable	152,803	(149,035)
Receivables from related parties	34,352	(56,087)
Other receivables	244	40,292
Inventories	8,598	(63,827)
Prepayments	22,760	(14,190)
Other current assets	(530)	26,269
Contract liabilities	3,222	4,446
Notes payable	(4,941)	1,034
Accounts payable	(65,396)	33,441
Accounts payable to related parties	(10,012)	12,840
Other payables	(6,680)	94,991
Other current liabilities	(3,815)	1,804
Net defined benefit liability	1,962	1,417
Other non-current liabilities	-	200
Total changes in operating assets and liabilities	146,858	(66,610)
Total adjustments	315,929	(333,465)
Cash inflow generated from (used in) operations	723,795	335,692
Interest received	1,641	107
Interest paid	(6,106)	(5,690)
Income taxes paid	(131,359)	(1,185)
Net cash flows from (used in) operating activities	587,971	328,924

(Continued)

See accompanying notes to parent-company-only financial statements.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

Tai-Saw Technology Co., Ltd.

Statements of Cash Flows (Continued)

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	25,623
Acquisition of financial assets at amortized cost	(249,706)	(23,835)
Proceeds from disposal of financial assets at amortized cost	40,353	13,025
Proceeds from disposal of financial assets at fair value through profit or loss	(10,425)	-
Acquisition of investments accounted for using equity method	(39,664)	(51,828)
Proceeds from disposal of investments accounted for using equity method	103,163	182,505
Acquisition of property, plant and equipment	(40,050)	(184,888)
Proceeds from disposal of property, plant and equipment	-	2,220
Increase in refundable deposits	-	(30)
Acquisition of intangible assets	(303)	(679)
Acquisition of Investment property	-	(136,390)
Increase in other non-current assets	(18,761)	-
Net cash flows used in investing activities	(215,393)	(174,277)
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term borrowings	5,000	(75,000)
Proceeds from long-term borrowings	-	169,000
Proceeds from long-term borrowings	(78,155)	(143,842)
Repayment of the principal portion of lease liabilities	(6,373)	(6,316)
Cash dividends paid	(215,543)	(20,607)
Net cash flows generated from (used in) financing activities	(295,071)	(76,765)
Net increase in cash and cash equivalents	77,507	77,882
Cash and cash equivalents at beginning of period	381,516	303,634
Cash and cash equivalents at end of period	**$ 459,023**	**381,516**

See accompanying notes to parent-company-only financial statements.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

Tai-Saw 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

Tai-Saw Technology Co., Ltd. (the "Company"). was incorporated in November 1997 under the approval of Ministry of Economic Affair, Republic of China (R.O.C). The address of the Company's registered office is No. 3, Gongye 2nd Rd., Yongfeng Vil., Pingzhen Dist., Taoyuan City 324403, Taiwan (R.O.C.). The shares of the Company have been listed for trading at the Taipai Exchange in R.O.C. since February 2006. The principal activities of the Company are the research and development, design, manufacture, and sales of radio communications components and their system equipment and computer hardware and peripheral components as well as the manufacture and packaging of integrated circuits.

2. Approval date and procedures of the parent-company-only financial statements:

The parent-company-only financial statements were authorized for issue by the Board of Directors on March 22, 2023.

3. New standards, amendments and interpretations adopted:

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

The Company has initially adopted the following new amendments, which do not have a significant impact on its parent-company-only 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"

(2) 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 parent-company-only 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"

(3) 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 parent-company-only 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 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 applied in the preparation of these parent-company-only financial statements are summarized as follows. Except for those described individually, the following accounting policies were applied consistently throughout the periods presented in the parent-company-only financial statements.

(1) Statement of compliance

The parent-company-only 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).

(2) Basis of preparation

A. Basis of measurement

Except for the following significant accounts, the parent-company-only financial statements have been prepared on a historical cost basis:

(a) Financial assets at fair value through profit or loss (FVTPL) are measured at fair value;

(b) Financial assets at fair value through other comprehensive income (FVOCI) are measured at fair value; and,

(c) The net defined benefit liabilities are measured as the fair value of the plan assets, less, the present value of the defined benefit obligation.

B. Functional and presentation currency

The functional currency of the Company is determined based on the primary economic environment in which the entity operates. The parent-company-only financial statements are presented in New Taiwan Dollars (NTD), which is the Company's functional currency. Unless otherwise noted, all financial information presented in NTD has been rounded to the nearest thousand.

(3) Foreign currencies

A. Foreign currency transactions

Transactions in foreign currencies are translated into the functional currencies at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period (hereinafter referred to as the reporting date), monetary items denominated in foreign currencies are retranslated 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.

Foreign currency differences arising from retranslation are recognized in profit or loss except for the following differences in equity instruments at FVOCI, which are recognized in other comprehensive income:

(a) an investment in equity securities designated as at fair value through other comprehensive income; or

(b) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective.

B. 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 to the NTD at the average exchange rate for the period. 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 only part of its 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.

(4) 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.

A. It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

B. It is held primarily for the purpose of trading;

C. It is expected to be realized within twelve months after the reporting period; or

D. 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.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current:

A. It is expected to be settled in the normal operating cycle;

B. It is held primarily for the purpose of trading;

C. It is due to be settled within twelve months after the reporting period; or

D. It 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.

(5) 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.

(6) Financial instruments

Accounts receivables and debt securities issued 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 an accounts receivable without a significant financing component) or financial liability is initially measured at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A accounts receivable without a significant financing component is initially measured at the transaction price.

A. 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; Fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company 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.

(a) 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.

(b) Fair assets measured at 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 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.

(c) Financial assets measured at FVTPL

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including financial derivatives. 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.

(d) 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, assets at amortized costs, notes and accounts receivable, other receivables, guarantee deposits paid and other financial assets) and contract assets.

The Company measures loss allowances at an amount equal to lifetime ECL, 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 accounts receivable and contract asset are always measured at an amount equal to lifetime ECL.

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.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when the financial asset is more than 270 days past due or the borrower is unlikely to pay its credit obligations to the Company in full.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of investment grade which is considered to be BBB- or higher per Standard & Poor's, Baa3 or higher per Moody's or twA or higher per Taiwan Ratings.

Lifetime 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.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls. 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.

At each reporting date, the Company assesses whether financial assets carried at amortized cost is credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as customer credit conditions default or overdue for more than the grace period for each category;

- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

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.

(e) 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.

B. Financial liabilities and equity instruments

(a) 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.

(b) Equity transaction

Equity instruments refer to surplus equities of the assets after the deduction of all the debts for any contracts. Equity instruments issued are recognized as the amount of consideration received less the direct cost of issuing.

(c) 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.

(d) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations has been discharged or cancelled, or has 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 is recognized in profit or loss.

(e) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is 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.

C. Derivative financial instruments

The Company holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

(7) Inventories

Inventories are measured at the lower of cost or net realizable value. The cost of inventories is calculated using the 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 process, the cost includes an appropriate share of direct labors and 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.

(8) 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 parent-company-only financial statements include the Company's share of the profit or loss and other comprehensive income of, 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 proportionate share.

Gains and 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 equal 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 (or retained earnings) 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) (or retained earnings) 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.

If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Company continues to apply the equity method without remeasuring the retained interest.

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. 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 shall 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.

(9) Investment in subsidiaries

The Company's subsidiaries are accounted for using the equity method when preparing their parent-company-only financial statements. Under the equity method, profit, other comprehensive income and equity in the parent-company-only financial statements are equivalent to those of the profit, other comprehensive income and equity which are contributed to the owners of the parent in the consolidated financial statements.

The changes in the Company's interest in its subsidiaries that do not result in a loss of control are accounted as equity transactions.

(10) Joint Arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. The IFRS classifies joint arrangements into two types — joint operations and joint ventures, which have the following characteristics: (a) the parties are bound by a contractual arrangement; and (b) the contractual arrangement gives two or more of those parties joint control of the arrangement. IFRS 11 "Joint Arrangements" defines joint control as the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (ie activities that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control.

A joint venture is a joint arrangement whereby the Company has joint control of the arrangement (i.e. joint venturers) in which the Company has rights to the net assets of the arrangement , rather than rights to its assets and obligations for its liabilities. The Company recognizes its interest in a joint venture as an investment and accounts for that investment using the equity method in accordance with IAS 28 "Investments in Associates and Joint Ventures", unless the Company qualifies for exemption from that Standard. Please refer to note 4(8) for the application of the equity method.

When assessing the classification of a joint arrangement, the Company considers the structure and legal form of the arrangement, the terms in the contractual arrangement, and other facts and circumstances. When the facts and circumstances change, the Company reevaluates whether the classification of the joint arrangement has changed.

(11) Investment property

Investment property is property held either to earn rental income or for capital appreciation, or for both, but not for use in the normal operating activities. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(12) Property, plant and equipment

A. 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.

B. 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.

C. 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 of property, plant and equipment for current and comparative periods are as follows:

(a) Buildings: 5 to 48 years

(b) Machinery and equipment: 2 to 5 years

(c) Office equipment: 5 to 10 years

(d) Leasehold improvements: 2 to 10 years

(e) Other equipment assets: 15 years

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

(13) Lessee

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.

A. As a lessee

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:

(a) fixed payments, including in-substance fixed payments;

(b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

(c) amounts expected to be payable under a residual value guarantee; and

(d) 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:

(a) there is a change in future lease payments arising from the change in an index or rate; or (b) there is a change in the Company’ s estimate of the amount expected to be payable under a residual value guarantee; or

(c) 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

(d) there is a change of its assessment on whether it will exercise an extension or termination option; or

(e) there are 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 balance sheet.

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

B. As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

(14) Intangible assets

A. Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

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.

Other intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

B. Subsequent expenditure

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.

C. Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets of 1 to 3 years, other than goodwill, from the date that they are available for use.

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

(15) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories, contract assets 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.

(16) Provisions

A provision is recognized if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

A provision for warranties is recognized when the underlying products or services are sold, based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

(17) Revenue recognition

After the Company identifies the performance obligations in the customer contract, the Company shares the transaction price among the performance obligations and recognizes revenue when the performance obligations are satisfied.

The transaction price is not adjusted for the material financial components of contracts which the period between goods or services are transferred and the consideration received is within one year.

Sales revenue

Merchandise sales revenue is arising from sales of wired and wireless communication, computer hardware and peripheral components. As the goods are shipped out, the customer has the right to set the price and application of the goods and has the primary responsibility for reselling goods, as well as the risk of their obsolescence, recognizes revenue and accounts receivable at that point.

The control of ownership of processed products is not transferred at the time of material is sent for processing, so that revenue is not recognized at the time when material is sent to vendor for processing.

(18) Government grants

The Company recognizes an unconditional government grant related to research and training in profit or loss as other income when the grant becomes receivable. Grants that compensate the Group for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

(19) Employee benefits

A. Defined contribution plans

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

B. Defined benefit plans

The Company' s net obligation in respect of defined benefit plans is calculated separately for each 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 Company 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.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

C. 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.

(20) Share-based payment arrangements

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions, and there is no true up for differences between expected and actual outcomes.

The grant date of a share-based payment is the date which the board of directors authorized the price and number of a share based payments.

(21) Income tax

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 below:

A. 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;

B. 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

C. 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 reverse, 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:

A. The Company has a legal enforceable right to setoff current tax assets against current tax liabilities and

B. The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

   (a) the same taxable entity; or

   (b) different taxable entity which intends 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.

(22) Earnings per share

The Company discloses basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to the ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding. Diluted earnings per share is 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, such as employee remuneration through the issuance of shares and unvested restricted stock awards.

(23) Operating segments

The Company has disclosed its operating segment information in the consolidated financial statements; hence, it need not to be disclosed in the parent-company-only financial statements.

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

The preparation of the parent-company-only financial statements in conformity with the Regulations requires management to make 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 following period.

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

(1) Write-down of inventories

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The estimation is based on historical sales and current market conditions, the changes in market conditions may impose significant influence on such estimation. Please refer to note 6(3) for details.

(2) The Impairment of investment in associates

When there is evidence of impairment that the investment in the related enterprise may have been impaired and the carrying amount may not be recoverable, then the Company assesses the impairment of the investment. The management of the Company assesses the impairment based on the forecast of the future cash flow of the associates, including the assumptions of the sales growth rate, gross profit margin and expense rate estimated by the internal management of the associates. The Company also considers the relevant market and industry profiles to determine the reasonableness of its relevant assumptions.

The Company’s accounting policies include measuring 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.

Investment property is regularly evaluated by the company's accounting department in accordance with the evaluation methods and parameter assumptions announced by the Financial Supervisory Commission or by external appraisers.

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:

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

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

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

6. Explanation of significant accounts:

(1) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand and petty cash	$ 199	247
Demand deposits and check deposits	458,824	381,269
	$ 459,023	**381,516**

Please refer to note 6(20) for the interest rate risk of the financial assets and liabilities of the Company.

(2) Financial assets and liabilities

A. Financial assets and liabilities at fair value through profit or loss:

	December 31, 2022	December 31, 2021
Financial assets mandatorily measured at fair value through profit or loss－non-current:		
Contingent consideration (note6(4))	**$ 11,977**	**30,328**
Financial liabilities hold for trading:		
Forward exchange contracts	$ -	744
Put option on common stock of RFMi (note6(4))	-	44,226
Put option on common stock of Sawnics (note6(4))	59,860	9,899
	$ 59,860	**54,869**
Current	$ 59,860	44,970
Non-current	-	9,899
	$ 59,860	**54,869**

The Company settled the relevant forward foreign exchange transactions for the year ended December 31, 2022.

The Company uses derivative financial instruments to hedge certain currency risk arising from its operating activities. The derivative financial instrument at fair value through profit or loss and financial liabilities held for trading as the Company did not apply hedge accounting on December 31,2021 were as follows:

	December 31, 2021			
	Amount (in thousands)		Currency	Maturity date
Forward exchange sold	USD	2,250	USD to JPY	January 5, March 8, 2022

The company has settled the relevant forward foreign exchange transactions for the year 2022.

B. Financial assets at fair value through other comprehensive income:

	December 31, 2022	December 31, 2021
Equity investments at fair value through other comprehensive income:		
Listed common stocks		
Domestic Company –Crystalwise Technology Inc.	$ 1,414	7,791
Domestic Company –Mercury Electronic Ind Co., Ltd	34,140	39,240
Unlisted common stocks		
Domestic Company –Jingyue Microwave IC MFG. Co., Ltd.	619	619
Listed common stocks		
U.S.A. Company –Akoustis Technologies Inc. (hereinafter referred to as Akoustis)	59,113	48,543
	$ 95,286	**96,193**

The Company has invested in the ordinary shares of the above entity for medium to long term strategic purposes and expects to generate profit from the long term investment. The management of the Company considers that the inclusion of fluctuations in short-term fair value of such investments in profit or loss is inconsistent with the long-term investment plan described above and has therefore chosen to designate such investments as financial assets at fair value through other comprehensive income.

In March, April and August 2021, the Company made disposal of equity interests of Taitien Electronics Co., Ltd. measured at fair value through other comprehensive income at $1,440, $3,895 and $20,288, respectively. The accumulated gain on disposals amounted to $16,324, which have been transferred from other equity interest to retained earnings.

C. Financial assets measured at amortized cost— current

	December 31, 2022	December 31, 2021
Time deposits (over three months)	**$ 220,163**	**10,810**

The Company has assessed that these financial assets are held-to-maturity to collect contractual cash flows, which consist solely of payments of principal and interest on principal amount outstanding. Therefore, these investments were classified as financial assets measured at amortized cost.

The Company held financial asset with the annual interest rates of 1.85%~5.00% and 0.16% that have passed initial expiry date for over 3 months in the years ended December 31, 2022 and 2021, respectively.

Please refer to note 6(20) for credit risk.

D. Notes receivable and accounts receivable (including related parties):

	December 31, 2022	December 31, 2021
Notes receivable	$ 5,042	19,333
Accounts receivable	347,308	500,075
Accounts receivable－related parties	104,307	138,695
	456,657	658,103
Less: Loss allowance	(11,716)	(13,271)
	$ 444,941	**644,832**

The payment terms granted to customers are generally 90 days for sales of goods. The Company has adopted a policy of trading only with reputable parties and uses other publicly available financial information and historical transaction records to evaluate its sales customers. The Company continuously monitors credit risk and credit ratings of the counterparty, and distributes the total amount of the transaction to eligible customers of each credit rating. Credit risk exposure is controlled through the credit limit of the counterparty that is reviewed and approved annually by the Management Committee in charge. Additionally, on the reporting date, the Company reviews the recoverability of its receivables to ensure the uncollectible amount are recognized appropriately as impairment loss. Therefore, the executives evaluate the Company's credit risk to be limited.

The Company measures loss allowance for notes and accounts receivable (including related party) using the simplified approach under IFRS 9 with the lifetime expected credit losses. The expected credit loss for the lifetime is calculated using a provision matrix, which takes into account of the customer’ s previous default history, current financial status and industrial economic trends. As historical experiences of credit losses of the Company shows that there is no significant difference in loss patterns between different customer groups, the provision matrix does not further differentiate among customer groups and only sets the expected credit loss rate based on the number of days of overdue accounts receivable.

If there is evidence that the counterparty faces serious financial difficulties and the Company cannot reasonably expect to recover the debt, such as the counterparty is in liquidation or the debt has been more than 180 days past dues, the Company will directly offset the relevant receivables, but will continue to pursue the debts collection. Amounts recovered as a result of debt collection are recognized in profit or loss.

The loss allowance provisions in Taiwan were determined as follows:

	December 31, 2022		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 418,067	0.03%	116
1 to 30 days past due	24,988	0.41%	103
31 to 60 days past due	2,109	2.88%	61
61 to 90 days past due	28	14.55%	4
91 to 120 days past due	45	26.08%	12
More than 180 days past due	11,420	100.00%	11,420
	$ 456,657		**11,716**

	December 31, 2021		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 597,917	0.05%	318
1 to 30 days past due	32,451	1.19%	386
31 to 60 days past due	15,081	5.56%	839
61 to 90 days past due	1,062	14.46%	154
91 to 120 days past due	6	34.58%	2
121 to 180 days past due	27	47.63%	13
More than 180 days past due	11,559	100.00%	11,559
	$ 658,103		**13,271**

The movements in the allowance for notes and accounts receivables (including related parties) were as follows:

	2022	2021
Balance at January 1	$ 13,271	4,748
Impairment loss (reversed) recognized	(1,555)	8,523
Balance at December 31	**$ 11,716**	**13,271**

As of December 31, 2022 and 2021, the financial assets and liabilities were not pledged as collateral.

(3) Inventories

	December 31, 2022	December 31, 2021
Raw materials	$ 141,235	152,013
Work in progress and semi-finished good	66,088	85,595
Finished goods	85,608	104,541
Merchandises	38,871	54,551
	$ 331,802	**396,700**

The details of operating costs were as follows:

	2022	2021
Cost of goods sold	$ 1,691,355	1,994,541
Write-down of inventories (Reversal of write-downs)	56,300	(9,336)
	$ 1,747,655	**1,985,205**

As of December 31, 2022 and 2021, the inventories were not pledged as collateral.

(4) Investments accounted for using equity method

A summary of the Company’s financial information for investments accounted for using the equity method at the reporting date is as follows:

	December 31, 2022	December 31, 2021
Subsidiaries	$ 858,314	669,741
Associates	-	261,753
Joint ventures	139,272	170,757
	$ 997,586	**1,102,251**

A. Subsidiaries

Please refer to the 2022 and 2021 consolidated financial statements for information on subsidiary disclosure.

B. Acquisition of subsidiaries - Cirocomm Technology Corp. and its subsidiaries

On January 29, 2021, the Company invested the amount of $24,446 in Cirocomm to acquire 14% of its ownership,causing the Company’s shareholding increase from 39.67% to 53.67%, and obtained control over Cirocomm. Therefore, Cirocomm and its subsidiaries have been included in the Company’s consolidated entity. The previously held non-controlling interests investment is remeasured at fair value, the entire difference amounting to $3,166 is calculated into current profit.

Cirocomm and its subsidiaries are engaged in designing, manufacturing and sale of dielectric ceramic filter and antenna. The Company’s acquisition of Cirocomm is expected to expand the market share of the Company in the relevant areas.

If the acquisition had occurred on January 1, 2021, management estimates that parent-company-only revenue would have been $2,951,517 and profit after income tax would have been $219,934. In determining these amounts, the management has assumed that the fair value adjustments, determined provisionally, that arose on the acquisition date would have been the same if the acquisition had occurred on January 1, 2021.

(a) The following table summarizes the acquisition date fair value of major class of consideration transferred.

	Amount
Long-term equity investments－measured at fair value	$ 54,667
Cash	24,446
Total	**$ 79,113**

(b) The following table summarizes the recognized amounts of assets acquired and liabilities assumed at the acquisition date.

	Amount
Cash and cash equivalents	$ 61,719
Other current assets	107,019
Property, plant and equipment	176,002
Intangible assets	7,011
Other non-current assets	34,218
Short-term borrowings	(100,000)
Long-term borrowings (Including current potion)	(59,756)
Other current liabilities	(61,288)
Other non-current liabilities	(9,109)
Total identifiable net assets acquired	**$ 155,816**

(c) Gain on a bargain purchase due to acquisition is as follows:

	Amount
Consideration transferred	$ 79,113
Add: Non-controlling interest in the acquiree	63,861
Less: Fair value of identifiable net assets	(155,816)
Gain on bargain purchase	**$ (12,842)**

The fair value of the non-controlling interest of Cirocomm amounting to $63,861 is based on the 14% equity purchase price as of the base day for valuation. The fair value measurement was based on the significant unobservable inputs in the market and categorized as a Level 3 fair value under IFRS 13. The key assumption is that market participants will consider adjustments due to lack of discount on control when measuring the fair value of the non-controlling interest of Cirocomm.

The Company's previously held 39.67% ownership of Cirocomm is remeasured to fair value at the acquisition date, and recognized as loss on disposal of investment amounting to $11,431. Please refer to note 6(19).

(d) Acquisition of ownership interests in subsidiaries

The Company acquired 1,682 thousand ordinary shares of Cirocomm in June 2021 for cash amounting to $5,046, increasing the shareholding from 51.00% to 56.76%.

The following table summarizes the effect on the equity attributable to the shareholders of the Company arising from above mentioned changes in ownership interests in Cirocomm:

		Amount
Carrying amount of non-controlling interests acquired	$	7,768
Consideration paid to non-controlling interest		(5,046)
Capital surplus-difference between the consideration and the carrying	**$**	**2,722**

The Company acquired 3,966 thousand ordinary shares of Cirocomm in September 2022 for cash capital increase amounting to $39,664, increasing the shareholding from 56.76% to 65.49%.

The effect of the increase or decrease in the adjusted capital reserve of the Company as a result of the change in the shareholding ratio as a result of the non-subscription of the Company in proportion to its shareholding is as follows:

		Amount
Carrying amount of purchases	$	38,482
Consideration paid		(39,664)
Capital surplus—The effect of not subscribing to the new shares of subsidiary in proportion to the shareholding	**$**	**(1,182)**

(e) Disposals of subsidiaries' equity did not result in the Company's loss of control

The Company disposed of 778 thousand shares of Cirocomm in cash of $4,652 in February 2021, but did not resulting in loss of control, the shareholding decreased from 53.67% to 51.00%.

The following table summarizes the effect on the equity attributable to the shareholders of the Company arising from above mentioned changes in ownership interests in Cirocomm:

		Amount
Carrying amount of proceeds from disposal of subsidiaries' s equity	$	(4,432)
Consideration received		4,652
Capital surplus difference between the consideration and the carrying amount of subsidiaries' share acquired	**$**	**220**

C. Loss control of subsidiaries

The Company disposed of 51% of equity interest in RFMi and lost control of it on October 15, 2021. The disposal price amounting to $238,255 (US$6,000 thousand in cash and US$2,500 thousand in the common shares of Akoustis); the sale contract between the Company and Akoustis on equity interests included a contingent consideration agreement. If RFMi's annual revenue for the years ended December 31, 2022 and 2023 exceeds the revenue standard set out in the contract, the Company will be able to charge Akoustis an additional US$1,500 thousand, respectively. Accordingly, the Company calculated the fair value of the above contingent consideration agreement based on evaluation report on the base day as $11,977 (Accounted for as non-current financial assets at fair value through profit or loss. Please refer to note 6(b)). The gain on disposal amounting to $442,967 in the above transaction includes the unrealized gain on valuation of $215,049 arising from the residual equity interest of 49% in RFMi being repurchased by the Company at the fair value of $259,275 deemed to be disposed of on October 15, 2021. The above gain on disposal is recognized under "Other gains and losses" of statement of comprehensive income.

In addition, the above-mentioned equity trading contract includes a put option; which outline that prior to June 30, 2022, Akoustis was able to decide whether to acquire the remaining 49% of equity interest in RFMi from the Company at US$7,500 thousand (US$3,500 thousand in cash and US$4,000 thousand in Akoustis ordinary shares).Akoustis has been exercised such right on April 29, 2022, please refer to following section for details.

The carrying amount of assets and liabilities of RFMi on October 15, 2021 were as follow:

	Amount
Cash and cash equivalents	$ 53,860
Decrease in short-term loans	27,559
Other current assets	3,496
Non-current assets	2,912
Current liabilities	(47,161)
Carrying amount of the net assets	**$ 40,666**

D. Associates

	Main Businesses and Products	Main operating location/ Country registered in	December 31, 2022 Amount	December 31, 2022 Percentage of ownership %	December 31, 2021 Amount	December 31, 2021 Percentage of ownership %
Taiwan crystal superior technology	Electronic components manufacturing	Taiwan	-	30.00	-	30.00
RFM Integrated Device Inc. (RFMi) (Note)	Electronic components manufacturing	USA	-	-	261,753	49.00
			$ -		**261,753**	

Note: The Company disposed of 51% equity interest in RFMi, a subsidiary of the Company, to Akoustis on October 15, 2021, thus losing control of the subsidiary. Akoustis exercised its call option on April 29, 2022 and acquired the remaining 49% of equity interest in RFMi from the Company at the contracted price. The disposal price was $221,063 (including cash of $103,163 and the common share option of Akoustis amounting to $117,900), and the gain on disposal amounted to $4,730.

(a) Cirocomm Technology Corp.

The following parent-company-only financial information of significant associates has been adjusted according to individually prepared IFRS financial statements of these associates:

	January 1, 2021~ January 29, 2021
Operating revenue	$ 20,912
Net losses	(9,906)
Other comprehensive income	(7)
	$ (9,913)
Comprehensive income (loss) attributable to non-controlling interests	**$ (5,980)**
Comprehensive income (loss) attributable to the Company	**$ (3,933)**
Share of net assets of associates as of January 1	$ 66,342
Comprehensive income (loss) attributable to the Company	(3,933)
Share of net assets of associates as of December 31	62,409
Add: goodwill	3,689
Transfer to consolidated entity	(66,098)
	$ -

(b) RFMi

The following parent-company-only financial information of significant associates has been adjusted according to individually prepared IFRS financial statements of these associates:

	April 29, 2022	**December 31, 2021**
Current assets	$ 111,216	80,621
Non-current assets	2,882	2,958
Current liabilities	(58,271)	(38,886)
Net assets	**$ 55,827**	**44,693**
Net assets attributable to non-controlling interests	**$ 30,433**	**22,793**
Net assets attributable to the company	**$ 25,394**	**21,900**

	January 1, 2022~ April 29, 2022	October 15, 2021~ December 31, 2021
Operating revenue	$ 70,414	44,877
Net Income	7,906	4,587
Other comprehensive income	$ 3,228	(568)
	$ 11,134	**4,019**
Comprehensive income (loss) attributable to non-controlling interests	**$ 5,678**	**2,050**
Comprehensive income (loss) attributable to the Company	**$ 5,456**	**1,969**
Share of net assets of associates as of January 1	$ 21,899	40,666
Decrease in the period	(260,312)	(20,168)
Other comprehensive income	-	(568)
Comprehensive income (loss) attributable to the Company	5,518	1,969
Share of net assets of associates as of December 31	(232,895)	21,899
Add: Intangible assets (note 1)	114,074	121,033
Add: Goodwill	74,595	74,595
Add: Other adjustments (note 2)	44,226	44,226
	$ -	**261,753**

Note 1: Intangible assets consist mainly of developed technology and customer relationships.

Note 2: The sale agreement for the equity interest in RFMi entered into between the Company and Akoustis in October 2021 included a put option (the put option was valued at $44,226 under the option pricing model as of December 31, 2021) that Akoustis may decide before June 30, 2022 whether to acquire the remaining 49% equity interest in RFMi from the Company at US$7,500 thousand (US$3,500 thousand in cash and common shares of Akoustis value at US$4,000). Akoustis exercised its call option on April 29, 2022, as explained in the preceding paragraph.

(c)Taiwan crystal superior technology Co., Ltd.

The Company's financial information for investments accounted for using the equity method that are individually insignificant was as follows:

		2021
Attributable to the Company:		
Net losses	$	(878)
Other comprehensive income		(48)
	$	**(926)**

In December 2021, Taiwan crystal superior technology Co., Ltd. engaged in capital reduction to offset accumulated deficits, and the Company reduced its capital by 450,000 ordinary shares in an amount of $4,500 in proportion to its shareholding.

Due to the fact that the Company does not have the obligation of assuming the excess losses, it ceased the recognition of the losses from the investment of Taiwan Crystal Superior Technology Co., Ltd.. For the years ended December 31, 2022 and 2021, the unrecognized investment losses amounted to $3,102 and $583, respectively. As of December 31, 2022 and 2021, the accumulated unrecognized losses are amounted to $3,685, and $583, respectively.

E. Joint ventures

The following table summarizes the financial information of Sawnics Inc as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarized financial information to the carrying amount of the Company's interest in Sawnics Inc.

		December 31, 2022	December 31, 2021
Percentage ownership interest		**23.57%**	**24.54%**
Current assets	$	375,722	441,292
Non-current assets		532,223	472,128
Current liabilities		(132,555)	(115,343)
Non-current liabilities		(208,321)	(175,954)
Net assets	**$**	**567,069**	**622,123**
Company's share of net assets	$	133,658	144,209
Elimination of unrealized profit on downstream sales		(1,131)	(3,236)
Intangible assets		6,745	10,321
Other adjustments		-	19,463
Carrying amount of interest in joint venture	**$**	**139,272**	**170,757**

	2022	2021
Operating revenue	$ 369,049	542,826
Net losses	(69,865)	(63,607)
Other comprehensive income	-	-
	$ (69,865)	**(63,607)**
Comprehensive income (loss) attributable to non-controlling interests	**$ (38,034)**	**(43,565)**
Comprehensive income (loss) attributable to the Company	**$ (31,831)**	**(20,042)**

In January 2016, the Company entered into a contract with Dr. Yang, chief executive officer of Sawnics Inc. for the issuance of put option. The contract outlines that it shall purchase 122,222 shares at $7,800 won per share from the Company within 3 years of the profit-making years or within 5 years after the company's shares are listed. In addition, in July 2018, the Company entered into a contract with Dr. Yang, chief executive officer of Sawnics Inc. for the issuance of put option. The contract outlines that it shall purchase 109,895 shares at $13,310 won per share,on top of compound annual interest rate of 2% (the contract signing date is the start date of compound interest rate, the compound interest period should last for 3 years at longest) from the Company within 3 years of the profit-making years or within 5 years after the company's shares are listed. Pursuant to the reorganization of the equity interest of Sawnics Inc., The Company paid Dr. Yang as consideration for the cancellation of the call and put options amounting to $2,433,320 thousand won (equivalent to $59,860) as approved by the Board of Directors on March 22, 2023. The amount also represents the fair value of the above equity trading rights as of December 31, 2022.

Sawnics Inc. processed a cash capital increase of preferred share in October 2021 and the Company did not participate in the subscription. The shareholding ratio decreased from 29.13% to 26.64%, In proportion to the reduction in shareholding, other comprehensive income recognized on an accumulated basis are transferred to losses on disposals of investments in the amount of $1,344. See note 6(19) to Consolidated financial statement for the year ended December 31, 2021 for details.

Sawnics Inc. processed a cash capital increase of preferred share in November 2021 and the Company did not participate in the subscription. The shareholding ratio decreased from 26.64% to 24.54%, In proportion to the reduction in shareholding, other comprehensive income recognized on an accumulated basis are transferred to losses on disposals of investments in the amount of $1,344. See note 6(19) to Consolidated financial statement for the year ended December 31, 2021 for details.

As of December 31, 2021, the Company's shareholding in Sawnics Inc. included 385 thousand convertible preference shares, each unit has one share of voting right.

The material rights, obligations and issues relating to the aforesaid preferred share are as follows:

(a) the preferred share has no maturity date. The issue price per share is 5,000 won and the dividend is set at an annual interest rate of 2%. If there are undistributed dividend or insufficient earnings for distribution, the earnings should not be accumulated to subsequent years when the entity has surplus for deferred distribution Preference share may participate in the distribution of earnings with ordinary shares in addition to collecting dividends.

(b) When Sawnics Inc., issue new shares with cash, the shareholders of preference shares and the shareholders of common shares will have the same priority in the new share option.

(c) the Company may, within two to four years from the date of issuance, demand that Sawnics Inc. to purchase the preference shares at the issue price per share plus interest at the interest rate of the three-year treasury bond multiplied by 150% during the period from the issue date to the actual redemption date.

(d) From the day following the annual general shareholders' meeting of Sawnics Inc.in 2015 to the date of the December 15, 2024, the Company has been able to convert each preference share into a common share of $5,000 won per share.

Sawnics Inc. made a preference share conversion in December 2022. The Company converted 385 thousand preference shares into 404 thousand common shares. The shareholding ratio decreased from 24.54% to 23.57%, other comprehensive income recognized on an accumulated basis were transferred to investment losses in the amount of $549 in proportion to the decreases in shareholding.

F. Collateral

As of December 31, 2022 and 2021, the investments accounted for using equity method were not pledged as collateral.

(5) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Company for the years ended December 31, 2022 and 2021, were as follows:

	Land	Buildings and construction	Machinery equipment	Office equipment	Leasehold improvements	Other equipment	Construction in progress and inspection equipment	Total
Cost:								
Balance on January 1, 2022	$ 62,031	273,963	1,613,446	17,186	44,141	141,535	76,092	2,228,394
Additions	-	6,921	20,076	2,080	845	11,609	11,251	52,782
Disposal	-	-	(1,248)	(75)	-	-	-	(1,323)
Reclassification	-	22,380	17,693	-	-	(532)	(49,907)	(10,366)
Balance on December 31, 2022	**$ 62,031**	**303,264**	**1,649,967**	**19,191**	**44,986**	**152,612**	**37,436**	**2,269,487**
Balance on January 1, 2021	$ 62,031	262,082	1,568,029	14,816	9,520	134,070	-	2,050,548
Additions	-	11,881	51,085	2,370	34,621	7,765	77,466	185,188
Disposal	-	-	(5,664)	-	-	-	-	(5,664)
Reclassification	-	-	(4)	-	-	(300)	(1,374)	(1,678)
Balance on December 31, 2021	**$ 62,031**	**273,963**	**1,613,446**	**17,186**	**44,141**	**141,535**	**76,092**	**2,228,394**

	Land	Buildings and construction	Machinery equipment	Office equipment	Leasehold improvements	Other equipment	Construction in progress and inspection equipment	Total
Depreciation:								
Balance on January 1, 2022	$ -	177,022	1,409,360	11,582	3,823	132,395	-	1,734,182
Depreciation	-	12,713	87,253	1,807	4,600	11,482	-	117,855
Disposal	-	-	(1,248)	(75)	-	-	-	(1,323)
Balance on December 31, 2022	**$ -**	**189,735**	**1,495,365**	**13,314**	**8,423**	**143,877**	**-**	**1,850,714**
Balance on January 1, 2021	$ -	165,390	1,327,483	9,903	84	121,732	-	1,624,592
Depreciation	-	11,632	87,541	1,679	3,739	10,725	-	115,316
Disposal	-	-	(5,664)	-	-	-	-	(5,664)
Reclassification	-	-	-	-	-	(62)	-	(62)
Balance on December 31, 2021	**$ -**	**177,022**	**1,409,360**	**11,582**	**3,823**	**132,395**	**-**	**1,734,182**
Carrying amounts:								
Balance on December 31, 2022	**$ 62,031**	**113,529**	**154,602**	**5,877**	**36,563**	**8,735**	**37,436**	**418,773**
Balance on January 1, 2021	**$ 62,031**	**96,692**	**240,546**	**4,913**	**9,436**	**12,338**	**-**	**425,956**
Balance on December 31, 2021	**$ 62,031**	**96,941**	**204,086**	**5,604**	**40,318**	**9,140**	**76,092**	**494,212**

As of December 31, 2022 and 2021, the property, plant and equipment of the Company had been pledged as collateral for borrowings; please refer to note 8.

(6) Right-of-use assets

The Company leases many assets including buildings and vehicles. Information about leases for which the Company is a lessee was presented below:

	Buildings	Transportation equipment	Total
Cost:			
Balance at January 1, 2022	$ 39,648	5,560	45,208
Additions	1,616	-	1,616
Disposal	(1,814)	-	(1,814)
Balance at December 31, 2022	**$ 39,450**	**5,560**	**45,010**
Balance at January 1, 2021	$ 39,661	5,560	45,221
Effects of Changes in Foreign Exchange Rates	(13)	-	(13)
Balance at December 31, 2021	**$ 39,648**	**5,560**	**45,208**
Accumulated depreciation:			
Balance at January 1, 2022	$ 10,517	2,007	12,524
Depreciation for the year	4,674	1,854	6,528
Disposal	(1,814)	-	(1,814)
Balance at December 31, 2022	**$ 13,377**	**3,861**	**17,238**
Balance at January 1, 2021	$ 5,826	154	5,980
Depreciation for the year	4,691	1,853	6,544
Balance at December 31, 2021	**$ 10,517**	**2,007**	**12,524**

	Buildings	Transportation equipment	Total
Carrying amount:			
Balance at December 31, 2022	**$ 26,073**	**1,699**	**27,772**
Balance at January 1, 2021	**$ 33,835**	**5,406**	**39,241**
Balance at December 31, 2021	**$ 29,131**	**3,553**	**32,684**

(7) Investment property

The cost and depreciation of the investment property of the Company were as follows:

	Land	Buildings	Total
Cost:			
Balance at December 31, 2022 (as well as January 1, 2022)	**$ 109,308**	**27,082**	**136,390**
Balance at January 1, 2021	$ -	-	-
Additions	109,308	27,082	136,390
Balance at December 31, 2021	**$ 109,308**	**27,082**	**136,390**
Accumulated depreciation:			
Balance at January 1, 2022	$ -	376	376
Depreciation for the year	-	753	753
Balance at December 31, 2022	**$ -**	**1,129**	**1,129**
Balance at January 1, 2021	$ -	-	-
Depreciation for the year	-	376	376
Balance at December 31, 2021	**$ -**	**376**	**376**
Carrying amount:			
Balance at December 31, 2022	**$ 109,308**	**25,953**	**135,261**
Balance at December 31, 2021	**$ 109,308**	**26,706**	**136,014**
Fair value:			
Balance at December 31, 2022			**$ 141,970**
Balance at December 31, 2021			**$ 136,185**

The fair value of investment properties (as measured or disclosed in the financial statements) was based on a valuation by a qualified independent appraiser who has recent valuation experience in the location and category of the investment property being valued. The valuation is based on the market value, and the appraisal dates of the aforementioned real estate appraisal reports are December 31, 2022 and January 20, 2021, respectively.

The Company acquired an office building located on Gongye S. Rd., Tainan City from a related party, Cirocomm, in January 2021 for the purpose of self-use or lease, and fully leased the property in July 2021. Please refer to Note 7 for details. The future rental income in non-cancellable lease term is as follows:

	December 31, 2022	December 31, 2021
Within a year	$ 2,580	2,160
One to five years	7,500	10,080
	$ 10,080	**12,240**

The rental income from investment properties in 2022 and 2021 were $2,160 and $1,080, respectively.

As of December 31, 2022 and 2021, the investment property of the Company had been pledged as collateral for borrowings; please refer to note 8.

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

	December 31, 2022	December 31, 2021
Overdue receivables	$ 5,018	5,018
Allowance for doubtful accounts	(5,018)	(5,018)
Prepayments for equipment	8,884	1,374
Refundable deposits	11,380	11,380
Other	1,868	1,338
Net amount	22,132	14,092
Less: Other current assets	(1,868)	(1,338)
Other non-current assets	**$ 20,264**	**12,754**

(9) Bank borrowings

A. Short-term borrowings

The detail of the short-term borrowings were as follows:

	December 31, 2022	December 31, 2021
Secured bank loans	$ 80,000	95,000
Unsecured bank loans	90,000	70,000
	$ 170,000	**165,000**
Unused short-term credit lines	**$ 289,200**	**165,000**
Range of interest rates	**1.6300%~ 2.1538%**	**0.9000%~ 1.0500%**

B. Long-term borrowings

The details of long-term borrowings were as follows:

	December 31, 2022	December 31, 2021
Secured bank loans	$ 153,119	208,874
Unsecured bank loans	28,000	50,400
	181,119	259,274
Less: current portion	(67,543)	(78,155)
Total	**$ 113,576**	**181,119**
Range of interest rates	**1.300%~ 2.125%**	**1.250%~ 1.360%**

(a) The secured bank borrowings are collateralized by our own land and buildings, are due to mature between 2024 and 2036.

(b) Please refer to note 6(20) for the disclosure of interest risk and liquidity risk.

(c) For the collateral for bank borrowing, please refer to note 8.

(10) Lease liabilities

The carrying amounts of lease liabilities were as follows:

	December 31, 2022	December 31, 2021
Current	**$ 6,191**	**6,239**
Non-current	**$ 23,018**	**27,727**

For the maturity analysis, please refer to note 6(20).

The amounts recognized in profit or loss was as follows:

	2022	2021
Interest on lease liabilities	**$ 375**	**448**
Expenses relating to short-term leases	**$ 1,338**	**773**

	2022	2021
Total cash outflow for leases	**$ 8,086**	**7,537**

A. Land and bulling lease

The Company leases land and buildings for its plant and office and the leases typically run for a period of 2 to 10 years. At the end of the term of the lease, the Company has preemption right of the land and buildings leased.

B. Other leases

The Company leases transportation equipment and machines, with lease terms of three years.

In addition, the Company has elected not to recognize the rightofuse assets and lease liabilities for other equipment, which qualify as short-term leases, which qualifies as short-term leases and low value asset leases.

(11) Other Payable

The other payable of the Company were as follows:

	December 31, 2022	December 31, 2021
Salaries and bonus payable	$ 51,694	54,078
Employee and director/supervisor remuneration payable	83,380	82,768
Labor and health insurance payable	4,954	4,587
Equipment payable	3,142	535
Consumables payable	13,642	12,108
Freight payable	1,105	1,721
Commission payable	14,226	10,866
Service fees payable	600	575
Others	20,831	33,404
	$ 193,574	**200,642**

(12) Employee benefits

A. Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value are as follows:

	December 31, 2022	December 31, 2021
Present value of the defined benefit obligations	$ 39,563	33,320
Fair value of plan assets	(28,838)	(26,763)
Net defined benefit liabilities	**$ 10,725**	**6,557**

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 based on years of service and average monthly salary for the six months prior to retirement.

(a) 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 $28,838 and $26,763 as of December 31, 2022 and 2021, respectively. 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.

The Company's pension reserve has reached the level of the current pension payable for employees and has been suspended by resolution of the Company's Pension Supervision Committee.

(b) Movements in present value of the defined benefit obligations

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

		2022		2021
Defined benefit obligations at January 1	$	33,320		30,748
Current service and interest costs		1,536		1,511
Remeasurements of the net defined benefit liabilities:				
—Actuarial loss (gain) arising from experience adjustments		8,426		1,356
—Actuarial loss (gain) arising from changes in financial assumptions		(3,522)		43
Benefits paid from plan assets		(197)		(338)
Defined benefit obligation as of December 31	**$**	**39,563**		**33,320**

(c) Movements in the fair value of the defined benefit plan assets

The movements in the fair value of the defined benefit plan assets of the Company for the years ended December 31, 2022 and 2021 were as follows:

		2022		2021
Fair value of plan assets as of January 1	$	26,763		26,623
Interest income		126		94
Remeasurements of the net defined benefit liabilities				
—Return on plan assets (excluding current interest)		2,146		384
Benefits paid from plan assets		(197)		(338)
Fair value of plan assets as of December 31	**$**	**28,838**		**26,763**

(d) Expenses recognized in profit or loss

The Company's expenses recognized in profit or losses for the years ended December 31, 2022 and 2021, were as follows:

	2022	2021
Net interest on the net defined benefit liabilities	$ 20	11
Current service costs	1,390	1,406
	$ 1,410	**1,417**

(e) Actuarial assumptions

The following were the Company's significant actuarial assumptions of the present value of the defined benefit obligation at the reporting date:

	December 31, 2022	December 31, 2021
Discount rate	1.287%-1.458%	0.338%-0.469%
Future salary increase rate	1.000%-2.000%	2.000%

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date for 2022 is $1,170.

The weighted-average lifetime of the defined benefits plans for the years ended December 31, 2022 is 4.61 to 10.77 years.

(f) Sensitivity analysis

When calculating the present value of defined benefit obligations, our company must use judgment and estimation to determine actuarial assumptions as of the balance sheet date, including discount rates and future salary changes. Any changes in actuarial assumptions may have a significant impact on the amount of defined benefit obligations recognized by our company.

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

	Impact on the defined benefit obligations	
	Increased 0.25%	Decreased 0.25%
December 31, 2022		
Discount rate	$ (856)	885
Future salary increasing rate	859	(835)
December 31, 2021		
Discount rate	$ (396)	799
Future salary increasing rate	770	(748)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation 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 is no change in the method and assumptions used in the preparation of sensitivity analysis for 2022 and 2021.

B. Defined contribution plans

In accordance with the provisions of the Labor Pension Act, the Company should contribute 6% of its employees' monthly wages to their labor pension personal accounts of the Bureau of Labor Insurance, Ministry of Labor (hereinafter referred to as the Bureau of Labor Insurance).

Under this defined contribution plan, the Company contributes a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligations.

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to $12,293 and $11,742 for the years ended December 31, 2022 and 2021, respectively.

(13) Income taxes

A. Income tax expense:

The components of income tax in the years 2022 and 2021 were as follows:

		2022		2021
Current income tax expense				
Current period	$	117,249		79,296
Additional surtax on undistributed retained earnings		15,724		-
Adjustment for prior periods		6,572		1,225
		139,545		80,521
Deferred tax (benefit) expense				
Origination and reversal of temporary differences		(56,596)		50,839
	$	**82,949**		**131,360**

The Company did not recognize any income tax expense directly in equity for the years ended 2022 and 2021.

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

	2022	2021
Remeasurements of the defined benefit plans	**$ 552**	**203**

Reconciliation of income tax and profit before tax for 2022 and 2021 is as follows:

	2022	2021
Income before income tax	**$ 407,866**	**669,157**
Income tax at the Company's domestic tax rate	$ 81,573	133,832
Non-deductible expenses and others	(32,876)	344
Change in unrecognized deductible temporary differences	15,038	1,738
The income tax impact of investment tax credits	(3,082)	(5,779)
Underestimated in the previous period	6,572	1,225
Additional surtax on undistributed retained earnings	15,724	-
Total	**$ 82,949**	**131,360**

B. Deferred tax assets and liabilities

(a) Unrecognized deferred tax asset

Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2022	December 31, 2021
Tax effect of deductible temporary differences	**$ 79,816**	**64,778**

(b) Recognized deferred tax assets and liabilities

Deferred tax assets:

	Allowance for doubtful accounts over the quota	Unrealized loss from inventory valuation	Unrealized gain or loss from disposal of fixed asset	Leave payment payable	Unrealized gain or loss from foreign exchange	Deficit deductions	Others	Total
Balance at January 1, 2022	$ 466	50,270	3,928	2,308	1,075	-	2,420	60,467
Recognized in profit or loss	92	11,260	(1,277)	(97)	2,000	-	1,504	13,482
Recognized in other comprehensive income	-	-	-	-	-	-	552	552
Balance at December 31, 2022	**$ 558**	**61,530**	**2,651**	**2,211**	**3,075**	**-**	**4,476**	**74,501**
Balance at January 1, 2021	$ 208	52,137	6,271	1,899	342	5,085	1,795	67,737
Recognized in profit or loss	258	(1,867)	(2,343)	409	733	(5,085)	422	(7,473)
Recognized in other comprehensive income	-	-	-	-	-	-	203	203
Balance at December 31, 2021	**$ 466**	**50,270**	**3,928**	**2,308**	**1,075**	**-**	**2,420**	**60,467**

Deferred tax liabilities:

	Unrealized financial asset at fair value through profit	Gains on disposal of investments	Total
Balance at January 1, 2022	$ (149)	(43,224)	(43,373)
Recognized in profit or loss	149	42,965	43,114
Balance at December 31, 2022	**$ -**	**(259)**	**(259)**
Balance at January 1, 2021	$ (7)	-	(7)
Recognized in profit or loss	(142)	(43,224)	(43,366)
Balance at December 31, 2021	**$ (149)**	**(43,224)**	**(43,373)**

C. The Company's tax returns have been examined by the tax authorities through 2020.

(14) Capital and other equity interest

A. Ordinary shares

	December 31, 2022	December 31, 2021
Number of shares (unit in thousand)	**150,000**	**150,000**
Share capital	**$ 1,500,000**	**1,500,000**
Number of shares issued and adequacy received (unit in thousand)	**104,044**	**102,868**
Issued shares	**$ 1,040,444**	**1,028,684**

	2022	2021
Balance on January 1	$ 1,028,684	1,036,024
Issued of employee restricted shares (Note 6(15))	12,000	-
Invalid Employee restricted shares	(240)	(1,690)
Retirement of treasury stock	-	(5,650)
Balance of December 31	**$ 1,040,444**	**1,028,684**

On August 29, 2017, the Company issue 6,000 thousand ordinary shares, with subscription price of $40.7 per share, under private placement of ordinary shares would be subject to section 43-8 requirements under the Securities and Exchange Act. The Company can only apply for these shares to be traded publicly after a three-year period has elapsed from the delivery date of the private placement securities, and after applying for a public offering with the Financial Supervisory Commission. The application of an aforementioned privately placed shares for public offering had been approved by the Competent Authorities. Therefore, the above public offering took effect on July 25, 2022.

The issued ordinary shares of $10 per share in issue, except for the provisions of note 6(15) relating to employee restrict new shares, each share shall have one voting right and the right to receive dividends.

B. Capital surplus

	December 31, 2022	December 31, 2021
May used to offset losses, distribute cash or transfer to share capital (a)		
Difference arising from subsidiary's share price and its carrying value	$ 516,113	567,067
Treasury stock transation	4,118	4,118
May used to offset losses (b)		
Difference arising from subsidiary's share price and its carrying value	13,554	13,554
Changes in equity of associates accounted for using equity method	151,860	157,333
Changes in equity of subsidiaries	16,526	17,708
Restricted stock awards	32,406	14,160
	$ 734,577	**773,940**

(a) Such capital surplus may be used to make up for loss or may be used to issue cash or transfer to capital of the Company if there was no loss, provided that the capital is transferred in proportion of the paid-in capital yearly.

(b) Such capital reserve represents the effect of equity transactions recognized due to changes in equity interests of associates and the adjustments to the capital reserve of subsidiaries accounted for under equity method by the Company, when the Company has not actually acquired or engaged in disposal of equity interests in subsidiaries and associates.

C. Retained earnings and dividend policy

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. Please refer to notes 6(18) for the Company's policies of remuneration of employees and directors according to the articles of incorporation.

At this stage, the Company has adopted a residual dividend policy and has properly allocated dividends according to the budget for future capital expenditure and funding demand, of which cash dividend is not less than 10% of the total dividend. However, such distribution of earnings may be made in cash or in stocks and adjusted by resolution of the general shareholders' meeting from the Company's actual profit and fund position for the appropriate year.

However, that this provision will not apply when the legal reserve has already reached the total capital of the company. Legal reserve used to offset accumulated deficits When the Company is not suffering from loss, the portion of the legal reserve which exceeds 25% of the total paid-in share capital may be distributed in cash in addition to allocate to the share capital.

In accordance with Ruling No.1010012865 issued by the FSC, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as 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 special earnings reserve (which does not qualify for earnings distribution) to account for cumulative changes to other shareholder's equity pertaining to prior periods. The Company's special reserve is recognized and reversed in accordance with the requirements of FSC Letter No.1010012865 and "Applicable FAQ on the recognition of Special reserves after the adoption of International Financial reporting standards (IFRSs)".

The Company's general shareholders meeting resolved loss off-setting proposal of 2020 on July 8, 2021.

Item	Amount
Unappropriated retained earnings after distribution of earnings from previous period	$ -
Less: remeasurement of defined benefit plans is recognized in retained earnings	1,727
Net losses for the year ended December 31, 2020	(69,405)
Deficit yet to be compensated at year end	(67,678)
Add: Legal reserve used to offset accumulated deficits	67,678
Unappropriated retained earnings after deficit is offset	**$ -**

In addition, the Company's general shareholders' meeting resolved on July 8, 2021 to issue cash from capital reserve of $20,607. The related information is available on the Market observation Post System website.

The appropriation of earnings for the years ended December 31, 2021 passed the resolution of general meeting of shareholders on June 9, 2022. The amounts of dividends distributed to owners were as follows:

	Earnings distribution	Amount per share
	2021	2021
Legal reserve	$ 53,780	-
Special reserve	20,451	-
Cash dividends paid	164,589	1.60

In addition, the Company's general shareholders' meeting resolved on July 8, 2021 to issue cash from capital reserve of $20,607. The related information is available on the Market observation Post System website.

The Company proposed an amendment to the earnings distribution for the year ended December 31, 2021 at the board of directors on June 16, 2022 to amend the legal reserve, which is amounted to $55,331 after amendment. The remaining amount are the same as aforesaid and will be resolved by general shareholders' meeting, which is to be held for year ended December 31, 2023.

On March 22, 2023, the Company's Board of Directors resolved to appropriate the 2022 earnings was as follows:

	Earnings distribution	Amount per share
	2022	2022
Legal reserve	$ 32,271	-
Special reserve	111,094	-
Cash dividends paid	208,089	2.00

The distribution of earnings for the year ended December 31, 2022 is pending for a resolution of the general shareholders' meeting to be held on June 1, 2023.

As of March 22, 2023, a resolution was approved during the board of directors for the distribution of cash dividends at $0.5 per share by capital surplus amounting to $52,022.

D. Other equity

	Exchange Differences on translation of Foreign financial statements	Unrealized gains(losses) from financial assets measured at fair value through other comprehensive income	Unearned compensation	Total
Balance at January 1, 2022	$ (78,457)	(23,244)	(6,347)	(108,048)
Exchange differences on foreign operations	21,868	-	-	21,868
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	(118,816)	-	(118,816)
Share-based payment compensation	-	-	(24,448)	(24,448)
Balance at December 31, 2022	**$ (56,589)**	**(142,060)**	**(30,795)**	**(229,444)**

	Exchange Differences on translation of Foreign financial statements	Unrealized gains(losses) from financial assets measured at fair value through other comprehensive income	Unearned compensa	Total
Balance at January 1, 2021	$ (61,552)	(19,695)	(21,922)	(103,169)
Exchange differences on foreign operations	(16,905)	-	-	(16,905)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	12,775	-	12,775
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	(16,324)	-	(16,324)
Share-based payment compensation	-	-	15,575	15,575
Balance at December 31, 2021	**$ (78,457)**	**(23,244)**	**(6,347)**	**(108,048)**

E. Treasury stock

	2021
Balance at January 1	565
Retirement of stock	(565)
Balance at December 31	-

In accordance with the requirements of Securities and Exchange Act, treasury shares held by the Company should not be pledged, and do not hold any shareholder rights such as distribution and voting rights.

(15) Share-based payments

A. the Company – employee restricted shares

The shareholders' meeting resolved on June 9, 2022 to issue shares amounting to $12,000 in total, and the employee subscription price is $0. These shares are restricted to full-time employees of the Company who conformed to certain requirements and November 3, 2022 is the grant date. 1,200 thousand of shares are actually issued and the fair value on the grant date was $25.50.

The restricted stock is kept by a trust, which is appointed by the Company, before the vesting condition is met. These shares shall not be sold, pledged, transferred, gifted, hypothecated or disposed of by any other means to third parties during the custody period. Holders of restricted stock awards are entitled to the same rights as the Company's existing ordinary shareholders except for the fact that restricted stock awards are held in trust and have vesting conditions. Also, the Company has the right to take back all unvested shares without compensation and to cancel all restricted stock awards issued to employees who fail to comply with the vesting condition.

The information of the Company's restricted employee new shares (in thousands) is as follows:

New restricted employee shares	2022 Unit: Thousand shares	2021 Unit: Thousand shares
Given at the beginning of the period and unvested	960	1,129
New restricted employee shares given up in current period	(24)	(169)
New restricted employee shares vested in current period	(661)	-
New restricted employee shares issued in current period	1,200	-
Given at the end of the period and unvested	**1,475**	**960**

For the years ended December 31, 2022 and 2021, some employees left the Company before they had acquired their rights, and the Company recovered and canceled 24 thousand and 169 thousand shares, respectively without compensation to their employees. The registration of the relevant changes has been completed.

For the years ended December 31, 2022 and 2021, the compensation cost recognized amounted to $5,558 and $11,392, respectively.

(16) Earnings per share

The calculation of basic earnings per share and diluted earnings per share was as follows:

	2022	2021
Basic earnings per share:		
Net income attributable to ordinary shareholders of the Company	**$ 324,917**	**537,797**
Weighted average number of shares outstanding during the year (in thousands of shares)	**102,332**	**101,908**
Basic earnings per share (NTD)	**$ 3.18**	**5.28**

	2022	2021
Diluted earnings per share:		
Net income attributable to ordinary shareholders of the Company (diluted)	**$ 324,917**	**537,797**
Weighted average number of shares outstanding during the year (in thousands of shares)	102,332	101,908
Effect of potential dilutive ordinary shares (in thousands of shares):		
Employee stock dividend	1,621	684
Issuance of restricted stock	883	612
Weighted-average number of ordinary shares outstanding (in thousands of shares) (diluted)	**104,836**	**103,204**
Diluted earnings per share (NTD)	**$ 3.10**	**5.21**

(17) Revenue from contracts with customers

A. Details of revenues

	2022	2021
Frequency components	$ 2,201,364	2,305,693
Others	165,213	281,677
	$ 2,366,577	**2,587,370**

B. Contract balances

	December 31, 2022	December 31, 2021	January 1, 2021
Contract liabilities－current			
Sale of goods	**$ 13,516**	**10,294**	**5,848**

For details on trade receivables and allowance for impairment, please refer to note 6(2).

The amount of revenue recognized for the years ended December 31, 2022 and 2021, which was included in the contract liability balance at the beginning of the period, was $7,706 and $2,968, respectively.

(18) Remuneration to employees and directors

In accordance with the articles of incorporation the Company should contribute no more than 8% and no less than 5% of the profit as employees' and directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The amount of remuneration of each director and supervisor and of compensation for employees entitled to receive the abovementioned employee compensation is approved by the Board of Directors. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

For the years ended December 31, 2022 and 2021, the Company estimated its employee remuneration amounting to $42,220 and $60,150, and directors' remuneration amounting to $13,920 and $22,560, respectively. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during 2022 and 2021. If there are any subsequent adjustments to the actual remuneration amounts approved by the Board of Directors, the adjustment will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year. Shares distributed to employees as employees remuneration are calculated based on the closing price of the Company's shares on the day before the approval by the Board of Directors.

Related information about the Company's remuneration to employees and directors would be available at the Market Observation Post System website.

(19) Non-operating income and expenses

A. Other gains and losses

	2022	2021
Rental income	$ 4,771	3,506
Grant income	5,487	844
Litigation compensation income	-	952
Consultancy services income	6,072	6,027
Dividend income	366	-
Net gains on disposal of property, plant and equipment	4,222	11,769
Gain recognized in bargain purchase transaction	-	12,842
Gains (losses) on disposals of investments using equity method	5,039	429,176
Net loss (gain) on assets or liabilities at fair value through profit or loss	(78,658)	(7,665)
Foreign exchange gains (losses), net	50,987	(10,068)
Others	2,224	3,533
	$ 510	**450,916**

B. Financial costs

	2022	2021
Interest expense of borrowings	$ 5,343	5,318
Interest expense of lease liability	375	448
	$ 5,718	**5,766**

(20) Financial instruments

A. Credit risk

A credit risk is the risk of having financial losses arising from counterparties failing to meet their required contract obligation. The credit risk of the Company is mainly due to receivables arising from operating activities and deposits held in banks and financial institutions. The maximum credit risk exposure is the same as the carrying amount of financial assets on the consolidated balance sheet.

To reduce credit risks, management appointed project team to continuously evaluates and controls the credit approvals, credit limit and other monitoring procedures to ensure any overdue receivables have taken necessary procedures. Additionally, on the reporting date, the Company reviews the recoverability of its receivables to ensure the uncollectible amount are recognized appropriately as impairment loss.

The credit risk is limited because the trading counterparty of current capital and derivative financial instruments is a financial institution with good credit.

The credit risk of the Company was mainly concentrated in the top ten largest customers of the Company. As of December 31, 2022 and 2021, the ratio of total accounts receivable from the above customers was 40.35% and 27.02% respectively. The credit concentration risk of the remaining accounts receivable was relatively insignificant.

B. Liquidity risk

The Company manages and maintains sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows. The Company's management supervises the banking facilities and ensures in compliance with the terms of the loan agreements.

The Company's current liabilities are due within one year and are not required to be repaid immediately. The statement of liquidity risk of long-term borrowings and lease liabilities are prepared on the basis of undiscounted cash flows (including principal and estimated interest) of the financial liabilities at the earliest date on which repayment may be required from the Company is as follows:

	Carrying amount	Contractual cash flows	Within 1 year	1~3 years	More than 3 years
December 31, 2022					
Non-derivative financial liabilities					
Short-term borrowings	$ 170,000	170,577	170,577	-	-
Notes and accounts payables (including related parties)	186,157	186,157	186,157	-	-
Lease liabilities (current and non-current)	29,209	30,287	6,506	8,781	15,000
Long-term borrowings (current and non-current)	181,119	188,698	69,497	63,883	55,318
Salary and bonus payable	51,694	51,694	51,694	-	-
Accrued remuneration of employees and directors	83,380	83,380	83,380	-	-
	$ 701,559	**710,793**	**567,811**	**72,664**	**70,318**

	Carrying amount	Contractual cash flows	Within 1 year	1~3 years	More than 3 years
December 31, 2021					
Non-derivative financial liabilities					
Short-term borrowings	$ 165,000	165,231	165,231	-	-
Notes and accounts payables (including related parties)	266,506	266,506	266,506	-	-
Lease liabilities (current and non-current)	33,966	35,399	6,610	9,709	19,080
Long-term borrowings (current and non-current)	259,274	269,740	75,334	113,800	80,606
Salary and bonus payable	54,078	54,078	54,078	-	-
Accrued remuneration of employees and directors	82,768	82,768	82,768	-	-
	$ 861,592	**873,722**	**650,527**	**123,509**	**99,686**

The Company does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

C. Currency risk

(a) Exposure to foreign currency risk

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

	December 31, 2022		
	Foreign currency	Exchange rate	NTD
Financial assets			
Monetary Items			
USD	$ 24,787	30.71	761,222
JPY	396,239	0.2324	92,086
GBP	6	37.09	232
CAD	528	22.67	16,976
CNY	5,997	4.4080	26,436
Financial assets at fair value through profit or loss			
USD	390	30.71	11,977
Financial assets at FVOCI			
USD	1,925	30.71	59,113
Investment accounted for equity method			
USD	17,758	30.71	545,363
KRW	5,661,463	0.0246	139,272

	December 31, 2022		
	Foreign currency	Exchange rate	NTD
Financial liabilities			
Monetary Items			
USD	3,693	30.71	113,398
JPY	77,967	0.2324	18,120
CNY	3,439	4.4080	15,158
KRW	5,527	0.0246	136
Financial liability at fair value through profit or loss			
USD	1,949	30.71	59,860

	December 31, 2021		
	Foreign currency	Exchange rate	NTD
Financial assets			
Monetary Items			
USD	$ 23,685	27.68	655,608
JPY	560,273	0.2405	134,746
GBP	6	37.3	233
CAD	525	21.62	11,357
CNY	18,836	4.3440	81,825
Financial assets at fair value through profit or loss			
USD	1,114	27.68	30,828
Financial assets at FVOCI			
USD	1,754	27.68	48,543
Investment accounted for equity method			
USD	28,309	27.68	783,593
KRW	7,266,255	0.0235	170,757
Financial liabilities			
Monetary Items			
USD	4,874	27.68	134,925
JPY	197,536	0.2405	47,507
CNY	9,118	4.3440	39,610
Financial liability at fair value through profit or loss			
USD	1,955	27.68	54,125

(b) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the foreign currency exchange gains and losses resulted from the translation of cash and cash equivalents, trade receivables, other receivables, trade payables and other payables which are denominated in foreign currencies. A strengthening (weakening) of 1% of the NTD against the CNY at December 31, 2022 and 2021, would have increased or decreased the profit before income tax by $7,501 and $6,616, respectively.

(c) Foreign exchange gains or losses on monetary items

Due to the variety of the functional currencies of the Company’ s entities, the Company’ s foreign Gains (losses) on monetary items amounted to $50,987 and $(10,068), for the year ended December 31, 2022 and 2021, respectively.

D. Interest rate risk

The Company is subject to fair value risk of interest rate changes as it holds time deposits at fixed interest rates. The Company is subject to cash flow risk of interest rate changes as it holds demand bank deposits and bank borrowings at floating rates.

The following sensitivity analysis is based on the exposure to the interest rate risk of nonderivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year.

If the interest rate had increased or decreased by 0.25%, the Company’ s net income would have increased or decreased by $245 and $137 for the year ended December 31, 2022 and 2021, respectively, with all other variable factors remaining constant.

E. Other price risk

If securities price had increased or decreased by 1%, the Company’ s net income would have increased or decreased by $967 for the year ended December 31, 2022, with all other variable factors remaining constant.

F. Fair value of financial instruments

(a) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss and financial assets at fair value through other comprehensive income is measured on a recurring basis. 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			
	Carrying Fair value amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Contingent consideration	**$ 11,977**	**-**	**-**	**11,977**	**11,977**
Financial assets at FVOCI					
Investments in equity instruments					
United State listed common stocks	$ 59,113	59,113	-	-	59,113
Domestic listed common stocks	1,414	250	1,164	-	1,414
Listed common stocks	34,140	-	-	34,140	34,140
Unlisted common stocks	619	-	-	619	619
	$ 95,286	**59,363**	**1,164**	**34,759**	**95,286**
Financial liabilities measured at fair value through profit or loss					
Derivative instruments					
Put option on common stock	**$ 59,860**	**-**	**-**	**59,860**	**59,860**

	December 31, 2021				
		Fair value			
	Carrying Fair value amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Contingent consideration	**$ 30,328**	**-**	**-**	**30,328**	**30,328**
Financial assets at FVOCI					
Investments in equity instruments					
United State listed common stocks	$ 48,543	48,543	-	-	48,543
Domestic listed common stocks	7,791	1,378	6,413	-	7,791
Listed common stocks	39,240	-	-	39,240	39,240
Unlisted common stocks	619	-	-	619	619
	$ 96,193	**49,921**	**6,413**	**39,859**	**96,193**

	December 31, 2021				
		Fair value			
	Carrying Fair value amount	Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value through profit or loss					
Derivative instruments					
Forward exchange contract	$ 744	-	744	-	744
Put option on common stock	44,226	-	-	44,226	44,226
Put option on common stock	9,899	-	-	9,899	9,899
	$ 54,869	**-**	**744**	**54,125**	**54,869**

As of December 31, 2022 and 2021, there has been no transfer at fair value level.

(b) Valuation techniques for financial instruments measured at fair value

The Company held its foreign listed US dollar corporate bonds and domestic listed company stocks, which are measured at fair value according to standard provisions and conditions; the fair value is measured using the quoted prices in an active market.

Except for the above financial instruments with an active market, the Company estimated the fair value of the remaining financial instruments by using the valuation techniques.

The valuation technique is used to arrive at their fair value, for which the market transaction prices of the similar companies and market conditions are considered.

(c) Transfer between level 1 and level 2: None.

(d) Reconciliation of level 3 fair values:

	Financial assets at fair value through profit and loss - derivatives	
	2022	2021
Balance at January 1	$ 30,328	-
Acquisition	-	30,328
Total gains and losses recognized in profit or loss	(18,351)	-
Balance at December 31	**$ 11,977**	**30,328**

	Financial assets at fair value through other comprehensive income equity instrument investment	
	2022	**2021**
Balance at January 1	$ 39,859	19,519
Total gains and losses recognized in other comprehensive income	(5,100)	20,340
Balance at December 31	**$ 34,759**	**39,859**

	Financial liabilities at fair value through profit and loss - derivatives	
	2022	**2021**
Balance at January 1	$ 54,125	6,285
Acquisition	-	44,226
Disposal	(44,226)	
Total gains and losses recognized in profit or loss	49,961	3,614
Balance at December 31	**$ 59,860**	**54,125**

(e) 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 their fair value include financial assets at FVOCI – equity investments.

The Company classified its equity investments without an active market as recurring level 3 fair values in the fair value hierarchy due to the use of significant unobservable inputs. The significant unobservable inputs of the equity investments without an active market are independent, therefore, there is no correlation between them.

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 at FVOCI－equity investments without an active market	Market approach	• Price-to-book ratios as of (December 31, 2022 and December 31, 2021 were 1.21 and 1.94, respectively.) • Liquidity discount as of (December 31, 2022 and December 31, 2021 were both 30.00%)	• The higher the price-to-book ratio, the higher the fair value. • The higher the liquidity discount, the lower the fair value.

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial liabilities measured at fair value through profit or loss –Contingent consideration	Discounted Cash Flow Method	• Risk-adjusted discount rate (December 31, 2022 and December 31, 2021 were 14.1% and 12.2%, respectively.)	• The higher the Risk-adjusted discount rate, the higher the fair value.

After using binomial option pricing model to measure subsequent financial liabilities, the Company acquired Sawnics Inc. and sold RFMi’ s equity related fair value put.

(21) Financial risk management

A. Overview

The Company have exposures to the following risks from its financial instruments:

(a) credit risk

(b) liquidity risk

(c) market risk

The following likewise discusses the Company’ s objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risk exposures, please refer to the respective notes in the accompanying parent-company-only financial statements.

B. risk management objective and strategy

Other than derivative financial instruments, the main financial instruments of the Company are cash and cash equivalents that are used to maintain a balance between continuity of funding and flexibility. The other financial assets and liabilities held by the Company, include accounts receivable and payable, which are generated from operating activities.

In accordance with a reviewed policy, the Company will not engage in derivative financial instruments for the purpose of speculation.

C. 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, and arises principally from the Company’ s cash and cash equivalents, receivables, beneficiary certificates－mutual funds, and investments.

The Company deposits its cash and cash equivalents in various creditworthy financial institutions. Beneficiary certificates that were issued by various creditworthy entities and financial institutions. As a result, the Company believes that there is no concentration of credit risk in cash and cash equivalents and beneficiary certificates.

The Company continuously evaluates the credit policy, which includes insurance limits and credit ratings of its customers. The Company performs a periodic evaluation on its uncollected accounts receivable. Before delivery it also needs to assess the creditworthy of the customers. For the years ended December 31, 2022 and 2021, the Company had no concentration of credit risk arising from sales transactions. The Company evaluates the collectability of accounts receivable and provides adequate reserves for bad debts, if necessary.

The Company hedges the risk through financial instruments, and primarily uses selected financial instruments and specific banks. For foreign exchange instruments, the Company mainly uses spot and forward exchange contracts, and if necessary, it uses other derivative financial instruments approved by the Board of Directors.

The Company's policy is to provide financial guarantees only to wholly owned subsidiaries. For related information about endorsement guarantee, please refer to notes 13.

D. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. There is no liquidity risk of being unable to raise capital to settle contract obligations since the Company have sufficient capital and working capital to fulfill the contract obligations.

E. Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices. Market risk comprises foreign currency risk, interest rate risk, and other price risk (such as risk related to equity instruments).

(a) Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Company's exposures to risk from changes in interest rate arise primarily from the Company's bank loans with variable interest rates.

(b) Foreign currency risk

Foreign currency risk is the risk that fluctuations in foreign currency exchange rates will adversely affect the future cash flow and fair value of financial instruments. The Company's exposure to the risk of changes in foreign currency exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a currency different from the Company's functional currency) and the Company's net investments in foreign subsidiaries.

To achieve foreign currency risk management, the Company hedges its forecast sales and purchases over the following three months. The Company also hedges certain trades without considering limits of time.

When the nature of a hedge is not an economic one, the period of the derivatives should correspond to the period of the hedged items according to the Company's policies to maximize hedge effectiveness.

The Company holds net foreign currency borrowings to hedge the fluctuation risk arises from the translation of USD, EUR and GBP due to foreign currency transactions.

(c) Other market price risks

The Company manages equity investments, both singly and as a whole, by diversification of investments and sets a limitation on the amount of equity securities. Information on equity securities transactions within the portfolio has to be provided to the top management of the Company regularly, and all buy and sell decisions should be reviewed and approved by the Board of Directors.

(22) Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios to support its business and maximize owner value.

The Company is in a technology and capital-intensive industry, and to fit in with its long-term scheme for stable and long-term growth, it is critical for the Company to undertake a conservative dividend policy. According to the Company's articles of incorporation, cash dividends should not be less than 10% of the sum of cash dividends and stock dividends.

There were no changes in the Company's approach to capital management during the year ended December 31, 2022.

The Company's debt-to-capital ratio at the reporting date was as follows:

	December 31, 2022	December 31, 2021
Total liabilities	$ 940,782	1,132,504
Less: cash and cash equivalents	(459,023)	(381,516)
Net debt	**$ 481,759**	**750,988**
Total equity	**$ 2,345,571**	**2,336,448**
Debt-to-capital ratio	**20.54%**	**32.14%**

The decrease in debt-to-capital ratio on December 31, 2022 was due to the decrease in long-term borrowings, which resulted in decrease in the Company's liabilities.

(23) Financing activities of non-cash transactions

The Company ‘s investing and financing activities which did not affect the current cash flow in the Years ended December 31, 2022 and 2021, were as follows:

	January 1, 2022	Cash flows	Acquisition of right-of-use assets	December 31, 2022
Short-term borrowings	$ 165,000	5,000	-	170,000
Lease liabilities (current and non-current)	33,966	(6,373)	1,616	29,209
Long-term borrowings (current and non-current)	259,274	(78,155)	-	181,119
	$ 458,240	**(79,528)**	**1,616**	**380,328**

	January 1, 2021	Cash flows	Foreign exchange movement	December 31, 2021
Short-term borrowings	$ 240,000	(75,000)	-	165,000
Lease liabilities (current and non-current)	40,293	(6,316)	(11)	33,966
Long-term borrowings (current and non-current)	234,116	25,158	-	259,274
	$ 514,409	**(56,158)**	**(11)**	**458,240**

7. Related-party transactions:

(1) Name and relationship with the Company

The followings are entities that have had transactions with the Company during the periods covered in the parent-company-only financial statements:

Name of related parties	Relationship with the Company
TST biomedical electronics Co., Ltd.	Subsidiary
TST Technology USA Inc.	Subsidiary
SNT Devices Limited	Subsidiary
SNT Inc.	Subsidiary
Tai-Saw Technology (Wuxi) Inc.	Subsidiary
Cirocomm Technology Corp. (Note 1)	Subsidiary
Sawnics Inc.	Joint venture
RFM Integrated Device Inc. (Note 2)	Associate
Taiwan Crystal Superior Technology Co., Ltd.	Associate
WNC (Kunshan) Corporation	Substantive related party
Wistron NeWeb Corporation	Substantive related party

Name of related parties	Relationship with the Company
Wistron NeWeb (Kunshan) Corporation	Substantive related party
NeWeb Vietnam Co., Ltd.	Substantive related party
Gemtek Technology Co., Ltd. (Note 3)	Substantive related party
TriKnight Capital Corporation (Note 3)	Substantive related party

Note 1: Associate became a subsidiary of the Company after January 29, 2021.

Note 2: The subsidiary became an associate of the Company after October 15, 2021. On April 29, 2022, the Company sold the residual shares of RFMi, since then, which was no longer an associate.

Note 3: No longer a substantive relative party after its outgoing of the Company's Chairman of the Board since June 9, 2022.

(2) Significant transactions with related parties

A. Operating revenue

Related Party Categories	2022	2021
Subsidiary	$ 180,322	208,265
Joint venture	24,854	80,727
Associate	70,849	28,609
Substantive related party	196,534	169,781
	$ 472,559	**487,382**

The credit terms for related parties were 60 to 90 days after month-end. The terms and pricing of sales transactions with related parties were not significantly different from those offered by other customers.

B. Purchases

Related Party Categories	2022	2021
Tai-Saw Technology (Wuxi) Inc.	$ 248,583	230,233
Subsidiary	1,011	414
Joint venture	46,125	62,303
Associate	40,876	39,979
	$ 336,595	**332,929**

The payment terms to related parties were 60 to 120 days. The terms and pricing of purchase transactions with related parties were not significantly different from those offered by other vendors.

C. Accounts receivables from related parties (excluding loans to related parties)

Accounts	Related Party Categories	December 31, 2022	December 31, 2021
Accounts receivable	Subsidiary	$ 33,038	31,768
	Joint venture	5,678	7,054
	Associate	-	31,172
	Substantive related party	65,565	68,639
		$ 104,281	**138,633**
Other receivables	Subsidiary	**$ 344**	**465**

The uncollected guarantee is receivables due from related parties outstanding. As of December 31, 2022 and 2021, the account receivables recognized as expected credit losses are amounted to $26, and $62, respectively.

D. Property Transactions

(a) Acquisition of investment properties

The Company acquired the land and buildings of Tainan Factory from Cirocomm Technology Corp. in July 2021 with a land area covering 1,497 ping and a total price of $109,308 and a total price of the building amounting to $26,492. The total amount is $135,800. As of December 31, 2021, the transfer procedures had been completed, and there is no outstanding balance. The acquisition prices of land and buildings are based on valuation report by RUDENTIAL CROSS-STRAIT REAL ESTATE APPRAISERS FIRM. Please refer to note 6(7) for the investment property details.

(b) Disposals of property, plant and equipment

The Company sold its machinery and equipment to its subsidiary, TST biomedical electronics Co., Ltd. in the year ended December 31, 2020, at a disposal price of $16,879 thousand with a gain on disposal amounting to $13,392. All of the gain on disposals has been deferred for recognition and reverse to deferred unrealized gains according to useful life of relevant assets. The realized gain on disposal of fixed assets recognized in the years ended December 31, 2022 and 2021 were both $656, while other income amounting to $1,123 for both years. The unamortized deferred unrealized gains as of December 31, 2022 and 2021 were $9,093 and $10,872, respectively. The Company sold machinery and equipment in previous years to invest in Tai-Saw (Wuxi) Technology Co., Ltd., a subsidiary of the Company, which was then adjusted to realized income on a year-by-year basis. The realized gain on disposal of fixed assets recognized in the years ended December 31, 2022 and 2021 was $3,566 and $8,894, respectively, while the other income amounted to $1,044 and $1,042, respectively. The unamortized deferred unrealized gains as of December 31, 2022 and 2021 were $4,161 and $8,771, respectively.

E. Prepaid payment

Accounts	Related Party Categories	December 31, 2022	December 31, 2021
Prepaid payment	Taiwan Crystal Superior Technology Co., Ltd.	**$ 12,767**	**28,689**

F. Accounts payable to related parties (excluding loans to related parties)

Accounts	Related Party Categories	December 31, 2022	December 31, 2021
Accounts payable	Subsidiary	$ 56,027	70,391
	Joint venture	4,352	-
		$ 60,379	**70,391**

G. Refundable deposits

Accounts	Related Party Categories	December 31, 2022	December 31, 2021
Refundable deposits	Taiwan Crystal Superior Technology Co., Ltd.	**$ 10,000**	**10,000**

H. Guarantees

Item	Related Party Categories	December 31, 2022	December 31, 2021
Balance of guarantees	Subsidiary	**$ 261,420**	**135,360**
Actual usage amount		**$ 93,946**	**94,031**
Balance of guarantees	Joint venture	**$ 42,994**	**38,752**
Actual usage amount		**$ 811**	**9,633**

I. Acquisition of subsidiary

The Company obtained a total of 5,770 thousand shares of Cirocomm from TriKnight Capital Corporation for cash amounting to $24,446 and $5,046, respectively on January 29 and June 8, 2021. For details on the acquisition of the subsidiaries, please refer to note 6(4).

J. Others

Accounts	Related Party Categories	2022	2021
Rental income (Note 3)	Subsidiary	$ 3,480	2,300
Rental income (Note 1)	Associate	1,200	1,125
		$ 4,680	**3,425**
Other income (Note 2)	Subsidiary	$ 1,977	2,246
Other income (Note 2)	Associate	-	165
		$ 1,977	**2,411**

Accounts	Related Party Categories	2022	2021
Management service expenses	Subsidiary	$ 4,955	7,107
Management service expenses	Associate	1,050	958
		$ 6,005	**8,065**

Note 1: The Company leases machinery and equipment to its associates. The terms of the leases are agreed between the parties. The rent from February 2020 to May 2021 is $65 per month; and the rent from June 2021 is $100 per month.

Note 2: The Company provides business and operations consultation services to the associates. The contract terms are determined by mutual agreement. From January 2021, the Company received $165 per month and a year-end bonus of one month worth.

Note 3: The Company leases machinery and equipment to its subsidiaries. The terms of the leases are agreed between the parties. The rent from January 2021 is $100 per month; and the rent from July 2021 is $180 per month.

(3) Key management personnel compensation

Key management personnel’s compensation comprised:

	2022	2021
Short-term employee benefits	$ 38,385	43,258
Share-based payments	296	296
	$ 38,681	**43,554**

Remuneration of Directors and other major management is determined by the Remuneration Committee in accordance with individual performance and market trends.

8. Pledged assets:

The carrying values of assets pledged as security were as follows:

Asset	Purpose of pledge	December 31, 2022	December 31, 2021
Property, plant and equipment	Long-term/short-term of banks borrowings and Letter of credit guarantee	**$ 310,820**	**294,985**

9. Significant commitments and contingencies:

Same as stated in other notes, the material commitments and contingent events of the Company at the balance sheet date were as follows:

(1) As of December 31, 2022 and 2021, the Company had unused letter of credit of $32,872 and $66,641, respectively.

(2) As of December 31, 2022 and 2021, the Company's signed and yet to be paid commitments to purchase engineering equipment amounted to $32,280 and $10,894, respectively.

(3) As of December 31, 2022 and 2021, the notes issued amounting to $18,052 and $5,052, respectively were for the provision of training and education cooperation, energy efficiency management services and for the use of the refundable deposit on grants application for research and development projects and were recoverable and canceled upon termination of the obligation of the guarantee.

(4) As of December 31, 2022 and 2021, bank guarantee limit letters were provided to the Customs Administration, Ministry of Finance as a guarantee of customs duty of post-release duty payment on imported goods, the amount covered by such bank guarantee limit letters were $3,000.

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	For the year ended December 31,					
	2022			2021		
	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	220,693	144,245	364,938	221,705	154,104	375,809
Labor and health insurance	21,784	8,573	30,357	20,741	10,168	30,909
Pension	7,094	6,609	13,703	6,909	6,250	13,159
Remuneration of directors	-	13,920	13,920	-	23,325	23,325
Others	14,043	7,326	21,369	13,905	6,782	20,687
Depreciation	110,628	14,508	125,136	108,340	13,838	122,178
Amortization	167	383	550	73	713	786

Additional information on the numbers of employees and employee benefit costs for the years ended December 31, 2022 and 2021 were as follows:

	2022	2021
The numbers of employees	512	535
The numbers of non-employee directors	8	8
The average of employee benefits	$ 857	836
The average of salaries	$ 728	713
The average of salary adjustment rate	2.03	
Supervisors' remuneration	$ 45	135

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

(1) Directors: The board of directors of the Company established a Renumeration Committee. The remuneration of the directors is proposed by the Renumeration Committee and discussed by the board in accordance with the Articles of Incorporation of the Committee. If there were earnings, the appropriations are processed in accordance with the provisions of the Articles of Incorporation and are submitted to the shareholders' meeting after being reviewed by the Remuneration Committee and obtaining the approval from the Board. In the case of Directors who are also employees, remuneration shall be paid in accordance with the provisions of 1 and 2 below.

(2) Managers: The Company provides competitive overall compensation to enhance operational performance, holding managers accountable for operational performance, and ensure that remuneration is motivating and competitive.

(3) Employees: The overall remuneration of the Company's employees includes fixed and variable remuneration, which is based on the principles of internal fairness and external competitiveness, and is approved to pay in accordance with job responsibilities and professional expertise and related internal management practices. If there was earnings, bonuses and employee remuneration are provided in accordance with the provisions of the Articles of Incorporation.

(4) In June 2022, the Company established an audit committee to replace the supervisors.

13. Other disclosures:

(1) 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:

A. Loans to other parties: Please refer to Table 1.

B. Guarantees and endorsements for other parties: Please refer to Table 2.

C. Securities held as of December 31, 2022 (excluding investment in subsidiaries, associates and joint ventures): Please refer to Table 3.

D. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: Please refer to Table 4.

E. Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

F. Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

G. Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock: Please refer to Table 5.

H. Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock: None.

I. Trading in derivative instruments:Please refer to notes 6(2).

(2) Information on investees: Please refer to Table 6.

(3) Information on investment in mainland China:

A. The names of investees in Mainland China, the main businesses and products, and other information: Please refer to Table 7.

B. Limitation on investment in Mainland China: Please refer to Table 7.

C. Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China for the year ended December 31, 2022(its subsidiaries have been eliminated in the consolidated financial statements), which were disclosed in the "Information on significant transactions".

14. Segment information:

Please refer to consolidated financial statements for the year ended December 31, 2022.

Tai-Saw Technology Co., Ltd.

Loans to other parties

For the year ended December 31, 2022

Table 1 (In Thousands of New Taiwan Dollars)

No.	Name of lender	Name of borrower	Account	Related party	Highest balance of 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 (Note 1)	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 2)
													Item	Value		
0	The Company	TST biomedical	Other receivables	Yes	300,000	-	-	1.3%	2	-	Operating capital	-	None	-	938,228	938,228

Note 1: (1) For those companies with business transaction with the Company, please fill in 1.

(2) For those companies with short-term financing needs, please fill in 2.

Note 2: Pursuant to "Procedure of Loans to Other Parties" of the Company and its subsidiaries, the maximum amount of lending purposes shall not exceed 40% of the ultimate parent company's net worth. For a single debtor, the amount of loans shall not exceed 40% of the ultimate parent company's net value.

Tai-Saw Technology Co., Ltd.

Guarantees and endorsements for other parties

For the year ended December 31, 2022

Table 2 (In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 2)	Highest balance for guarantees and endorsements during the period (Note 2)	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 (Note 2)	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	Note
		Name	Relationship with the Company (Note 1)											
0	The Company	Tai-Saw (Wuxi)	4	469,114	64,430	61,420	3,218	-	2.62%	2,345,571	Y	N	Y	
0	The Company	Cirocomm	2	469,114	200,000	200,000	90,728	-	8.53%	2,345,571	Y	N	N	
0	The Company	Sawnics Inc.	1	469,114	45,101	42,994	811	-	1.83%	2,345,571	N	N	N	

Note 1: There are seven conditions in which the Company may have guarantees or endorsements for other parties:

(1) Having business relationship.

(2) Subsidiaries in which the Company holds more than 50% of its total outstanding common shares.

(3) The companies in which the parent company and the subsidiary together hold more than 50% of its outstanding common shares.

(4) The parent company which holds, directly or indirectly through a subsidiary, more than 50% of its outstanding common shares.

(5) Fulfillment of contractual obligations by providing mutual endorsements and guarantees for peer or joint builders in order to undertake a construction project.

(6) The stockholders of the Company provide guarantees or endorsements for the entity in proportion to percentage of ownership for joint investment.

(7) The companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for preconstruction homes pursuant to the Consumer Protection Act for each other.

Note 2: The total amount of an endorsement guarantee that a Group may endorse is limited to 100% of the net interests of the shareholders of the Company and to 20% of the net interests of the shareholders of the Company for a single enterprise.

Tai-Saw Technology Co., Ltd.

Securities held as of December 31, 2022 (excluding investment in subsidiaries, associates and joint ventures)

December 31, 2022

Table 3 (In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with the Company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Crystalwise Technology Inc.	None	Financial assets at fair value through profit or loss — non-current	202	1,414	0.46%	1,414	
The Company	Jingyue Microwave Integrated Circuit Manufacturing Co., Ltd.	None	Financial assets at fair value through profit or loss — non-current	12	619	0.20%	619	
The Company	Mercury Electronic Ind Co.,Ltd	None	Financial assets at fair value through profit or loss — non-current	3,000	34,140	12.18%	34,140	
The Company	Akoustis Technologies Inc.	None	Financial assets at fair value through profit or loss — non-current	683	59,113	1.19%	59,113	

Tai-Saw Technology Co., Ltd.

Individual securities acquired or disposed of with accumulated amounts exceeding the lower of than NT$300 million or 20% of the capital stock

For the year ended December 31, 2022

Table 4 (In Thousands of New Taiwan Dollars)

Name of company	Category and name of security	Account name	Name of counter-party	Relationship with the company	Beginning Balance		Purchases		Sales				Ending Balance	
					Shares (thousands)	Amount	Shares (thousands)	Amount	Shares (thousands)	Price	Cost	Gain (loss) on disposal	Shares (thousands)	Amount
The Company	RFM Integrated Device Inc.	Investments in equity-accounted investees	Akoustis Technologies Inc.	Non-related party	490	261,753 (Note 1)	-	-	(490)	221,063	216,333 (Note 2)	4,730	-	-

Note 1: The opening and closing balances include gains and losses recognized using the equity method.

Note 2: Carrying cost comprises the amounts at the beginning of the period of $261,753, the current valuation adjustment of $4,183, the current cumulative effect of $1,582, and the adjustment for amortization of intangible assets amounting to $(6,959), as well as the carrying value of call option for ordinary shares amounting to $(44,226). Please refer to note 6(4) for the transactions.

Tai-Saw Technology Co., Ltd.

Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock

For the year ended December 31, 2022

Table 5 (In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)	
			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	Tai-Saw (Wuxi)	100% holding grandson company	Purchase	248,583	20.00%	60 days	-	-	(45,031)	(24.40)%
The Company	Wistron NeWeb	Substantive related party	Sales	120,229	5%	90 days	-		41,744	9.38%

Note: The inter-company transactions and balances had been eliminated in the consolidated financial statements.

Tai-Saw Technology Co., Ltd.

Information on investees (excluding information on investees in Mainland China)

For the year ended December 31, 2022

Table 6 (In Thousands of New Taiwan Dollars)

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 Ownership	Carrying value			
The Company	Tai-Saw Technology Inc.	Samoa	Overseas investment holding	668,374	668,374	21,253.0	100.00%	499,729	(2,416)	(3,189)	Subsidiary (Note 2)
The Company	Gia-Stone Electronics Co., Ltd.	Samoa	Trades	1,660	1,660	50	100.00%	1,745	(30)	(30)	Subsidiary
The Company	TST biomedical electronics Co., Ltd.	Taiwan	Clinical machine wholesale and retail	105,000	105,000	9,750	84.78%	242,478	182,077	154,361	Subsidiary
The Company	TST Technology USA Inc	United States	Technological consulting services and trade	24,240	24,240	1,000	100.00%	31,093	2,382	2,382	Subsidiary
The Company	SNT Devices Limited	Hong Kong	Trades	-	-	140	70.00%	9,366	3,916	2,741	Subsidiary
The Company	SNT Inc.	South Korea	Trades	50	50	(Note 1)	50.00%	2,789	2,803	1,402	Subsidiary
The Company	Beyond Fountain Co, Ltd	Samoa	Overseas investment holding	808	808	515	100.00%	641	(36)	(36)	Subsidiary
The Company	RFM Integrated Device Inc.	United States	Semiconductor electric wafer materials and components manufacturing	-	248,583	-	- %	-	7,906	(3,085)	Associate
The Company	Cirocomm Technology Corp.	Taiwan	Semiconductor electric wafer materials and components manufacturing	73,223	71,359	8,461	65.49%	70,473	(44,524)	(27,723)	Subsidiary (Note 3)
The Company	Sawnics Inc.	South Korea	Semiconductor electric wafer materials and components manufacturing	204,229	204,229	641	23.57%	139,272	(69,865)	(31,831)	Joint venture (Note 4)
The Company	Taiwan Crystal Superior Technology Co., Ltd.	Taiwan	Semiconductor electric wafer materials and components manufacturing	4,500	4,500	450	30.00%	-	(9,852)	592	Associate (Note 5)

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 Ownership	Carrying value			
Cirocomm Technology Corp.	Hong Kong Cirocomm Technology Corp.	Hong Kong	Semiconductor electric wafer materials and components manufacturing	118,880	118,880	4,000	100.00%	1,144	(742)	(742)	Subsidiary

Note 1: The contribution of US$51 thousand is un-issued shares.

Note 2: This includes unrealized gross profit deferred adjustment of reversals amounting to $(773).

Note 3: This includes an adjustment for realized loss on fixed assets amounting to $(1,436).

Note 4: This includes unrealized gross profit deferred adjustment of reversals, amortized premium and other adjustments amounting to $(15,364).

Note 5: This includes unrealized gross profit deferred adjustment of reversals amounting to $(3,547).

Tai-Saw Technology Co., Ltd.

The names of investees in Mainland China, the main businesses and products, and other information

For the year ended December 31, 2022

Table 7 (In Thousands of New Taiwan Dollars)

(1) 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 (Note 5)	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2021 (Note 5)	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 2)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Tai-Saw Technology (Wuxi) Inc.	Semiconductor electric wafer materials and components manufacturing	614,200 (USD20,000)	Note 1	614,200 (USD20,000)	-	-	614,200 (USD20000)	(2,645) (RMB(598))	100%	(2,645) (USD(89)) (Note 3)	481,403 (USD15,676)	-
Shenzhen Cirocomm Technology Corp.	Semiconductor electric wafer materials and components manufacturing	1,536 (USD50)	Note 2	1,536 (USD50)	-	-	1,536 (USD50)	(1,037) (RMB(234))	100%	(1,037) (RMB(234)) (Note 4)	(2,959) (RMB(671))	-

Note 1: Investment in companies in Mainland China through Tai-Saw(Wuxi) Technology Inc..

Note 2: Investment in companies in Mainland China through Hong Kong Cirocomm.

Note 3: The information on investment income/loss for the years ended December 31, 2022 was derived from the investees' financial statements audited by the auditors for the same period.

Note 4: The information on investment income/loss for the years ended December 31, 2022 was derived from the investees' financial statements audited by the auditors for the same period.

Note 5: Except that the profit and loss of the investee for the current period is based on the annual average exchange rate of RMB$1=NT$4.4218 and that current investment profit recognized for the current period are based on the annual average exchange rate of USD$1=NT$29.8489. The amounts presented in this table are translated into NTD with USD$1=NT$30.71 and RMB$1=NT$4.4080 at the exchange rate on December 31, 2022.

Note 6: The above inter-company transactions have been eliminated when preparing the consolidated financial statements.

(2) 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 Stipulated by Investment Commission, MOEA (Note)
615,736	698,653	1,407,343

Note: Pursuant to the Regulations Governing Permission for Investment and Technical Cooperation in the Mainland Area, the amount of paid-in capital within $5 billion is calculated at 60% of its net value.

Tai-Saw Technology Co., Ltd.

Statement of Cash and Cash Equivalents

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

(Foreign Currencies Dollars)

Item	Descriptions	Amount
Cash－NTD	Petty cash	$ 50
Cash－Foreign currency	USD: 633、JPY: 97,968、CNY: 13,010、CAD:140 EUR: 1,175	149
Checking deposits		9,518
Demand deposits－NTD		224,533
－Foreign currency	USD: 3,726,121.76、JPY: 395,378,215、CAD:28,274.42、GBP: 6,257.28、EUR: 115.79、CNY: 3,988,378.35	224,773
		$ 459,023

Foreign exchange rates at the balance sheet date are as follows:

USD: 30.71

JPY: 0.2324

CAD: 22.67

GBP: 37.09

EUR: 32.72

CNY: 4.408

Tai-Saw Technology Co., Ltd.

Statement of Accounts receivable

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Name of customer	Amount
Client C	$ 40,906
Client D	22,883
Client A	21,105
Client B	17,959
Others(Note 3)	244,455
	347,308
Less: loss allowance	(11,690)
	$ 335,618

Note 1: All accounts receivable are generated from operating activities.

Note 2: Accounts receivable from related party is not included in the accounts receivable referred to above. Please refer to Note 7 for details.

Note 3: The amounts which do not exceed 5% or more of the account balance are not shown separately.

Tai-Saw Technology Co., Ltd.

Statement of Inventories

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Amount		Note
	Cost	Net realizable value	
Finished goods	$ 182,451		For the net realizable value
Less: loss allowance	(96,843)		of inventories, please refer
Subtotal	85,608	135,137	to note 4(7) for relevant
Work in progress and semi-finished products	104,907		information.
Less: loss allowance	(38,819)		
Subtotal	66,088	77,104	
Raw materials	264,765		
Less: loss allowance	(123,530)		
Subtotal	141,235	162,190	
Merchandises	87,330		
Less: loss allowance	(48,459)		
Subtotal	38,871	38,882	
Total	**$ 331,802**	**413,313**	

Tai-Saw Technology Co., Ltd.

Statement of Financial Assets Measured at Fair Value through Other Comprehensive Income－Non-Current

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Name of Financial Instrument	Beginning Balance		Increase		Decrease		Unrealized gain or loss on financial instrument	Ending Balance	
	Shares	Fair Value	Shares	Amount	Shares	Amount		Shares	Fair Value
Domestic listed stocks									
Crystalwise Technology Inc. (Note1)	404	$ 7,791	-	-	(202)	-	(6,377)	202	1,414
Mercury Electronic Ind Co., Ltd	3,000	39,240	-	-	-	-	(5,100)	3,000	34,140
Domestic unlisted stocks									
Jingyue Microwave Integrated Circuit Manufacturing Co., Ltd.	12	619	-	-	-	-	-	12	619
United States listed stocks									
Akoustis Technologies Inc.	263	48,543	420	117,900 (Note2)	-	-	(107,330)	683	59,113
		$ 96,193		**117,900**		**-**	**(118,807)**		**95,286**

Note 1: The decrease in equity during the year was arising from disposal of investee company and capital reduction to offset accumulated deficits the investee company.

Note 2: The increase in equity during the year was the result of the investee company’s exercising its call options and using its ordinary share equity as disposal price.

Tai-Saw Technology Co., Ltd.

Statement of Changes in Investments Measured by Equity Method

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Name of investee	Beginning Balance		Increase		Decrease		Investment profit or loss accounted for using equity method	Cumulative translation adjustment	Unrealized gains (losses) from financial assets at fair value through other comprehensive income	Unrealized profit (loss) on sales of subsidiaries (Downstream transaction)	Other	Ending Balance			Market Value or equity net worth	Pledged as Collateral
	Shares	Amount	Shares	Amount	Shares	Amount						Shares	Percentage of Ownership	Amount		
Tai-Saw Technology Inc.	21,253	$ 488,641	-	-	-	-	(3,189)	9,669	-	4,608	-	21,253	100.00%	499,729	508,364	None
Gia-Stone Electronics Co., Ltd.	50	1,601	-	-	-	-	(30)	174	-	-	-	50	100.00%	1,745	1,745	None
TST biomedical electronics Co., Ltd.	9,750	86,339	-	-	-	-	154,361	-	-	1,778	-	9,750	84.78%	242,478	251,573	None
TST Technology USA Inc.	1,000	25,816	-	-	-	-	2,382	2,895	-	-	-	1,000	100.00%	31,093	31,093	None
SNT Devices Limited.	140	5,827	-	-	-	-	2,741	798	-	-	-	140	70.00%	9,366	10,104	None
SNT Inc. (Note 1)	-	1,250	-	-	-	-	1,402	137	-	-	-	-	50.00%	2,789	2,789	None
Beyond Fountain Co. Ltd.	515	611	-	-	-	-	(36)	66	-	-	-	515	100.00%	641	641	None
Sawnics Inc. (Note 2)	622	170,757	19	-	-	-	(31,831)	5,824	-	(5)	(5,473)	641	23.57%	139,272	133,658	None
Taiwan Crystal Superior Technology Co., Ltd.	900	(583)	-	-	(450)	-	592	-	(9)	-	-	450	30.00%	-	(3,398)	None
RFM Integrated Device Inc. (Note 3)	490	261,753	-	-	(490)	(260,250)	(3,085)	1,582	-	-	-	-	-%	-	-	None
Cirocomm Technology Corp (Note 4)	9,558	59,656	3,966	39,664	(5,063)	-	(27,723)	723	-	-	(1,847)	8,461	65.49%	70,473	65,190	None
		$ 1,101,668		**39,664**		**(260,250)**	**95,584**	**21,868**	**(9)**	**6,381**	**(7,320)**			**997,586**	**1,001,759**	

Note 1: The contribution of US$51 thousand is un-issued shares.

Note 2: The number of special shares converted to ordinary shares increased during the current year. In addition, there are changes in joint ventures accounted for under the equity method amounting to ($5,473).

Note 3: The decrease in the current year was due to disposals of investee company.

Note 4: The increase for the year was attributable to the share payment for capital increases of $39,664; the rest is APIC adjustment not involved in capital increase in proportion to the Company's shareholding amounting to ($1,182).

Tai-Saw Technology Co., Ltd.

Statement of Changes in Property, Plaı

Equipment

For the year ended December 31, 2022

Please refer to note 6(5) for further information on "Property, Plant and Equipment".

Statement of Changes in Right-of-Use Assets

Please refer to note 6(6) for further information on "Right-of-use Assets".

Statement of Change in Investment Property

Please refer to note 6(7) for further information on "Investment Property".

Tai-Saw Technology Co., Ltd.

Statement of Short-Term Borrowings

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Ending Balance	Term of contract	Range of Interest rate	Financing amount	Pledged as Collateral
Working capital Borrowings	Citibank (Taiwan) Bank	$ 20,000	111.12~112.12	1.6900%	69,200	None
Working capital Borrowings	First Bank	30,000	111.8~112.8	1.8650%	80,000	None
Working capital Borrowings	Taipei Fubon Bank	40,000	111.10~112.10	1.9015%	80,000	None
Working capital Borrowings	Hua Nan Bank	20,000	111.6~112.6	1.6300%	80,000	Yes
Working capital Borrowings	Mega International Commercial Bank	60,000	111.12~112.12	2.1538%	150,000	Yes
		$ 170,000				

Statement of Accounts Payable

Vendor name	Amount
Vendor A	$ 24,349
Vendor B	15,639
Vendor C	10,541
Vendor D	5,569
Others (Note3)	49,072
	$ 105,170

Notes 1: All accounts payable are arising from operating activities.

Notes 2: Accounts payables from related party is not included in payment referred to above. Please refer to Note 7 for the details.

Note 3: The amounts which do not exceed 5% or more of the account balance are not shown separately.

Tai-Saw Technology Co., Ltd.

Statement of Long-Term Borrowings, cur portion

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Ending Balance	Term of contract	Range of Interest rate	Financing amount	Pledged as Collateral
Medium /long-term borrowings	Mega Bank	$ 26,667	108/4~113/4	2.13%	100,000	Yes
Medium /long-term borrowings	Mega Bank	60,138	109/12~114/12	2.13%	100,000	Yes
Medium /long-term borrowings	Taishin Bank	28,000	110/8~113/2	1.36%	56,000	None
Medium /long-term borrowings	Taishin Bank	66,314	110/6-125/6	1.30%	73,000	Yes
Deduct: long-term borrowings current portion		(67,543)				
		$ 113,576				

Statement of Operating Revenue

For the year ended December 31, 2022

Item	Quantity (thousand)	Amount
Frequency components	540,170	$ 2,201,364
Others	126,063	165,213
		$ 2,366,577

Tai-Saw Technology Co., Ltd.

Statement of Operating Costs

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item		Amount
Raw materials		
Beginning balance of raw materials	$	257,023
Add: Raw materials purchased		444,637
Transferred from work in process		5,751
Transferred from finished goods		1,017
Less: Ending balance of raw materials		(264,765)
Transferred to expense and others		(4,347)
Raw materials used		439,316
Direct labor		169,207
Manufacturing expenses		325,736
Manufacturing costs		934,259
Add: Beginning balance of work in process and semi-finished inventory		113,219
Semi-finished inventory purchased		318,284
Receipt return and others		161,361
Less: Ending balance of work in process and semi-finished inventory		(104,907)
Transferred to raw materials		(5,751)
Cost of finished goods		1,416,465
Add: Beginning balance of finished goods and merchandises		277,809
Finished goods purchased		468,187
Less: Ending balance of Finished goods and merchandises		(269,781)
Transferred to the manufacturing process		(1,017)
Transferred to expense and others		(173,985)
Cost of finished goods		1,717,678
Inventory valuation loss (gain)		56,300
Income from sale of scrap and wastes		(1,064)
Others		(25,259)
Total cost of sales	**$**	**1,747,655**

Tai-Saw Technology Co., Ltd.

Statement of Selling Expenses

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Salary	$ 26,150
Commission	20,052
Service fees	6,888
Export fees	6,196
Others (Note 2)	17,549
	$ 76,835

Note 1: Salary costs include staff remuneration, directors' remuneration, overtime, year-end bonus and compensation expenses of restricted employee rights new share.

Note 2: The amounts which do not exceed 5% or more of the account balance.

Statement of Administrative Expenses

Item	Amount
Salary	$ 49,152
Miscellaneous	11,595
Professional service fees	8,921
Depreciation	7,233
Others (Note 2)	14,203
	$ 91,104

Note 1: Salary costs include staff remuneration, directors' remuneration, overtime, year-end bonus and compensation expenses of restricted employee rights new share.

Note 2: The amounts which do not exceed 5% or more of the account balance.

Tai-Saw Technology Co., Ltd.

Statement of Research and Development Expenses

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Salary	$ 82,864
Experiment material	23,191
Others (Note 2)	32,163
	$ 138,218

Note 1: Salary costs include staff remuneration, directors' remuneration, overtime, year-end bonus and compensation expenses of restricted employee rights new share.

Note 2: The amounts which do not exceed 5% or more of the account balance.

Statement of Other Gains and Losses

Please refer to note 6(19) for further information on "Other Gains and Losses".

Tai-Saw Technology Co., Ltd.

Statement of Finance Costs

For the year ended December 31, 2022

Please refer to note 6(19) for further information on “Finance Costs”.

Summary Statement of Current Period Employee Be

Please refer to note 12 for further information on “Employee Benefits, Depreciation and Amortization.”.

TAI-SAW TECHNOLOGY CO., LTD.

Chairperson: Huang, Yu-Tung

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