STOCK CODE: 2483

Excel Cell Electronic Company Limited

Parent company only Financial Statements for the Year Ended December 31, 2022 and 2021 and Independent Auditors' Report

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Excel Cell Electronic Company Limited

Opinion

We have audited the accompanying Parent company only financial statements of Excel Cell Electronic Company Limited (the "Company"), which comprise the Parent company only balance sheets as of December 31, 2022 and 2021, and the Parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the Parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and reports of other auditors (please refer to Other Matter section), the accompanying Parent company only financial statement present fairly, in all material respects, the Parent company only financial position of the Company as of December 31,2021 and 2020, and its Parent company only financial performance and its Parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis For Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent company only 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 the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 for the year ended December 31, 2022. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the Company's Parent company only financial statements for the year ended December 31, 2022 is discussed as follows:

Recognition of sales revenue

The Company's main sales items are electronic components such as programmable switches, relays and lead frames. Certain products significantly impact the overall operating revenue and profitability and are therefore identified as a key audit matter. Refer to Notes 4 to the Parent company only financial statements for accounting policies of revenue recognition.

Our key audit procedures performed in respect of the above key audit matter included the following:

1. We understood and tested the design and implementation of internal control over revenue recognition and verified, on a sampling basis, the appropriateness of the approved original orders.
2. We verified the authenticity of the revenue recognition by sampling the sales details of the major sales items to the original orders, sales slips and receipts.

Other Matter

We did not audit the financial statements of Fuzetec Technology Co., Ltd. accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these investments, is based solely on the reports of the other auditors. The balance of these investments accounted for under the equity method amounted to NT$258,537 thousand and NT$252,422 thousand, both constituting 6% of the Parent company only total assets as at December 31, 2022 and 2021, respectively, and the comprehensive loss recognised from investments accounted for under the equity method amounted to NT$38,675 thousand and NT$38,095 thousand, constituting 22% and 16% of the Parent company only total comprehensive income for the years then ended, respectively. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included in the financial statements relative to these investees, is based solely on the reports of the other auditors.

Responsibilities of Management and Those Charged with Governance for the Parent company only Financial Statements

Management is responsible for the preparation and fair presentation of the Parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for 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 members of 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 maintain 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 entities or business activities within the Company to express an opinion on the Parent company only 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 Parent company only financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Ding-jian, Su and Hsin-wai, Tai.

Independent Accountants

Su, Ting-Chien
Tai, Hsin-Wei

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 8, 2023

EXCEL CELL ELECTRONIC COMPANY LIMITED
PARENT COMPANY ONLY BALANCE SHEETS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

CODE	ASSETS	December 31, 2022 AMOUNT	December 31, 2022 %	December 31, 2021 AMOUNT	December 31, 2021 %
	CURRENT ASSETS				
1100	Cash and cash equivalents (Note 4 and 6)	$ 512,386	12	$ 275,621	7
1110	Financial assets at fair value through profit or loss – Current (Note 4 and 7)	46,077	1	59,464	1
1136	Financial assets at amortized cost – Current (Note 4 and 8)	18,347	1	53,245	1
1150	Notes receivable from unrelated parties (Note 4 and 9)	11,943	-	18,933	1
1170	Accounts receivable from unrelated parties (Note 4 and 9)	183,822	4	232,418	6
1180	Accounts receivable from related parties (Note 4, 9 and 22)	26,294	1	53,741	1
1200	Other receivables net (Note 18 and 22)	964	-	3,572	-
1310	Inventories (Notes 4 and 10)	311,804	7	349,091	9
1470	Other current assets	13,741	-	15,699	-
11XX	Total current assets	1,125,378	26	1,061,784	26
	NONCURRENT ASSETS				
1517	Financial assets at fair value through other comprehensive income – Noncurrent (Note 4 and 11)	196,953	5	228,549	5
1550	Investments accounted for using equity method (Note 4 and 12)	1,351,597	31	1,333,988	32
1600	Property, plant and equipment (Notes 4, 13, 22, 23 and 24)	1,535,115	35	1,397,661	34
1780	Intangible assets (Notes 4)	38,649	1	40,774	1
1840	Deferred income tax assets (Notes 4 and 18)	17,122	-	24,772	1
1915	Prepayment for equipment	98,543	2	43,837	1
1975	Net defined benefit asset – Noncurrent (Note 4 and 15)	2,724	-	-	-
1990	Other noncurrent assets	3,171	-	2,328	-
15XX	Total noncurrent assets	3,243,874	74	3,071,909	74
1XXX	TOTAL	$ 4,369,252	100	$ 4,133,693	100
CODE	LIABILITIES AND EQUITY				
	CURRENT LIABILITIES				
2100	Short-term loans (Note 14)	$ 410,000	10	$ 260,000	6
2110	Short-term bills payable (Note 14)	380,000	9	380,000	9
2170	Notes and accounts payables to unrelated parties	134,623	3	208,233	5
2180	Notes and accounts payables to related parties (Note 22)	38,970	1	65,585	2
2200	Other payables (Notes 22)	98,802	2	96,499	2
2230	Current tax liabilities (Notes 4 and 18)	10,868	-	2,214	-
2313	Deferred income (Note 4 and 14)	2,194	-	1,843	-
2320	Long-term loans - current portion (Note 14)	119,480	3	18,255	1
2399	Other current liabilities	15,925	-	12,445	-
21XX	Total current liabilities	1,210,862	28	1,045,074	25
	NONCURRENT LIABILITIES				
2540	Long-term loans (Note 14 and 23)	530,345	12	527,501	13
2570	Deferred income tax liabilities (Notes 4 and 18)	12,637	-	5,278	-
2630	Long-term deferred income (Note 4 and 14)	9,365	-	8,638	1
2640	Net defined benefit liabilities – Noncurrent (Note 4 and 15)	-	-	8,402	-
25XX	Total noncurrent liabilities	552,347	12	549,819	14
2XXX	Total liabilities	1,763,209	40	1,594,893	39
	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT				
3110	Capital stock	1,090,938	25	1,090,938	26
3200	Capital surplus	270,775	6	314,412	7
	Retained earnings				
3310	Legal reserve	312,197	7	296,058	7
3320	Special reserve	16,972	1	19,870	1
3350	Unappropriated earnings	793,700	18	703,769	17
3400	Other equity	121,461	3	113,753	3
3XXX	Total equity	2,606,043	60	2,538,800	61
	TOTAL	$ 4,369,252	100	$ 4,133,693	100

The accompanying notes are an integral part of the Parent company only financial statements.
(With Deloitte & Touche auditors' report dated March 8, 2023)

EXCEL CELL ELECTRONIC COMPANY LIMITED
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code		2022		2021	
		Amount	%	Amount	%
4000	OPERATING REVENUE, NET (Note 4 and 22)	$ 1,441,622	100	$ 1,450,924	100
5000	OPERATING COSTS (Notes 10, 17 and 22)	1,147,088	79	1,170,935	81
5900	GROSS PROFIT	294,534	21	279,989	19
	OPERATING EXPENSES (Notes 17)				
6100	Selling and marketing expenses	43,001	3	55,434	4
6200	General and administrative expenses	95,570	7	84,160	5
6300	Research and development expenses	79,498	5	85,658	6
6000	Total operating expenses	218,069	15	225,252	15
6900	PROFIT FROM OPERATIONS	76,465	6	54,737	4
	NON-OPERATING INCOME AND EXPENSES				
7050	Finance costs (Note 17)	(14,716)	(1)	(8,996)	(1)
7070	Share of profit of associates accounted for using the equity method (Note 4 and 12	78,792	6	140,053	10
7100	Interest income	1,614	-	725	-
7190	Other income (Note 17 and 22)	20,392	1	20,101	1
7020	Other gains and losses (Note 17)	32,541	2	(21,532)	(1)
7000	Total non-operating income and expenses	118,623	8	130,351	9
7900	INCOME BEFORE INCOME TAX	195,088	14	185,088	13
7950	INCOME TAX EXPENSE (Notes 4 and 18)	27,266	2	31,991	2
8200	NET PROFIT FOR THE YEAR	167,822	12	153,097	11

(Continued)

(Continued)

Code		2022 Amount	2022 %	2021 Amount	2021 %
	OTHER COMPREHENSIVE INCOME (LOSS) (Note 4)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans (Note 15)	$ 1,093	-	$ 2,795	-
8316	Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	(26,978)	(2)	77,329	5
8330	Share of the other comprehensive income of associates accounted for using the equity method (Note 12)	5,214	-	5,798	1
8349	Income tax related to items that will not be reclassified subsequently (Note 18)	(219)	-	(559)	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of the financial statements of foreign operations	24,102	2	(6,590)	(1)
8300	Other comprehensive gain (loss) for the year, net of income tax	3,212	-	78,773	5
8500	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 171,034	12	$ 231,870	16
	EARNINGS PER SHARE (NT$, Note 19)				
9750	Basic	$ 1.54		$ 1.40	
9850	Diluted	$ 1.53		$ 1.40	

The accompanying notes are an integral part of the parent company only financial statements.
(With Deloitte & Touche auditors' report dated March 8, 2023)

EXCEL CELL ELECTRONIC COMPANY LIMITED
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code		Share Capital (Note 16)	Capital Surplus (Note 16)	Retained Earnings (Note 16)			Other Equity (Note 4)		Total Equity
				Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain/(Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	
A1	BALANCE AT JANUARY 1, 2021	$ 1,090,938	$ 340,448	$ 288,567	$ 25,070	$ 582,602	($ 41,222)	$ 79,291	$ 2,365,694
	Appropriation of 2020 earnings								
B1	Legal reserve	-	-	7,491	-	(7,491)	-	-	-
B5	Cash dividends	-	-	-	-	(32,728)	-	-	(32,728)
B17	Reversal of special reserve	-	-	-	(5,200)	5,200	-	-	-
C15	Capital Surplus distribute to Cash dividends	-	(43,638)	-	-	-	-	-	(43,638)
D1	Net profit for the year ended December 31, 2021	-	-	-	-	153,097	-	-	153,097
D3	Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	2,469	(6,590)	82,894	78,773
D5	Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	155,566	(6,590)	82,894	231,870
Q1	Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	620	-	(620)	-
C7	Changes in equity of subsidiaries associates accounted for using equity method	-	17,602	-	-	-	-	-	17,602
Z1	BALANCE AT DECEMBER 31, 2021	1,090,938	314,412	296,058	19,870	703,769	(47,812)	161,565	2,538,800
	Appropriation of 2021 earnings								
B1	Legal reserve	-	-	16,139	-	(16,139)	-	-	-
B5	Cash dividends	-	-	-	-	(65,456)	-	-	(65,456)
B17	Reversal of special reserve	-	-	-	(2,898)	2,898	-	-	-
C15	Capital Surplus distribute to Cash dividends	-	(43,637)	-	-	-	-	-	(43,637)
D1	Net profit for the year ended December 31, 2022	-	-	-	-	167,822	-	-	167,822
D3	Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	971	24,102	(21,861)	3,212
D5	Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	168,793	24,102	(21,861)	171,034
Q1	Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	(165)	-	5,467	5,302
Z1	BALANCE AT DECEMBER 31, 2022	$ 1,090,938	$ 270,775	$ 312,197	$ 16,972	$ 793,700	($ 23,710)	$ 145,171	$ 2,606,043

The accompanying notes are an integral part of the Parent company only financial statements.
(With Deloitte & Touche auditors' report dated March 8, 2023)

EXCEL CELL ELECTRONIC COMPANY LIMITED
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

Code		2022	2021
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Income before income tax	$ 195,088	$ 185,088
	Adjustments for:		
A20100	Depreciation expense	89,798	85,129
A20200	Amortization expense	6,861	5,084
A20300	Expected credit losses recognized (reversal)	(122)	12
A20400	Net profit of financial instruments at fair value through profit or loss	3,361	(544)
A20900	Finance costs	14,716	8,996
A21200	Interest income	(1,614)	(725)
A21300	Dividend income	(11,974)	(9,797)
A22400	Share of profit of subsidiaries and associates accounted for under equity method	(78,792)	(140,053)
A22500	Loss (gain) on disposal of property, plant and equipment, net	(787)	616
A23100	Loss on disposal of investments	3,936	2,768
A23700	Allowance for inventory valuation and obsolescence loss	7,485	7,511
A24100	Net unrealized loss on foreign currency exchange	1,744	488
A29900	Deferred Income	(1,950)	(1,601)
	Changes in operating assets and liabilities		
A31130	Notes receivable	6,990	(9,541)
A31150	Accounts receivable	74,035	(57,452)
A31180	Other receivables	(465)	3,567
A31200	Inventories	25,912	(158,461)
A31240	Other current assets	1,959	(2,937)
A32150	Notes and accounts payable	(99,848)	127,788
A32180	Other payables	2,312	21,759
A32230	Other current liabilities	3,480	(5,819)
A32240	Net defined benefit plan	(10,033)	(1,463)
A33000	Cash generated from operations	232,092	60,413
A33100	Interest received	1,614	725
A33200	Dividends received	51,253	140,695
A33300	Interest paid	(14,716)	(8,996)
A33400	Dividends paid	(109,093)	(76,366)
A33500	Income tax paid	(749)	(16,884)
AAAA	Net cash generated from operating activities	160,401	99,587

(Continued)

(Continued)

Code		2022	2021
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00010	Purchase of financial assets at fair value through other comprehensive	$ -	($ 2,139)
B00020	Disposal of financial assets at fair value through other comprehensive	9,920	-
B00030	Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	3,902
B00040	Purchase of financial assets at amortized cost	-	(59,188)
B00050	Disposal of financial assets at amortized cost	34,898	6,803
B00100	Purchase of financial assets at fair value through profit or loss	(44,480)	(14,033)
B00200	Disposal of financial assets at fair value through profit or loss	54,506	59,730
B01800	Purchase of investments accounted for using the equity method	(119,720)	(574,131)
B02300	Disposal of subsidiaries	118,004	20,532
B02400	Proceeds from capital reduction of investment	49,000	320,786
B02700	Payments for property, plant and equipment	(160,816)	(207,664)
B02800	Proceeds from disposal of property, plant and equipment	1,622	-
B03700	Refundable deposits paid	(843)	-
B04500	Payments for intangible assets	(4,736)	(3,632)
B06700	Increase in other noncurrent assets	-	(485)
B07100	Increase in prepayments for equipment	(118,088)	(93,878)
BBBB	Net cash used in investing activities	(180,733)	(543,397)
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00100	Increase in short-term loans	150,000	-
C00500	Increase in short-term bills payable	-	30,000
C01600	Proceeds from long-term loans	125,599	110,670
C01700	Repayment of long-term loans	(18,502)	-
CCCC	Net cash generated from financing activities	257,097	140,670
EEEE	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	236,765	(303,140)
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	275,621	578,761
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 512,386	$ 275,621

The accompanying notes are an integral part of the parent company only financial statements.
(With Deloitte & Touche auditors' report dated March 8, 2023)

EXCEL CELL ELECTRONIC COMPANY LIMITED
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

1. COMPANY HISTORY

Excel Cell Electronic Company Limited (the "Company") was incorporated in December 1981 and is mainly engaged in the manufacture and sale of electronic components such as programmable switches, relays, terminal blocks, and lead frames, as well as the processing and sale of various batteries. Its products are main components for computer and communication equipment.

The Company's shares have been listed and traded on the Taiwan Stock Exchange since September 17, 2001. The parent company only financial statements are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements were approved and authorized for issue by the Company's board of directors on March 8, 2023.

3. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

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

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

b. The IFRSs issued by International Accounting Standards Board (IASB) and endorsed by the FSC with effective date starting 2023.

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

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

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

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

As of the date the parent company only financial statements were authorized for issue, the Company assessed that the application of standards and interpretations will not have a material impact on the Company's financial position and financial performance.

c. The IFRSs issued by IASB but not yet endorsed and issued into effect by the FSC

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
Amendments to IFRS 16 "Leases Liability arising from Sale and Leaseback Transactions"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial application of IFRS 17 and IFRS 9 – Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Noncurrent"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024

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

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

As of the date the accompanying parent company only financial statements were authorized for issue, the Company continues in evaluating the impact on its financial position and financial performance from the initial adoption of the aforementioned standards or interpretations and related applicable period. The related impact will be disclosed when the Company completes its evaluation.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. 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.

b. Basis of Preparation

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

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

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

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

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

The subsidiaries and associates or joint venture are incorporated in the parent company only financial statements under the equity method. To make net profit for the year, other comprehensive income and equity in the parent company only financial statements equal to those attributed to owners of the Company in the consolidated financial statements, the effect of the differences between parent company only basis and the consolidated basis are adjusted in “investments accounted for using equity method”, “share of the profit or loss of associates accounted for using the equity method”, and “share of other comprehensive income of associates accounted for using the equity method”.

c. Classification of Current and Non-Current Assets and Liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

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

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

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

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

Assets and liabilities that are not classified as current are classified as noncurrent.

d. Business Combinations

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

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

The business combinations under organizational restructuring of the Company are not accounted by using the acquisition method but using the book-value method. When presenting comparative parent company only financial statements, the Company presented them as if it had always been combined and the parent company only financial statements were restated retrospectively.

e. Foreign Currencies

In preparing the parent company only financial statements, transactions in currencies other than the Company's functional currency (i.e., foreign currencies) are recognized at the exchange rates at the dates of the transactions.

At the end of each balance sheet date, monetary items denominated in foreign currencies are retranslated at the closing rate at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the year in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the exchange rates at the date when

the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction, and not retranslated subsequently.

For the purpose of presenting the parent company only financial statements, the assets and liabilities of the Company's foreign operations (including subsidiaries and associates in other countries that use currencies which are different from the currency of the Company) are translated into the New Taiwan dollar at the exchange rates at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income.

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

f. Inventories

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

g. Investments in subsidiaries

Investments in subsidiaries are accounted for using the equity method.

Subsidiaries are the entities controlled by the Company (including structure entities).

Under the equity method, the investment in subsidiaries is initially recognized at cost and adjusted thereafter to recognize the Company's share of profit or loss and other comprehensive income of the subsidiaries. The Company also recognizes the changes in the Company's share of equity of subsidiaries.

Changes in the Company's ownership interests in subsidiaries that do not result in losing control over the subsidiaries for the Company are accounted for as equity transactions. Any difference between the carrying amount of the subsidiary and the fair value of the consideration paid or received is recognized directly in equity.

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

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) before any impairment loss have been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, any retained investment of the former subsidiary is measured at the fair value at that date. A gain or loss is recognized in profit or loss and calculated as the difference between (a) the aggregate of the fair value of consideration received and the fair value of any retained interest at the date when control is lost; and (b) the previous carrying amount of the investments in such subsidiary. In addition, the Company shall account for all amounts previously recognized in other comprehensive income in relation to the subsidiary on the same basis as would be required if the subsidiary had directly disposed of the related assets and liabilities.

When the Company transacts with its subsidiaries, profits and losses resulting from the transactions with the subsidiaries are recognized in the Company's parent company only financial statements only to the extent of interests in the subsidiaries that are not owned by the Company.

h. Investments in Associates

An associate is an entity over which the Company has significant influence and which is neither a subsidiary nor an interest in a joint venture.

The Company uses the equity method to account for its investments in associates.

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

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

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

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

The Company discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Company accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture or an investment in a

joint venture becomes an investment in an associate, the Company continues to apply the equity method and does not remeasure the retained interest.

When the Company transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Company's parent company only financial statements only to the extent of interests in the associate that are not related to the Company.

i. Property, Plant, and Equipment

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

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

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

j. Intangible Assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

k. Impairment of Property, Plant and Equipment, Right-of-Use Asset, and Intangible Assets

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use asset, and

intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered any impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount.

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

l. Financial Instruments

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

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

1) Financial Assets

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

a) Measurement Category

Financial assets are classified into the following categories: financial assets at amortized cost, and investments in equity instruments at fair value through other comprehensive income (FVTOCI).

i. Financial Assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified as at FVTPL; such assets include debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividends or interest earned on such a financial asset. Fair value is determined in the manner described in Note 21.

ii. Financial Assets at Amortized Cost

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

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

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

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

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

I. Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

II. Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

I. Significant financial difficulty of the issuer or the borrower;

II. Breach of contract, such as a default;

III. It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

IV. The disappearance of an active market for that financial asset because of financial difficulties.

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

iii. Investments in Equity Instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.
Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, it will be transferred to retained earnings.

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

b) Impairment of Financial Assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts

receivable).

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

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

For internal credit risk management purposes, the Company determines that the following situations indicate that a financial asset is in default without taking into account any collateral held by the Company:

i) Internal or external information shows that the debtor is unlikely to pay its creditors.

ii) When a financial asset is more than 180 days past due unless the Company has reasonable and corroborative information to support a more lagged default criterion.

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

c) Derecognition of Financial Assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

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

2) Financial Liabilities

a) Subsequent measurement

The Company's financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

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

m. Revenue Recognition

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

For contracts where the period between the date on which the Company transfers a promised good or service to a customer and the date on which the customer pays for that good or service is one year or less, the Company does not adjust the promised amount of consideration for the effects of a significant financing component.

Sales of goods are recognized as revenue when the goods are delivered to the customer's specific location, the goods are shipped and the goods are picked up by customers because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Accounts receivable and contract assets are recognized concurrently.

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

n. Leasing

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

1) The Company as Lessor

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

Under finance leases, the lease payments comprise fixed payments. The net investment in a lease is measured at (a) the present value of the sum of the lease payments receivable by a lessor and any unguaranteed residual value accrued to the lessor plus (b) initial direct costs and is presented as a finance lease receivable. Finance lease income is allocated to the relevant accounting periods so as to reflect a constant, periodic rate of return on the Company's net investment outstanding in respect of leases.

Lease payments less any lease incentives payable from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

2) The Company as Lessee

The Company recognizes short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses and cost on a straight-line basis over the lease terms.

o. Borrowing Costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than those stated above, all other borrowing costs are recognized in profit or loss in the year in which they are incurred.

p. Government Grants

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in profit or loss in the period in which they are received.

The benefit of a government loan received at a below-market rate of interest is treated as a government grant measured as the difference between the proceeds received and the fair value of the loan based on prevailing market interest rates.

q. Employee Benefits

1) Short-term Employee Benefits

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

2) Retirement Benefits

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

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

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

r. Taxation

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

1) Current Tax

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

According to the Income Tax Act of the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain the earnings.
Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

3) Current and Deferred Taxes for the Year

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

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATIONS, ASSUMPTIONS AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

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

The Company considers the critical accounting estimates. The estimations and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimations are revised if the revisions affect only that year or in the year of the revisions and future years if the revisions affect both current and future years.

Major Sources of Estimation Uncertainty - Impairment of Inventories

The net realizable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value is based on current market conditions and historical experience with product sales of a similar nature. Changes in market conditions may have a material impact on the estimation of the net realizable value.

6. CASH AND CASH EQUIVALENTS

	December 31, 2022	December 31, 2021
Cash on hand	$ 355	$ 449
Checking accounts and demand deposits	389,023	275,172
Cash equivalents (Investment with original maturities of 3 months or less)		
Repurchase agreements collateralized by bonds	123,008	-
	$ 512,386	$ 275,621

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

	December 31, 2022	December 31, 2021
Repurchase agreements collateralized by bonds (%)	4.30	-

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS – CURRENT

	December 31, 2022	December 31, 2021
Held for trading - Financial assets		
Non-derivative financial assets		
Mutual funds	$ 46,077	$ 59,464

8. FINANCIAL ASSETS AT AMORTIZED COST – CURRENT

According to "The Regulations on Industries Investment from Repatriated Offshore Funds", the Company has submitted an investment proposal and was approved by Industrial Development Bureau, Ministry of Economic Affairs. Based on the regulation, the deposits are restricted only to approved investment project, and should not be used for other purposes.

9. NOTES RECEIVABLE AND ACCOUNTS RECEIVABLE

	December 31, 2022	December 31, 2021
Notes receivable - Unrelated parties		
At amortized cost	$ 11,943	$ 18,933
Accounts receivable - Unrelated parties		
At amortized cost	$ 184,257	$ 232,975
Less: Loss Allowance	(435)	(557)
	$ 183,822	$ 232,418
Accounts receivable - Related parties		
At amortized cost	$ 26,295	$ 53,742
Less: Loss Allowance	(1)	(1)
	$ 26,294	$ 53,741

The average credit period of sales of goods was 60-125 days. No interest was charged on receivables. The Company uses other publicly available financial information or its own trading records to rate its major customers. The Company's credit exposure and the credit ratings of its counterparties are continuously monitored.

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

The Company measures the loss allowance for accounts receivable at an amount equal to Lifetime ECLs. The Lifetime ECLs are estimated using a provision matrix prepared by reference to the past default experience of the

customer, the customer's current financial position, economic condition of the industry in which the customer operates. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Company's different customer base.

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

The Company had no overdue notes receivable. The following table details the loss allowance of accounts receivable (excluding subsidiaries).

	Not Past Due	Past Due 1-90 Days	Past Due 91-180 Days	Past Due 181-365 Days	Past Due Over 365 Days	Total
December 31, 2022						
Expected credit loss rate	0.01%	1%	5%	10%	100%	
Gross carrying amount	$ 149,364	$ 35,946	$ 403	$ -	$ 41	$ 185,754
Loss allowance (Lifetime ECL)	(15)	(360)	(20)	-	(41)	(436)
Amortized cost	$ 149,349	$ 35,586	$ 383	$ -	$ -	$ 185,318
December 31, 2021						
Expected credit loss rate	0.01%	1%	5%	10%	100%	
Gross carrying amount	$ 187,087	$ 48,608	$ 276	$ 6	$ 41	$ 236,018
Loss allowance (Lifetime ECL)	(18)	(484)	(14)	(1)	(41)	(558)
Amortized cost	$ 187,069	$ 48,124	$ 262	$ 5	$ -	$ 235,460

The movements of the loss allowance of accounts receivable were as follows:

	Years Ended December 31, 2022	Years Ended December 31, 2021
Balance, beginning of year	$ 558	$ 546
Provision (Reversal)	(122)	12
Balance, end of year	$ 436	$ 558

10. INVENTORIES

	December 31, 2022	December 31, 2021
Finished goods	$ 107,913	$ 82,381
Semi-finished goods	75,961	100,491
Work in process	25,076	49,167
Raw materials	102,104	116,068
Merchandise	750	984
	$ 311,804	$ 349,091

The costs of the loss for market price decline and obsolete and slow-moving inventories recognized in operating costs for the years ended December 31, 2022 and 2021 were $7,485 thousand and $7,511 thousand respectively.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME – NONCURRENT

Investments in Equity Instruments

	December 31, 2022	December 31, 2021
Domestic Investments		
Listed shares		
MAX ECHO TECHNOLOGY CORP.	$ 80,768	$ 116,117
P-DUKE TECHNOLOGY CO., LTD.	63,689	55,581
Unlisted shares		
ASEP TEC CO., LTD.	42,940	42,777
LETEX TECHNOLOGY CORP.	4,500	4,500
FUJITER SEMICONDUCTOR CO., LTD.	3,020	3,020
SUNSINO DEVELOPMENT ASSOCIATE INC.	1,944	1,944
HUA ZHONG VENTURE CAPITAL CO., LTD	92	92
GET-TEAM TECH CORPORATION	-	4,070
WK ASSOCIATES EIGHTH VENTURE CAPITAL CO., LTD	-	448
INITIO CORPORATION	-	-
	$ 196,953	$ 228,549

These investments in equity instruments are held for medium to long-term strategic purposes. The management designates as these investments in equity instruments at FVTOCI as they consider that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes.

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31, 2022	December 31, 2021
Investments in subsidiaries	$ 1,093,060	$ 1,081,566
Investments in associates	258,537	252,422
	$ 1,351,597	$ 1,333,988

a. Investments in Subsidiaries

Name of subsidiaries	December 31, 2022	December 31, 2021
Unlisted Company		
EXCEL Cell Electronic Anhui Co., Ltd. (EXCEL Anhui)	$ 500,038	$ 413,136
Fulltron Investments Limited（Fulltron Samoa）	370,900	317,701
Simply Success Investment Ltd.（Simply Success）	102,079	100,370
PACER TECHNOLOGY CO., LTD. (PACER TECH)	58,598	50,886
Excel Cell Electronic (U.S.A.) Co., Ltd.（ECE USA）	34,284	19,954
GOOD SKY ELECTRIC CO., LTD (GOOD SKY ELECTRIC)	27,145	62,464
Good Sky Electric (Malaysia) SDN. BHD.（Good Sky Malaysia）	16	27
Good Sky Electric (BVI) Ltd.（Good Sky BVI）	-	117,028
	$ 1,093,060	$ 1,081,566

	Proportion of Ownership and Voting Rights	
Name of subsidiaries	December 31, 2022	December 31, 2021
EXCEL Anhui	100	100
Fulltron Samoa	100	100
Simply Success	100	100
PACER TECH	80	80
ECE USA	100	100
GOOD SKY ELECTRIC	100	100
Good Sky Malaysia	100	100
Good Sky BVI	-	100

The Company purchased the 100% ownership of EXCEL Anhui from EXCEL Suzhou for CNY60,000 thousand due to the Company reorganization in March 2021, approved by the board of directors.

The Company liquidated Good Sky BVI and its subsidiary, Good Sky Shenzhen, in September 2022.

b. Investments in Associates

Investee	December 31, 2022	December 31, 2021
Associates that are not individually material		
Fuzetec Technology Co., Ltd. (Fuzetec Technology)	$ 258,537	$ 252,422

Investee	Proportion of Ownership and Voting Rights	
	December 31, 2022	December 31, 2021
Fuzetec Technology	24	24

Aggregate information of associates that are not individually material

	Years Ended December 31, 2022	Years Ended December 31, 2021
The Group's share of		
Net profit for the year	$ 38,396	$ 38,141
Other comprehensive income (loss) for the year	279	(46)
Total comprehensive income for the year	$ 38,675	$ 38,095

The investment was accounted for using the equity method and the share of profit or loss and other comprehensive income; this investment was calculated based on financial statements which have been audited in 2022 and 2021.

13. PROPERTY, PLANT AND EQUIPMENT

For the year ended December 31, 2022	Balance at January 1	Additions	Disposals	Reclassified	Balance at December 31
Cost					
Freehold Land	$ 712,391	$ -	$ -	$ -	$ 712,391
Buildings	351,138	69,082	-	179,901	600,121
Machinery and Equipment	712,455	80,951	(12,476)	11,607	792,537
Other Equipment	574,899	29,679	(3,764)	405	601,219
Equipment under Installation and Construction in Progress	225,510	36,363	-	(179,901)	81,972
Cost Total	2,576,393	$ 216,075	($ 16,240)	$ 12,012	2,788,240
Accumulated depreciation					
Buildings	176,862	$ 10,788	$ -	$ -	187,650
Machinery and Equipment	506,969	48,146	(11,729)	-	543,386
Other Equipment	494,901	30,864	(3,676)	-	522,089
Accumulated depreciation Total	1,178,732	$ 89,798	($ 15,405)	$ -	1,253,125
Net amount for Property, plant and equipment	$ 1,397,661				$ 1,535,115

For the year ended December 31, 2021	Balance at January 1	Additions	Disposals	Reclassified	Balance at December 31
Cost					
Freehold Land	$ 712,391	$ -	$ -	$ -	$ 712,391
Buildings	351,138	-	-	-	351,138
Machinery and Equipment	635,964	55,953	(7,894)	28,432	712,455
Other Equipment	538,162	32,217	(2,546)	7,066	574,899
Equipment under Installation and Construction in Progress	99,315	126,195	-	-	225,510
Cost Total	2,336,970	$ 214,365	($ 10,440)	$ 35,498	2,576,393
Accumulated depreciation					
Buildings	166,856	$ 10,006	$ -	$ -	176,862
Machinery and Equipment	473,234	41,031	(7,296)	-	506,969
Other Equipment	463,337	34,092	(2,528)	-	494,901
Accumulated depreciation Total	1,103,427	$ 85,129	($ 9,824)	$ -	1,178,732
Net amount for Property, plant and equipment	$ 1,233,543				$ 1,397,661

Property, plant and equipment are depreciated on a straight-line basis over the following estimated useful lives:

Buildings	
Main buildings	20-55 years
Electrical and mechanical equipments	3 years
Others	2-15 years
Machinery equipments	3-10 years
Other equipment	2-35 years

The property, plant and equipment of the Company are owned for own use and not leased out under operating leases.

Refer to Note 23 for the carrying amount of property, plant and equipment pledged by the Company to secure borrowings granted to the Company.

14. BORROWINGS

a. Short-term Borrowings

	December 31, 2022	December 31, 2021
Line of credit	$ 410,000	$ 260,000
Annual interest rate (%)	1.38-1.69	0.79-0.80

b. Short-term Bills Payable

	December 31, 2022	December 31, 2021
Commercial paper	$ 380,000	$ 380,000
Annual interest rate (%)	1.57-1.72	0.61-0.63

c. Long-term Borrowings

	December 31, 2022	December 31, 2021
Unsecured borrowings	$ 520,198	$ 486,700
Secured borrowings	138,900	68,400
	659,098	555,100
Less: Current portion	(119,480)	(18,255)
Government subsidies	(9,273)	(9,344)
Long-term borrowings	$ 530,345	$ 527,501
Annual interest rate (%)		
Unsecured borrowings	1.725	1.10
Secured borrowings	1.725	1.10

The due date of Unsecured borrowings is in December 2029.

The secured borrowings were secured by land and buildings pledged and were due on June 2031. Refer to Note 23 for the details of the secured borrowings.

The Group obtained a government prime interest rate loan from the "Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan." The loan is used for working capital, purchasing machinery equipments, and constructing plants with a credit period of 7 to 10 years. The difference between the amount obtained and the fair value is regarded as an interest-free government loan recognized as deferred income. The deferred income is recognized as other income as expenses are incurred over time.

15. RETIREMENT BENEFIT PLANS

a. Defined Contribution Plans

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined Benefit Plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contributes amounts at 2% of total monthly salaries and wages to a pension fund administered by the Supervisory Committee of Business Entities' Labor Retirement Reserve. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to deposit the difference in onetime

before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy of the pension fund.

The amounts included in the parent company only balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31, 2022	December 31, 2021
Present value of defined benefit obligation	$ 86,894	$ 101,694
Fair value of plan assets	(89,618)	(93,292)
Net defined benefit liability (asset)	($ 2,724)	$ 8,402

Movements in net defined benefit liability (asset) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance at January 1, 2021	$ 104,702	($ 92,042)	$ 12,660
Service cost			
Current service cost	173	-	173
Net interest expense (income)	305	(269)	36
Recognized in profit or loss	478	(269)	209
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(1,389)	(1,389)
Actuarial loss - changes in demographic assumptions	91	-	91
Actuarial gain - changes in financial assumptions	(4,040)	-	(4,040)
Actuarial loss – experience adjustments	2,543	-	2,543
Recognized in other comprehensive income	(1,406)	(1,389)	(2,795)
Contributions from the employer	-	(1,672)	(1,672)
Benefits paid	(2,080)	2,080	-
Balance at December 31, 2021	101,694	(93,292)	8,402
Service cost			
Current service cost	114	-	114
Net interest expense (income)	681	(628)	53
Recognized in profit or loss	795	(628)	167
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(7,241)	(7,241)
Actuarial loss - changes in demographic assumptions	83	-	83
Actuarial gain - changes in financial assumptions	(5,144)	-	(5,144)
Actuarial loss – experience adjustments	11,209	-	11,209

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Recognized in other comprehensive income	6,148	(7,241)	(1,093)
Contributions from the employer	-	(1,583)	(1,583)
Benefits paid	(21,743)	13,126	(8,617)
Balance at December 31, 2022	$ 86,894	($ 89,618)	($ 2,724)

Through the defined benefit plans under the Labor Standards Act, the Company is exposed to the following risks:

1) Investment Risk

The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets are calculated by the interest rate which should not be below the interest rate for a 2-year time deposit rate with local banks.

2) Interest Risk

A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary Risk

The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31, 2022	December 31, 2021
Discount rate (%)	1.30	0.70
Expected rate of salary increase (%)	2.00	2.00
Turnover rate (%)	0.56	0.68

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

	December 31, 2022	December 31, 2021
Discount rate(s)		
0.25% increase	($ 2,017)	($ 2,423)
0.25% decrease	$ 2,092	$ 2,519
Expected rate(s) of salary increase		
0.25% increase	$ 2,072	$ 2,480
0.25% decrease	($ 2,008)	($ 2,398)
Turnover rate(s)		
10% increase	($ 27)	($ 59)
10% decrease	$ 27	$ 59

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

	December 31, 2022	December 31, 2021
The expected contributions to the plan for the next year	$ 1,528	$ 1,579
The average duration of the defined benefit obligation	9 years	9 years

16. EQUITY

a. Ordinary Shares

	December 31, 2022	December 31, 2021
Authorized shares (in thousands)	134,000	134,000
Authorized capital	$ 1,340,000	$ 1,340,000
Issued and paid shares (in thousands)	109,094	109,094
Issued capital	$ 1,090,938	$ 1,090,938

The holders of issued ordinary shares with a par value of $10 are entitled to the right to vote and to receive dividends.

b. Capital Surplus

	December 31, 2022	December 31, 2021
Additional paid-in capital	$ 5,705	$ 49,342
From difference between the consideration received and the carrying amount of the subsidiaries' net assets during actual acquisition or disposal	262	262
From share of changes in equities of associates	39,153	39,153
From merger	225,655	225,655
	$ 270,775	$ 314,412

Such capital surplus, additional paid-in capital (including the excess of par value of ordinary shares issued, permission on Convertible bonds, Treasury stock trading, the difference between the consideration received and the carrying amount of the subsidiaries' net assets during actual

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

The capital surplus from share of changes in equities of associates which accounted for by using the equity method can only use to cover accumulated deficits.

c. Retained Earnings and Dividend Policy

Under the dividends policy as set forth in the Articles, due to the company's future capital requirements and long-term financial planning, as well as fulfilling its shareholders' demand for cash inflow, where the company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting previous years' losses, setting aside as a legal reserve 10% of the remaining profit, except when the accumulated amount of such legal reserve equals to the company's total issued capital, setting aside or reversing a special surplus reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. In addition, cash dividends should not be less than 10% of the total dividends to be appropriated. The Company shall take into consideration the Company's capital expenditures, future expansion plans, and financial structure, funds requirements and other plans for sustainable development needs in assessing the amount of dividends distributed by the Company.

The Company distributes its legal reserve and capital reserve in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition, there to a report of such distribution shall be submitted to the shareholders' meeting.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to cover accumulated deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings were as follows:

	For the Year Ended December 31,2021	For the Year Ended December 31,2020
Legal reserve	$ 16,139	$ 7,491
Cash dividends	65,456	32,728
Cash dividends per share (NT$)	0.6	0.3

In the board of directors on March 8, 2023, the Company approved to distribute $43,637 thousand and $43,638 thousand of capital surplus as cash dividends, respectively.

The appropriation of earnings for 2022 that were approved in the board of directors on March 8, 2023 was as follows:

	Appropriation of Earnings
Legal reserve	$ 17,153
Cash dividends	65,456
Cash dividends per share (NT$)	0.6

In the board of directors on March 8, 2023, the Company purpose to distribute $43,638 thousand of capital surplus as cash dividends.

The cash dividends mentioned above were approved in board of directors on March 8, 2023, the appropriations of earnings for 2022 are subject to the resolution of the shareholders' meeting to be held in May 2023.

d. Special Surplus Reserve

	December 31, 2022	December 31, 2021
Balance at January 1	$ 19,870	$ 25,070
Special reserve reversed		
Disposal of subsidies and associates	(2,898)	(5,200)
Balance at December 31	$ 16,972	$ 19,870

On the first-time adoption of IFRSs, the Company transferred accounted cumulative translation adjustment to retained earnings and also made the same amount provisions of special surplus reserve. If a special surplus reserve appropriated on the first-time adoption of IFRSs relates to the exchange differences on translating the financial statements of foreign operations (including subsidiaries), the special surplus reserve will be reversed proportionately on the Company's disposal of subsidiaries and associates; on the Company's loss of significant influence; however, the entire special surplus reserve will be reversed.

Due to subsidiaries liquidated in August 2022 and May 2021, the special surplus reserve of $2,898 thousand and $5,200 thousand is reversed.

17. NET PROFIT (LOSS) FROM CONTINUING OPERATIONS

a. Other Income

	Years Ended December 31, 2022	Years Ended December 31, 2021
Dividends	$ 11,974	$ 9,797
Others	8,418	10,304
	$ 20,392	$ 20,101

b. Other Gains and Losses

	Years Ended December 31, 2022	Years Ended December 31, 2021
Foreign exchange gain (loss)	$ 39,051	($ 18,653)
Loss on disposal investment	(3,936)	(2,768)
Financial assets at fair value through profit or loss	(3,361)	544
Gain (Loss) on disposal of property, plant and equipment	787	(616)
Others	-	(39)
	$ 32,541	$ 21,532

c. Finance Costs

Information about capitalized interest is as follows:

	Years Ended December 31, 2022	Years Ended December 31, 2021
Capitalized interest amount	$ 1,642	$ 576
Capitalization rate (%)	1.07-1.60	0.87

d. Employee benefits expense, depreciation and amortization

Nature	Operating cost	Operating expenses and non-operating expenses	Total
Years Ended December 31, 2022			
Short-term benefits			
Payroll expense	$ 243,834	$ 114,879	$ 358,713
Labor and health insurance expense	22,187	10,689	32,876
Post-employment benefits			
Defined contribution plan	8,628	3,529	12,157
Defined benefit plans (Note 15)	119	48	167
Remuneration of directors	-	4,151	4,151
Other employee benefits	12,245	5,166	17,411
Depreciation expenses	80,071	9,727	89,798
Amortization expenses	180	6,681	6,861
Years Ended December 31, 2021			
Short-term benefits			
Payroll expense	235,534	107,945	343,479
Labor and health insurance expense	20,779	9,845	30,624
Post-employment benefits			
Defined contribution plan	8,104	3,218	11,322
Defined benefit plans (Note 15)	148	61	209
Remuneration of directors	-	3,938	3,938
Other employee benefits	12,067	4,961	17,028
Depreciation expenses	71,404	13,725	85,129
Amortization expenses	180	4,904	5,084

For the years ended December 31, 2022 and 2021, the average number of employees of the Company was 645 and 621, respectively, which included both 4 non-employee directors. The calculation basis is consistent with employee benefits expense.

For the years ended December 31, 2022 and 2021, the average employee benefits expense was $657 thousand and $653 thousand, respectively. For the years ended December 31, 2022 and 2021, the average employee salary was $560 thousand and $557 thousand, respectively. The average employee salary was increased by 1% year-on-year.

The Company established an Audit Committee in place of the Supervisor.

The remuneration policies are based on the Company's operational conditions, the industry standard, and the organizational position, and may be adjusted based on the overall economy, industrial environment and government regulations. Compensation of individual employees is determined based on his/her role, experience, professional abilities, and individual performance.

The correlation between remuneration policies and procedures and operating performance or results is determined periodically based on the Company's total turnover, profitability and capital turnover. The Company allocates a certain percentage of the total amount of performance bonus payable annually based on the Company's profit. After the amount is being reviewed by the remuneration committee and the audit committee and approved by the board of directors, employees that meet certain performance standards will be paid according to their assessed performance.

e. Compensation of Employees and Remuneration of Directors

According to the resolution of the Board of Directors, 1% of profit of the current year is distributable as compensation of employees and no higher than 2% of profit of the current year is distributable as remuneration of directors. The distribution of bonus to employees may be made by way of cash or shares by the resolution of the Board of Directors. The employees may include certain employees of the subsidiaries who meet the conditions prescribed by the Company. The distribution of employee remuneration and director remuneration shall be reported at the shareholders' meeting. The Company shall first offset previous years' losses, and then appropriated of the certain percentage mentioned previously of annual profits as bonus to employees of the Company as bonus to Directors.

The compensation of employees and remuneration of directors for the years ended December 31, 2022 and 2021, which were approved by the Company's board of directors on March, 2022 and March, 2021, respectively, were as follows:

	Years Ended December 31, 2022		Years Ended December 31, 2021	
	Accrual rate	Amount	Accrual rate	Amount
Compensation of employees	4%	$ 8,302	4%	$ 7,876
Remuneration of directors	2%	4,151	2%	3,938

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

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2021 and 2020.

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

18. INCOME TAX

a. The Major Components of Income Tax Expense Recognized in Profit or Loss

	Years Ended December 31, 2022	Years Ended December 31, 2021
Current tax		
In respect of the current year	$ 11,026	$ 15,492
Adjustments for prior years	1,450	2,730
	12,476	18,222
Deferred tax		
In respect of the current year	17,751	13,726
Adjustments for prior years	(2,961)	43
	14,790	13,769
Income tax expense recognized in profit or loss	$ 27,266	$ 31,991

The reconciliation of accounting profit and income tax expenses is as follows:

	Years Ended December 31, 2022	Years Ended December 31, 2021
Income tax expense calculated at the statutory rate (20%)	$ 39,018	$ 37,017
Nondeductible expenses in determining taxable income	(10,240)	(23,291)
Income tax adjustments on prior years	(1,512)	2,773
Income tax on offshore earnings	-	15,789
Discount on offshore earnings	-	(297)
Income tax expense recognized in profit or loss	$ 27,266	$ 31,991

b. Current Tax Assets and Liabilities

	December 31, 2022	December 31, 2021
Current tax assets		
Tax refund receivable	$ 488	$ 3,561
Current tax liabilities		
Income tax payable	$ 10,868	$ 2,214

c. Deferred Tax Assets and Liabilities

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

For the year ended December 31, 2022	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred Tax Assets				
Temporary differences				
Defined benefit plans	$ 7,951	$ -	($ 219)	$ 7,732
Provision for loss on inventories	6,476	833	-	7,309
Investments accounted for using the equity method	5,271	(5,271)	-	-
Others	5,074	(2,993)	-	2,081
	$ 24,772	($ 7,431)	($ 219)	$ 17,122

For the year ended December 31, 2022	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax liabilities				
Temporary differences				
Investments accounted for using the equity method	$ -	$ 7,076	$ -	$ 7,076
Defined benefit plans	5,278	283	-	5,561
	$ 5,278	$ 7,359	$ -	$ 12,637
For the year ended December 31, 2021				
Deferred Tax Assets				
Temporary differences				
Defined benefit plans	$ 8,510	$ -	($ 559)	$ 7,951
Investments accounted for using the equity method	16,321	(11,050)	-	5,271
Provision for loss on inventories	6,008	468	-	6,476
Others	7,968	(2,894)	-	5,074
	$ 38,807	($ 13,476)	($ 559)	$ 24,772
Deferred tax liabilities				
Temporary differences				
Defined benefit plans	$ 4,985	$ 293	$ -	$ 5,278

d. Income Tax Assessments

The income tax return of the Company through 2020 has been assessed by the tax authorities.

19. EARNINGS PER SHARE (EPS)

	Net profit for the year	Number of shares outstanding (in thousands)	Earnings per share (in dollar)
For the year ended December 31, 2022			
Basic EPS			
Net income available to the company	$ 167,822	109,094	$ 1.54
Effect of potentially dilutive ordinary shares:			
Employees' compensation	-	410	
Diluted EPS			
Company adding effect of potentially dilutive ordinary shares	$ 167,822	109,504	$ 1.53
For the year ended December 31, 2021			
Basic EPS			
Net income available to the company	$ 153,097	109,094	$ 1.40
Effect of potentially dilutive ordinary shares:			
Employees' compensation	-	324	
Diluted EPS			
Company adding effect of potentially dilutive ordinary shares	$ 153,097	109,418	$ 1.40

The Company offers to settle the employees' compensation in cash or shares; thus, the Company assumes the entire amount of the compensation will be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted EPS, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted EPS until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

20. CAPITAL MANAGEMENT

The Company manages its capital to ensure it will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The key management personnel of the Company periodically reviews the cost of capital and the risk associated with each class of capital. Based on recommendations of the key

management personnel, in order to balance the overall capital structure, the Company may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and/or the amount of new debt issued or existing debt redeemed.

21. FINANCIAL INSTRUMENTS

a. Fair Values of Financial Instruments not Measured at Fair Value

The management of the Company believes that the book value of financial assets and liabilities, which are not measured by fair value approaches its fair value cannot be reliably measured.

b. Fair Value of Financial Instruments Measured at Fair Value on a Recurring Basis

1) Fair Value Hierarchy

December 31, 2022	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 46,077	$ -	$ -	$ 46,077
Financial assets at FVTOCI				
Investments in equity instruments				
—Domestic listed shares	$ 144,457	$ -	$ -	$ 144,457
—Domestic unlisted shares	-	-	52,496	52,496
	$ 144,457	$ -	$ 52,496	$ 196,953

December 31, 2021	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 59,464	$ -	$ -	$ 59,464
Financial assets at FVTOCI				
Investments in equity instruments				
—Domestic listed shares	$ 171,698	$ -	$ -	$ 171,698
—Domestic unlisted shares	-	-	56,851	56,851
	$ 171,698	$ -	$ 56,851	$ 228,549

There were no transfers between Level 1 and Level 2 for the years ended December 31, 2022 and 2021.

2) Valuation Techniques and Assumptions Applied for Fair Value Measurement

a) The fair value of financial instruments with standard conditions and traded in active market, including listed shares and emerging market shares, is decided based on the market price.

b) The unlisted equity investments at fair value through other comprehensive income are all measured at Level 3. The fair values of unlisted equity investments are determined using price-to-book ratio approach. In this approach, according to the financial information of the companies, both net book value per share calculated and share price estimated by comparing share price or P/E ratio with similar companies were used to capture the present value of the expected future economic benefits to be derived from the ownership of these investments.

3) Reconciliation of Level 3 fair value measurements of financial instruments

Financial assets at fair value through other comprehensive income - equity instruments

	Years Ended December 31, 2022	Years Ended December 31, 2021
Balance at January 1	$ 56,851	$ 47,346
Unrealized gain (loss) on financial assets at FVTOCI	163	13,407
Return of capital due to capital reduction of invested companies	-	(3,902)
Invested companies closing	(448)	-
Disposal on equity of invested companies	(4,070)	-
Balance at December 31	$ 52,496	$ 56,851

c. Categories of Financial Instruments

	December 31, 2022	December 31, 2021
Financial assets		
Measured at FVTPL - Held for trading	$ 46,077	$ 59,464
Financial assets at amortized costs (Note 1)	756,927	639,858
Financial assets at FVTOCI - Equity instruments	196,953	228,549
Financial liabilities		
Financial liabilities at amortized cost (Note 2)	1,712,220	1,556,073

Note 1: The balances included cash and cash equivalents, restricted deposit, notes receivable, accounts receivable, other receivables and refundable deposits at amortized cost.

Note 2: The balances included financial liabilities measured at amortized cost, which comprise short-term borrowings, short-term notes payable, notes payable, accounts payable, current portion of long-term borrowings, and guarantee deposits received.

d. Financial Risk Management Objectives and Policies

The Company's major financial instruments include equity investments, accounts receivable, accounts payable, loans and lease liabilities. The Company's Financial Department monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market Risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

a) Foreign Currency Risk

The Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk.

The carrying amounts of the Company's foreign-currency-denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting periods are set out in Note 25.

Sensitivity Analysis

The Company was mainly exposed to the USD. When there was 1% increase in the New Taiwan dollar (functional currency) against USD, the pre-tax profit of the Company would decrease by $6,290 thousand and $3,782 thousand, respectively. A sensitivity rate is used internally when reporting to management from the Company on exchange rate risks. It represents management's assessment on reasonably possible scope of foreign exchange rates.

b) Interest Rate Risk

The Company was exposed to interest rate risk because the Company borrowed funds at both fixed and floating interest rates. The carrying amounts of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31, 2022	December 31, 2021
Fair value interest rate risk		
Financial assets	$ 123,008	$ -
Short-term notes payable	380,000	380,000
Long-term loans	649,825	545,756
Interest rate risk on cash flow		
Financial assets	407,370	328,417
Short-term loans	410,000	260,000

Sensitivity Analysis

The sensitivity analyses below were determined based on the Company's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 0.125% increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been higher and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2022 and 2021 would increase by $3 thousand and decrease by $86 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable-rate bank loans.

2) Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. At the end of the reporting period, the Company's maximum exposure to credit risk could be equal to the total of the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets

The Company adopted a policy of only dealing with creditworthy counterparties and determined of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue receivables. The concentration of credit risk was limited due to the fact that the customer base was large and unrelated.

3) Liquidity Risk

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

The Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2022, and 2021. The Company had available unutilized short-term bank loan facilities of $580,902 thousand and $684,900 thousand, respectively.

Liquidity and Interest Rate Risk Table

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The table included both interest and principal cash flows. The table is based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement.

Classification	Less than 1 Year	1-5 Years	6-10 Years	Total
December 31, 2022				
Non-interest bearing liabilities	$ 272,395	$ -	$ -	$ 272,395
Variable interest rate liabilities	410,000	-	-	410,000
Fixed interest rate liabilities	498,759	410,745	144,632	1,054,136
	$ 1,181,154	$ 410,745	$ 144,632	$ 1,736,531
December 31, 2021				
Non-interest bearing liabilities	$ 370,317	$ -	$ -	$ 370,317
Variable interest rate liabilities	260,000	-	-	260,000
Fixed interest rate liabilities	401,793	473,869	71,486	947,148
	$ 1,032,110	$ 473,869	$ 71,486	$ 1,577,465

22. RELATED PARTY TRANSACTIONS

Besides information disclosed in the other notes, details of transactions between the Company and its related parties were disclosed as follows:

a. Related Party Name and Categories

Related Party Name	Related Party Category
PACER TECH	Subsidiary
ECE USA	Subsidiary
Fulltron Samoa	Subsidiary
GOOD SKY ELECTRIC	Subsidiary
EXCEL Cell Electronic Suzhou Co., Ltd. (EXCEL Suzhou)	Subsidiary
Good Sky BVI	Subsidiary

Related Party Name	Related Party Category
Good Sky Malaysia	Subsidiary
Good Sky Relay (Shenzhen) Ltd. (Good Sky Shenzhen)	Subsidiary
Simply Success Investment Ltd. (Simply Success)	Subsidiary
Neocene Technology (Suzhou) Corp. (Neocene Suzhou)	Subsidiary
EXCEL Cell Electronic Suzhou Co., Ltd. (EXCEL Suzhou)	Subsidiary
Fuzetec Technology	Associates
P-DUKE TECHNOLOGY CO.,LTD.	Other related parties
MAX ECHO TECHNOLOGY CORP.	Other related parties
POLYMATE TECHNOLOGY CO., LTD.	Other related parties
GUANG NA INVESTMENT CO., LTD	Other related parties
ASEP TEC CO., LTD.	Other related parties
K. S. TERMINALS INC.	Other related parties
Liao Pen-Lin	Key management personnel

b. Sales of goods

	Years Ended December 31, 2022	Years Ended December 31, 2021
Subsidiary	$ 118,670	$ 153,682
Other related parties	8,374	7,299
	$ 127,044	$ 160,981

The selling prices and transaction terms to related parties were similar to third parties.

c. Purchase of goods

	Years Ended December 31, 2022	Years Ended December 31, 2021
Subsidiary		
EXCEL Anhui	$ 75,974	$ 46,619
Other	11,872	47,627
	87,846	94,246
Associates	7,092	7,646
Other related parties	17,616	24,985
	$ 112,554	$ 126,877

The purchase of goods from related parties were made for goods of special specifications. There were no similar transactions with third parties for comparison; payment terms were similar to third parties.

d. Operating cost - processing charges

	Years Ended December 31, 2022	Years Ended December 31, 2021
Other related parties	$ 35,819	$ 50,340

e. Other non-operating income

	Years Ended December 31, 2022	Years Ended December 31, 2021
Subsidiary	$ 803	$ 1,365
Associates	554	284
Other related parties	586	540
	$ 1,943	$ 2,189

The income is mainly from technical services, management fees and other income.

f. Accounts receivable, Net

	December 31, 2022	December 31, 2021
Subsidiary	$ 24,798	$ 50,698
Other related parties	1,496	3,043
	$ 26,294	$ 53,741

g. Accounts payable and notes payable

	December 31, 2022	December 31, 2021
Subsidiary		
EXCEL Anhui	$ 19,665	$ 24,832
Other	568	8,679
	20,233	33,511
Associates	2,430	3,002
Other related parties	16,307	29,072
	$ 38,970	$ 65,585

h. Other receivables

	December 31, 2022	December 31, 2021
Subsidiary	$ 477	$ 11

i. Other payables

	December 31, 2022	December 31, 2021
Subsidiary	$ -	$ 901

j. Acquisition of property, plant and equipment

	Items	Acquisition Price	
		Years Ended December 31, 2022	Years Ended December 31, 2021
Subsidiary	Machinery and Equipment	$ -	$ 1,754
Other related parties	Other equipment	295	160
		$ 295	$ 1,914

k. Disposal of property, plant and equipment

	Proceeds		Gain on Disposal	
	Years Ended December 31, 2022	Years Ended December 31, 2021	Years Ended December 31, 2022	Years Ended December 31, 2021
Subsidiary	$ 835	$ -	$ 88	$ -

l. Compensation of key management personnel

	Years Ended December 31, 2022	Years Ended December 31, 2021
Short-term employee benefits	$ 14,962	$ 12,834
Post-employment benefits	172	136
	$ 15,134	$ 12,970

The remuneration of directors and other key management was determined by the Compensation Committee based on the performance of individuals and market trends.

23. MORTGAGED AND PLEDGED ASSETS

The following assets were provided as collateral for long-term loans:

	December 31, 2022	December 31, 2021
Property, plant and equipment	$ 958,924	$ 865,581

24. MATERIAL CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

Material contingent liabilities and unrecognized contractual commitments of the Company as of the end of the reporting period, excluding those disclosed in other notes, were as follows:

	December 31, 2022	December 31, 2021
Unrecognized contractual commitments - acquisition of property, plant and equipment	$ 13,338	$ 98,121

25. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCY

The following information was summarized according to the foreign currencies other than the functional currency of the Company. The exchange rates disclosed were used to translate the foreign currencies into the functional currency. The significant financial assets and liabilities denominated in foreign currencies were as follows:

Financial assets	December 31, 2022			December 31, 2021		
	Foreign Currencies	Exchange Rate	Carrying Amount (NTD)	Foreign Currencies	Exchange Rate	Carrying Amount (NTD)
Monetary items						
USD	$ 21,289	30.66	$ 652,714	$ 15,504	27.63	$ 428,385
JPY	41,538	0.23	9,570	63,730	0.24	15,200
EUR	177	32.52	5,748	1,389	31.12	43,224
Investments accounted for using the equity method						
USD	32,854	30.66	1,007,317	35,042	27.63	968,216
Financial liabilities						
Monetary items						
USD	774	30.66	23,727	1,816	27.63	50,186

The significant realized and unrealized foreign exchange gains (losses) were as follows:

Foreign Currencies	Years Ended December 31, 2022		Years Ended December 31, 2021	
	Exchange Rate	Net Foreign Exchange Gains	Exchange Rate	Net Foreign Exchange Losses
USD	29.76	$ 31,350	27.96	($ 14,367)
EUR	31.16	1,502	32.96	(3,833)
JPY	0.23	794	0.25	(267)

26. ADDITIONAL DISCLOSURES

a. Information about material transactions and b. Information about investments in other enterprises

1) Lending funds to other parties and or guarantee: Table 1

2) Endorsements/guarantees provided: Table 2

3) Marketable securities held (excluding investments in subsidiaries and associates): Table 3

4) Marketable securities acquired or disposed of at costs or prices accumulated of at least NT$300 million or 20% of the paid-in capital: None

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: None

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital: None

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: None

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None

9) Trading in derivative instruments: None

10) Information on investees: Table 4

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 5

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third area, and their prices, payment terms, and unrealized gains or losses:

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: Table 6

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: Table 6

c) The amount of property transactions and the amount of the resultant gains or losses: None

d) The balance of bill endorsements or guarantees or pledges of collateral at the end of the period and the purposes: Table 2

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to accommodation of funds: Table 1

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services: None

d. Information about major shareholders: list all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: Table 7

Excel Cell Electronic Company Limited and its subsidiaries

LENDING FUNDS TO OTHER PARTIES AND OR GUARANTEE
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars and Foreign Currencies)

No.	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance for the Period (Note 4)	Ending Balance (Note 5)	Amount Actually Drawn (Note 6)	Interest Rate	Nature for Financing	Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1 & 3)	Aggregate Financing Limit (Note 2 & 3)
													Item	Value		
0	The Company	EXCEL Anhui	Other receivables from related parties	Y	$ 57,150 (USD 2,000)	$ -	$ -	1%	The need for short-term financing	$ -	Operating capital	$ -	—	$ -	$ 131,406	$ 1,051,248

Note 1: According to the financing provided by the Company and subsidiaries, the individual and aggregate financing limit should not exceed 5% of the equity presented in the consolidated financial statements of the Group.

Note 2: According to the financing provided by the subsidiaries, the individual and aggregate financing limit should not exceed 40% of the equity presented in the consolidated financial statements of the company.

Note 3: The individual loan amount and total amount of loans between the foreign companies, which are held directly or indirectly 100% of voting share, the individual and aggregate financing limit should not exceed 40% of the equity presented in the consolidated financial statements of the company.

Note 4: The highest balance for the period and ending balance present in NT$ at the exchange rate at the end of each month for the period.

Note 5: Foreign currencies are converted into NT$; the exchange rate was as of December 31, 2022.

Table 2

Excel Cell Electronic Company Limited and its subsidiaries

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars and Foreign Currencies)

No.	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Notes 1)	Maximum Balance for the Period (Note 3)	Ending Balance (Note 4)	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable (Notes 2)	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Name	Nature of Relationship										
0	The Company	EXCEL Anhui	Subsidiary	$ 525,624	$ 96,495 (USD 3,000)	$ 91,980 (USD 3,000)	$ 17,384 (USD 567)	$ -	3%	$ 1,314,061	Y	—	Y
1	EXCEL Suzhou	EXCEL Anhui	The same parent company	37,032	18,528 (RMB 4,135)	-	-	-	-	185,158	—	—	Y

Note 1: For the parent company holds directly and indirectly more than 90% of the common stock of the subsidiaries, the limit should not exceed 20% of the equity presented in the financial statements of the Company. Others should not exceed 10% of the equity presented in the financial statements of the Company.

Note 2: The maximum amount of the total guarantee for all group entities is 50% of the net assets of the Company and EXCEL Suzhou.

Note 3: The maximum amount was translated into thousands of New Taiwan dollars at prevailing exchange rate at the date of the transaction.

Note 4: The ending balance and actual borrowing amount were translated into thousands of New Taiwan dollars at prevailing exchange rate on balance sheet date.

Table 3

Excel Cell Electronic Company Limited and its subsidiaries

MARKETABLE SECURITIES HELD
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2022				Note
				Number of Shares	Carrying Value	Percentage of Ownership (%)	Fair Value (Note)	
The Company	Stock							
	INITIO CORPORATION	—	Financial assets at fair value through other comprehensive income - noncurrent	24,899	$ -	2	$ -	
	SUNSINO DEVELOPMENT ASSOCIATE INC.	—	Financial assets at fair value through other comprehensive income - noncurrent	1,783,490	1,944	4	1,944	
	ASEP TEC CO., LTD.	Other related parties	Financial assets at fair value through other comprehensive income - noncurrent	4,062,375	42,940	17	42,940	
	HUA ZHONG VENTURE CAPITAL CO., LTD	—	Financial assets at fair value through other comprehensive income - noncurrent	9,235	92	5	92	
	FUJITER SEMICONDUCTOR CO., LTD.	—	Financial assets at fair value through other comprehensive income - noncurrent	293,771	3,020	1	3,020	
	LETEX TECHNOLOGY CORP.	—	Financial assets at fair value through other comprehensive income - noncurrent	540,000	4,500	10	4,500	
	P-DUKE TECHNOLOGY CO., LTD.	Other related parties	Financial assets at fair value through other comprehensive income - noncurrent	737,142	63,689	1	63,689	
	MAX ECHO TECHNOLOGY CORP.	Other related parties	Financial assets at fair value through other comprehensive income - noncurrent	3,827,843	80,768	11	80,768	
	APEX DISPLAY CO., LTD	—	Financial assets at fair value through profit or loss - noncurrent	6,522	-	3	-	
	Open-Ended Fund							
	PineBridge Preferred Securities Income Fund	—	Financial assets at fair value through profit or loss - current	136,374	46,077	-	46,077	
PACER TECH	Stock							
	P-DUKE TECHNOLOGY CO., LTD.	Other related parties	Financial assets at fair value through other comprehensive income - noncurrent	606,657	52,415	1	52,415	
	BASSO INDUSTRY CORP.	—	Financial assets at fair value through other comprehensive income - noncurrent	100,000	4,095	-	4,095	
	HUA ZHONG VENTURE CAPITAL CO., LTD	—	Financial assets at fair value through other comprehensive income - noncurrent	3,009	30	2	30	
	DER YANG BIOTECHNOLOGY VENTURE CAPITAL CO.,LTD	—	Financial assets at fair value through other comprehensive income - noncurrent	15,339	153	1	153	

Note 1: The information about fair value please see Note 24.

Excel Cell Electronic Company Limited and its subsidiaries

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2022			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				December 31, 2022	December 31, 2021	Shares	Percentage of Ownership	Carrying Value			
The Company	ECE USA	USA	Trading of electronic products	$ 7,578	$ 7,578	2,500	100	$ 34,284	USD 409	$ 11,739	
	PACER TECH	Taichung City	Trading of electronic products	9,610	9,610	1,919,600	80	58,598	$ 11,505	9,202	
	Fulltron Samoa	Republic of Mauritius	Investment holding company	388,928	388,928	11,650,000	100	370,900	USD 1,626	48,422	
	GOOD SKY ELECTRIC	Taichung City	Trading of electronic products	1,000	50,000	100,000	100	27,145	13,681	13,681	
	Fuzetec Technology	New Taipei City	Manufacturing of electronic parts	102,630	102,630	9,044,406	24	258,537	158,791	38,396	
	Good Sky BVI	British Virgin Islands	Investment holding company and Trading of electronic products	-	160,638	-	-	-	(USD 198)	(5,708)	
	Good Sky Malaysia	Malaysia	Trading of electronic products	1,235	1,235	375,163	100	16	(MYR 2)	(11)	
	Simply Success	British Virgin Islands	Investment holding company	27,540	27,540	2,820,000	100	102,079	USD 6	175	

Excel Cell Electronic Company Limited and its subsidiaries

INFORMATION ON INVESTMENTS IN MAINLAND CHINA

FOR THE YEAR ENDED DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars and Foreign Currencies)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2022	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2022	Net Income (Losses) of the Investee Company	Percentage of Ownership	Share of Profits/Losses (Note 4)	Carrying Amount as of Balance as of December 31, 2022	Accumulated Inward Remittance of Earnings as of December 31, 2022 (Note 4)
					Outflow	Inflow						
EXCEL Suzhou (Note 6)	Processing, manufacturing and trading of electronic products	$ 337,260 (USD 11,000)	(Note 1)	$ 337,260 (USD 11,000)	$ -	$ -	$ 337,260 (USD 11,000)	$ 48,397	100%	$ 48,412	$ 375,859	$ -
Good Sky Shenzhen (Note 6)	Processing, manufacturing and trading of electronic products	204,870 (USD 6,682)	(Note 2)	204,870 (USD 6,682)	-	97,836 (USD 3,191)	107,034 (USD 3,491)	(1,290)	100%	(1,315)	-	-
PACER INDUSTRIAL (SHANGHAI) COMPANY LIMITED (PACER Shanghai) (Note 6)	Trading of electronic products	6,132 (USD 200)	(Note 3)	6,132 (USD 200)	-	-	6,132 (USD 200)	-	-	-	-	-
Neocene Suzhou (Note 6)	Manufacturing and trading of electronic parts	27,011 (USD 881)	(Note 1)	27,011 (USD 881)	-	-	27,011 (USD 881)	761	100%	1,534	102,402	-
EXCEL Anhui (Note 6)	Processing, manufacturing and trading of electronic products	643,860 (USD 21,000)	(Note 1)	551,880 (USD 18,000)	91,980 (USD 3,000)	-	643,860 (USD 21,000)	(74,207)	100%	(37,104)	500,038	-

Investee Company	Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2022	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 5)
The Company	$ 1,115,166 (USD 36,372)	$ 1,161,309(Note 5) (USD 37,877)	$ 1,563,626
PACER TECH	$ 6,132 (USD 200)	$ 6,132 (USD 200)	$ 80,000

Note 1: EXCEL Suzhou invest through Fulltron Samoa; Good Sky Shenzhen invest through Good Sky BVI; Neocene Suzhou invest through Simply Success which invested by the Company.

Note 2: Good Sky Shenzhen invested in Good Sky BVI. Good Sky Shenzhen had been liquidated in September 2022 but not yet revoked by Investment Commission, MOEA.

Note 3: The company invest in PACER TECH through PACER Hong Kong invest in PACER Shanghai. PACER TECH had disposal of share of PACER Hong Kong but not yet revoked by Investment Commission, MOEA.

Note 4: Except for EXCEL Suzhou which was audited by the Parent Company Accountant, the other are not audited by the Parent Company Accountant.

Note 5: According the “Principles Governing the Review of Investments or Technical Cooperation in Mainland China” issued by the Investment Commission, the investment amount in mainland China should be limited to 60% of net value and amount $80,000 thousand dollars.

Note 6: The total investment amount approved by the Investment Commission, MOEA, were translated into New Taiwan dollars at prevailing exchange rate on balance sheet date.

Excel Cell Electronic Company Limited and its subsidiaries

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD AREA, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES

FOR THE YEAR ENDED DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars)

Company Name	Counterparty	Relationship	Transaction Type	Amount	Purchase/Sale (%)	Transaction Details			Notes/Trade Receivable (Payable)		Unrealized (Gain) Loss
						Price	Payment Terms	Comparison with Normal Transactions	Ending Balance	Percentage (%)	
The Company	EXCEL Anhui	Subsidiary	Purchase	$ 75,974	11	Negotiated with reference to order price	90 days for a monthly balance	The terms with related parties are not significantly different from those with third parties	($ 19,665)	11	$ -
			Sales	42,440	3	Negotiated with reference to order price	90 days for a monthly balance	The terms with related parties are not significantly different from those with third parties	12,004	5	-
	EXCEL Suzhou	Subsidiary	Purchase	8,436	1	Negotiated with reference to order price	60 days for a monthly balance	The terms with related parties are not significantly different from those with third parties	(107)	-	-
			Sales	26,638	2	Negotiated with reference to order price	60 days for a monthly balance	The terms with related parties are not significantly different from those with third parties	2,768	1	-
EXCEL Anhui	Neocene Suzhou	Subsidiary	Purchase	1,291	1	Negotiated with reference to order price	Next month ends 60 days	The terms with related parties are not significantly different from those with third parties	(52,474)	51	-
			Sales	2,854	1	Negotiated with reference to order price	Next month ends 60 days	The terms with related parties are not significantly different from those with third parties	1,489	1	-
	EXCEL Suzhou	Subsidiary	Sales	22,700	5	Negotiated with reference to order price	Next month ends 60 days	The terms with related parties are not significantly	7,167	6	-

Company Name	Counterparty	Relationship	Transaction Type	Amount	Purchase/Sale (%)	Transaction Details			Notes/Trade Receivable (Payable)		Unrealized (Gain) Loss
						Price	Payment Terms	Comparison with Normal Transactions	Ending Balance	Percentage (%)	
Neocene Suzhou	EXCEL Anhui	Subsidiary	Purchase	2,854	100	Negotiated with reference to order price	Next month ends 60 days	different from those with third parties The terms with related parties are not significantly different from those with third parties	(1,489)	71	-
			Sales	1,291	40	Negotiated with reference to order price	Next month ends 60 days	The terms with related parties are not significantly different from those with third parties	52,474	100	-
EXCEL Suzhou	EXCEL Anhui	Subsidiary	Purchase	22,700	8	Negotiated with reference to order price	Next month ends 60 days	The terms with related parties are not significantly different from those with third parties	(7,167)	40	-

Table 7

Excel Cell Electronic Company Limited and its subsidiaries

INFORMATION OF MAJOR SHAREHOLDERS

FOR THE YEAR ENDED DECEMBER 31, 2022

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
GUANG NA INVESTMENT CO., LTD	9,045,682	8.29%
Liao Pen-Lin	7,339,548	6.72%
Xiao Deng-Tang	6,745,729	6.18%
GUANG DA INVESTMENT CO., LTD	5,503,403	5.04%

Note: The table discloses stockholding information of stockholders whose ownership percentages are more than 5%. The Taiwan Depository & Clearing Corporation calculates the total number of common stocks and special stocks (including treasury stocks) that have completed the dematerialized registration and delivery on the last business day of the quarter. The stocks reported in the financial statements and the actual number of stocks that have completed the dematerialized registration and delivery may be different due to the basis of calculation.

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Statement 1

EXCEL CELL ELECTRONIC COMPANY LIMITED
STATEMENT OF CASH AND CASH EQUIVALENTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars and Foreign Currencies)

Item	Foreign-currency	Exchange rates	Amount (TWD)
Cash in banks			
Checking accounts			$ 104
Demand deposits			42,958
Foreign currency deposits			
USD	10,276	30.66	315,072
RMB	4,907	4.38	21,516
EUR	73	32.52	2,371
JPY	4,362	0.23	1,005
GBP	22	36.89	822
HKD	1,324	3.91	5,175
			389,023
Cash on hand			355
Cash equivalents			
Repurchase agreements - USD	4,012	30.66	123,008
			$ 512,386

Statement 2

EXCEL CELL ELECTRONIC COMPANY LIMITED
STATEMENT OF RECEIVABLES FROM UNRELATED PARTIES
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Client Name	Amount
Notes receivable - Unrelated parties	
TW139	$ 2,547
LT017	2,382
YC 022	915
PA020	619
DD007	603
GG005	588
Others (Note)	4,289
	$ 11,943
Accounts receivable - Unrelated parties	
TY030	$ 26,756
LO012	12,652
DW016	11,564
GB040	8,587
Others (Note)	124,698
	184,257
Less: Allowance for doubtful accounts	(435)
	$ 183,822

Note: The amount of individual client included in others does not exceed 5% of the account balance.

Statement 3

EXCEL CELL ELECTRONIC COMPANY LIMITED
STATEMENT OF INVENTORIES
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Item	Cost	Market Value (Note)
Finished goods	$ 107,913	$ 132,655
Semi-finished goods	75,961	102,686
Work in process	25,076	30,416
Raw materials	102,104	104,483
Merchandise	750	1,855
	$ 311,804	$ 372,095

Note 1: The market value is based on net realizable value.
Note 2: Inventories were not pledged.

EXCEL CELL ELECTRONIC COMPANY LIMITED
STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NONCURRENT
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investees	Balance, January 1, 2022			Additions in Investment		Decrease in Investment		Balance, December 31, 2022			Accumulated Impairment Loss	Collateral	Remarks
	Shares	Fair Value	%	Shares	Fair Value	Shares	Fair Value	Shares	Fair Value	%			
Domestic unlisted shares													
ASEP TEC CO., LTD.	4,062,375	$ 42,777	17	-	$ 163	-	$ -	4,062,375	$ 42,940	17	(Note 1)	(Note 2)	
LETEX TECHNOLOGY CORP.	540,000	4,500	10	-	-	-	-	540,000	4,500	10	(Note 1)	(Note 2)	
FUJITER SEMICONDUCTOR CO., LTD.	293,771	3,020	1	-	-	-	-	293,771	3,020	1	(Note 1)	(Note 2)	
SUNSINO DEVELOPMENT ASSOCIATE INC.	1,783,490	1,944	4	-	-	-	-	1,783,490	1,944	4	(Note 1)	(Note 2)	
HUA ZHONG VENTURE CAPITAL CO., LTD	9,235	92	5	-	-	-	-	9,235	92	5	(Note 1)	(Note 2)	
GET-TEAM TECH CORPORATION	407,008	4,070	5	-	-	407,008	4,070	-	-	-	(Note 1)	(Note 2)	
WK ASSOCIATES EIGHTH VENTURE CAPITAL CO., LTD	476,850	448	2	-	-	476,850	448	-	-	-	(Note 1)	(Note 2)	
INITIO CORPORATION	24,898	-		-	-	-	-	24,898	-	2	(Note 1)	(Note 2)	
		56,851			163		4,518		52,496				
Domestic listed shares													
MAX ECHO TECHNOLOGY CORP.	3,853,843	116,117	-	-	-	26,000	35,349	3,827,843	80,768	-	(Note 1)	(Note 2)	
P-DUKE TECHNOLOGY CO., LTD.	737,142	55,581	-	-	8,108	-	-	737,142	63,689	-	(Note 1)	(Note 2)	
		171,698			8,108		35,349		144,457				
		$ 228,549			$ 8,271		$ 39,867		$ 196,953				

Note 1: For the financial assets at fair value through other comprehensive income, the accumulated impairment loss is not applicable.
Note 2: Financial assets were not pledged.

EXCEL CELL ELECTRONIC COMPANY LIMITED
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

	Balance, January 1, 2022			Additions in Investment		Decrease in Investment		Others		Exchange Differences on Translation of Foreign Financial Statements	Balance, December 31, 2022			
Investees	Shares	Amount	%	Shares	Amount	Shares	Amount	(Note)	Profit (Loss) of Investments		Shares	Amount	%	Net Assets Value
EXCEL Anhui	-	$ 413,136	100	-	$ 119,720	-	$ -	$ -	($ 37,104)	$ 4,286	-	$ 500,038	100	$ 500,038
Fulltron Samoa	11,650,000	317,701	100	-	-	-	-	-	48,422	4,777	11,650,000	370,900	100	375,908
Simply Success	2,820,000	100,370	100	-	-	-	-	-	175	1,534	2,820,000	102,079	100	102,079
PACER TECH	1,919,600	50,886	100	-	-	-	-	(1,490)	9,202	-	1,919,600	58,598	80	57,704
ECE USA	2,500	19,954	100	-	-	-	-	-	11,739	2,591	2,500	34,284	100	35,020
GOOD SKY ELECTRIC	5,000,000	62,464	100	-	-	(4,900,000)	(49,000)	-	13,681	-	100,000	27,145	100	24,786
Good Sky Malaysia	375,163	27	100	-	-	-	-	-	(11)	-	375,163	16	100	16
Good Sky BVI	35,750	117,028	100	-	-	(35,750)	(118,004)	-	(5,708)	6,684	-	-	-	-
Fuzetec Technology	9,044,406	252,422	24			-	-	(32,575)	38,396	294	9,044,406	258,537	24	258,541
		$1,333,988			$ 119,720		($ 167,004)	($ 34,065)	$ 78,792	$ 20,166		$1,351,597		$1,354,092

Note: Include cash dividends, adjustment of actuarial gains and loss and unrealized gains (losses) from investments in equity instruments.

Statement 6

EXCEL CELL ELECTRONIC COMPANY LIMITED
STATEMENT OF SHORT-TERM BORROWINGS
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Type/Bank Name	Maturity Date	Interest Rate (%)	Amount
Unsecured Borrowings			
Mega International Commercial Bank Pei-Taichung Branch	2023.08.31	1.40-1.52	$ 170,000
Cathay United Bank Taichung District Centre	2023.01.05	1.38	90,000
The Shanghai Commercial & Savings Bank, Ltd. Chung Kang Branch	2023.03.23	1.69	150,000
			$ 410,000

Statement 7

EXCEL CELL ELECTRONIC COMPANY LIMITED
STATEMENT OF SHORT-TERM NOTES PAYABLE
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Vendor Name	Maturity Date	Interest Rate (%)	Amount
MEGA BILLS FINANCE CO., LTD	2023.10.17	1.57	$ 300,000
Ta Ching Bills Finance Corporation	2023.02.17	1.72	80,000
			$ 380,000

Statement 8

EXCEL CELL ELECTRONIC COMPANY LIMITED
STATEMENT OF PAYABLES TO UNRELATED PARTIES
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Name	Amount
Notes payable – unrelated parties	
HD	$ 1,296
HS112	86
TY026	72
	$ 1,454
Accounts payable – unrelated parties	
DE036	$ 57,671
Others (Note)	75,498
	$ 133,169

Note: The amount of individual client included in others does not exceed 5% of the account balance.

Statement 9

EXCEL CELL ELECTRONIC COMPANY LIMITED
STATEMENT OF OTHER PAYABLES
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Name	Amount
Salaries and wages payable	$ 49,462
Other payables expense	36,422
Employee's compensation payable	12,539
Others	379
	$ 98,802

EXCEL CELL ELECTRONIC COMPANY LIMITED
STATEMENT OF LONG-TERM BORROWINGS
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Type/Bank Name	Contract Period (Note)	Repayment	Interest Rates (%)	Current Portion of Long-term Borrowings	Non-current Portion of Long-term Borrowings	Total	Collateral
Unsecured Borrowing							
Mega International Commercial Bank Pei-Taichung Branch	2019.12.2-2029.12.02	The loan is a working capital loan with a grace period of three years (started in December 2019) and is repayable in four equal annual installments after the grace period.	1.725	$ 102,539	$ 294,846	$ 397,385	—
Mega International Commercial Bank Pei-Taichung Branch	2019.12.2-2029.12.02	The loan is for the purchase of machinery and equipment with a grace period of three years (started in December 2019) and is repayable in seven equal annual installments after the grace period.	1.725	16,941	99,860	116,801	—
				119,480	394,706	514,186	
Secured Borrowing							
Mega International Commercial Bank Pei-Taichung Branch	2021.06.08-2031.06.08	The loan is for the construction of a plant with a grace period of three years (started in June 2021) and is repayable in seven equal annual installments after the grace period.	1.725	-	135,639	135,639	Land and Building
				$ 119,480	$ 530,345	$ 649,825	

Note: Within the contract period.

Statement 11

EXCEL CELL ELECTRONIC COMPANY LIMITED
STATEMENT OF NET REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Item	Quantity (In Thousands)	Amount
Semiconductors components	Around 8,036,000	$ 529,993
DIP Switch	Around 106,000	376,222
Electronic components	Around 87,000	276,181
Relays	Around 12,000	176,902
Stepping Motor	Around 18,000	92,919
Revenue total		1,452,217
Less: Sales return		(6,744)
Sales discount		(3,851)
Net revenue		$ 1,441,622

Statement 12

EXCEL CELL ELECTRONIC COMPANY LIMITED
STATEMENT OF COST OF REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Item	Amount
Raw materials balance, beginning of year	$ 121,596
Raw material purchased	434,226
Raw materials, end of year	(107,886)
Others	(42,994)
Raw materials used	404,942
Direct labor	181,759
Manufacturing expenses	374,735
Manufacturing cost	961,436
Semi-finished goods, beginning of year	110,242
Semi-finished goods purchased	83,912
Semi-finished goods, end of year	(86,978)
Others	(73,970)
Work in process, beginning of year	49,464
Work in process, end of year	(25,106)
Cost of finished goods	1,019,000
Finished goods, beginning of year	98,671
Finished goods purchased	74,743
Finished goods, end of year	(123,477)
Others	(732)
Cost of finished goods	1,068,205
Merchandise, beginning of year	1,496
Merchandise purchased	13,210
Merchandise, end of year	(1,255)
Others	65,432
Total	$ 1,147,088

Statement 13

EXCEL CELL ELECTRONIC COMPANY LIMITED
STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Item	Selling Expenses	General and Administrative Expenses	Research and Development Expenses	Total
Payroll	$ 18,862	$ 54,702	$ 41,315	$114,879
Depreciation expense	551	3,806	5,370	9,727
Import/export expense	12,357	177	-	12,534
Others	11,231	36,885	32,813	80,929
	$ 43,001	$ 95,570	$ 79,498	$218,069