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信音企業股份有限公司

SINGATRON ENTERPRISE CO., LTD.

2022 Annual Report

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This English version is prepared based on the Chinese version and is for reference only. If there is any discrepancy between the English version and the Chinese version, the Chinese version shall prevail.

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5. Name of the offshore exchange where the Company's securities are listed and the method by which to access information on the offshore securities: not applicable.

6. Company website:

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Appendix 1. 2022 Consolidated Financial Statements and Independent Auditor's Report
Appendix 2. 2022 Standalone Financial Statements and Independent Auditor's Report

One. Letter to Shareholders

Hello, shareholders, ladies and gentlemen:

On behalf of the Board of Directors and all employees, I would like to thank all shareholders for your support and love for the Company. I would also like to report the results of the Company's operations for the year 2022 and the business plan for the year 2023.

I. 2022 business report

1. Implementation results of business plan

In 2021, the Company repositioned its market development strategy as [WECAN], where [W] represents the Company's special product series of waterproof connector products, [E] represents new energy product applications, [C] represents consumer electronics applications, [A] represents automotive electronics applications, and [N] represents notebook computer product applications. The Company's future market development direction will be to expand the market of [W] waterproof connector products and actively develop towards [E] new energy and [A] automotive electronics applications. The Company's revenue percentage for [E] new energy and [A] automotive electronics applications has grown year over year and climbed to 22.8% in 2022.

The Company's consolidated operating results for 2022 are as follows: The Company's [E] new energy and [A] automotive electronics industries, which have been undergoing transformation in recent years, saw significant growth in revenue in 2022 due to market development, but the [N] notebook computer industry and [C] consumer electronics industry, which are the main sales markets, saw a significant decline in demand due to the war in Russia and Ukraine and global inflation. The revenue for the year declined significantly. In addition, the Suzhou and Zhongshan plants in China were affected by the decline in production capacity due to the decrease in demand for orders, which led to an increase in the fixed cost rate, thus affecting the overall gross margin; in summary, the Group's consolidated revenue declined by 7.0% from the previous year and the consolidated gross margin declined from 27.1% in 2021 to 26.1% in 2022, resulting in a slight decline in operating profit margin, net profit margin after tax, and net profit margin attributable to owners of the parent company. The Company's profitability declined slightly from the previous year, as shown in the table below.

(Unit: Thousand NTD, except earnings per share)

Item	2022		2021		Difference	
	Amount	Percentage	Amount	Percentage	Amount	Growth rate
Operating revenue	3,892,540	100.0%	4,184,088	100.0%	(291,548)	-7.0%
Operating gross profit	1,014,996	26.1%	1,133,528	27.1%	(118,532)	-10.5%
Operating expenses	(675,268)	-17.4%	(701,256)	-16.8%	25,988	NA
Operating profit	339,728	8.7%	432,272	10.3%	(92,544)	-21.4%
Non-operating income and expenses, net	62,179	1.6%	12,621	0.3%	49,558	392.7%
Net profit (loss) before tax	401,907	10.3%	444,893	10.6%	(42,986)	-9.7%
Income tax expense	(105,952)	-2.7%	(115,527)	-2.8%	9,575	NA
Net profit (loss) after tax	295,955	7.6%	329,366	7.9%	(33,411)	-10.1%
Net profit (loss) attributable to owners of the parent company	222,508	5.7%	246,754	5.9%	(24,246)	-9.8%
EPS (Unit: NTD)	1.85		1.97		-0.12	

2. Profitability and analysis of important financial ratios

In 2022, the debt ratio increased slightly compared with 2021 due to the increase in bank loans, and the current ratio and quick ratio increased due to the increase in bank deposits. In 2022, profitability declined slightly due to the decline in demand in the [N] notebook computer industry and the [C] consumer electronics industry, which affected plant capacity utilization rates and increased fixed cost rates. Overall, our capital structure remained healthy.

Analysis item \ Year		2022	2021
Capital structure	Debt to assets ratio (%)	51.82%	50.92%
Solvency	Current ratio (%)	183.22%	181.04%
	Quick ratio (%)	156.74%	139.52%
Profitability	Return on assets (%)	5.51%	6.14%
	Return on equity (%)	14.50%	15.74%
	Net profit margin (%)	5.72%	5.90%

3. Budget execution

In accordance with the “Regulations Governing the Publication of Financial Forecasts of Public Companies,” the Company has not disclosed financial forecast information for 2022 and is not required to disclose budget execution and analysis information for 2022.

4. R&D status

(1). R&D expenditures for the last two years

(Unit: Thousand NTD)

Year	2022	2021
Operating revenue	3,892,540	4,184,088
R&D expenses	137,965	120,483
As a percentage of revenue for the year (%)	3.54%	2.88%

(2). R&D results

The Company has been dedicated to the connector business for more than 40 years and has been insisting on independent innovation in R&D technology, focusing on in-depth research on connector R&D and manufacturing technology, and forming an innovative mechanism combining forward-looking research and application-oriented research. In terms of process innovation, the Company has subdivided its products into modules and standardized common modules. The Company’s core technologies have unique competitive advantages and broad application prospects in the industry. The efficient R&D system, rich technical repository and manufacturing and automation advantages enable

the Company to analyze the manufacturing feasibility and process improvement for customers' product requirements, and provide corresponding support for customers' new product development, which effectively enhances the Company's overall service capability and customer adhesion. In recent years, our marketing and R&D programs have gradually transformed and expanded our products into [E] new energy and [A] automotive electronics applications. In December 2020, the Company became one of the first manufacturers in the world to obtain USB4 Type-C Receptacle 40Gbps (USB4 Gens) connector certification. By the end of 2022, the Company ranked in the top segment in terms of the certification number for USB4 Type-C Receptacle 40Gbps (USB4 Gens) connectors, continuing to make significant achievements in product innovation.

The Company will continue to improve its competitiveness by providing customized design services and satisfying customers' needs in order to move towards sustainable business operations.

R&D projects and achievements in 2022 are as follows:

Item	Industry	R&D project name	R&D project content	Progress
1	New energy [E]	Waterproof power connector for industrial appliances	Waterproof products for industrial appliances and high-current products	Sampling stage
2	Automotive electronics [A]	Battery connector for electric bicycle	Connectors for waterproof and multi-angle plugging and unplugging for electric bicycle battery.	Sampling stage
3	Automotive electronics [A]	PD3 + QC3.0 CHARGER	In line with QC3.0 and PD3 fast charging specifications for motorcycles.	Mass production stage
4	Consumer electronics [C]	Home appliance charging stand – Cutter pairing product	Waterproof grade – IPX4 requirement. Voltage/current – 30V/45A.	Design stage
5	Automotive electronics [A]	High power battery connector for electric bicycle	1440W power (48V@30A) design, where cutter type structure allows the battery pack to be inserted in multiple directions, with radial and axial integrated double waterproof structure and battery mechanism to achieve waterproof performance above IPX6. The dual-docking design of the inter-plugging and dual-conducting terminals enables the product to achieve lower temperature rise and stable and safe performance.	Mass production stage
6	Automotive electronics [A]	Electric bicycle battery charging and discharging plug and socket	Cutter type power (3PIN) + signal (9PIN) structure and we later can produce 3+6PIN or 2+5PIN and other combinations, which will become the standard components for customers in the future. Product power 960W (48V@20A), which supports 20° slant plugging, with plugging life of more than 3000 times, full spacing waterproof between all female terminals, while product single unit and assembly and inter-plugging meet IPX6 waterproof level.	Mass production stage
7	Consumer electronics [C]	Development of vacuum cleaner waterproof charging port	Product shape matching customer architecture, synchronous development with customer. When the plug and socket are independent, it is necessary to meet the waterproof IPX4 when plugged in and powered up, because the vacuum cleaner needs to meet the safety needs when used in the environment with water. Current 45A, and the product must meet IEEE 1625, IEC 60950, UL2054, UL2595.	The prototype has been sent to the customer for verification.
8	Automotive electronics [A]	Development of waterproof high-current charging port for electric motorcycles	Product size to meet customer specified needs, plug and socket independent state to meet the waterproof, plug into the power also need to meet the waterproof IPX7, the use of current 120A, peak 150A 20S life 10000cycles.	Prototype fabrication and validation in progress
9	Automotive electronics [A]	Development of waterproof charging port for electric	Product size to meet customer specified needs, plug and socket independent state to meet the waterproof, plug into the power also needs to	Evaluation stage

		motorcycles	meet the waterproof IP56, each plug socket, when the water is not allowed to find short-circuit phenomenon. Use current 25A / 30A male head part of the destructive lifting weight 300N, the product must comply with UL1977 UL62 and complete certification.	
10	Notebook computer [N]	16K Life Type-C PLUG Connector	The product must meet the customer's life 16K requirements, during the test according to the customer's number of times to stop and record the plugging and unplugging information and records to remove the measurement LLCR and then reverse the plugging and unplugging until after life and demand TID.	Prototype test phase
11	Notebook computer [N]	240W Type-C PLUG Connector	According to the customer's demand, it needs to meet 16AWG welding, voltage 48V, current 5A and all designs need to meet the association and demand TID certification.	Prototype test phase

II. Outline of 2023 business plan

1. Management Guidelines

The vision, mission and management philosophy of the Company are as follows:

Vision: To be the preferred connector solution provider in the industry

Mission: To build a healthy and efficient team to accomplish the mission

Business philosophy: “Innovation, Service, Efficiency”

The Company focuses on its core business, researching, developing and producing various electronic connection products, providing customers with high quality, accurate delivery and competitive prices. Through the efforts and dedication of all employees, the Company has gained a good reputation and credibility in the industry. At the same time, we continue to upgrade our smart manufacturing capabilities to provide better services to our customers and develop new markets with high added value.

2. Estimated sales volume and basis

Main product category	Estimated sales targets of the Consolidated Group
	Volume (K pcs)
Electronic module products	7,800
Connectors segment	425,000

3. Important production and sales policies

(1) On the one hand, continue to actively expand our business in the global market, develop new products for new customers in new markets, and focus our business development on four major product applications, including new energy applications, consumer electronics applications, automotive electronics applications, and notebook computer applications and effectively manage our performance by target management. In addition, we will continue to increase our sales channels through distributors in the U.S., Asia, and Europe to establish an overall sales and

marketing network.

(2) Improve our ability to control orders and optimize plant scheduling, and enhance the flexibility of supply chain delivery and production and sales coordination on the plant-side in order to meet customer needs in a timely manner in response to changes in the global economic environment, and to control and reduce the risk of inventory slow moving and shorten inventory turnover days.

(3) Actively apply for patents for new products developed by ourselves to raise the threshold for competitors to enter; strengthen the technical capability of waterproof products and continue to improve the competitiveness of waterproof products to make market differentiation.

(4) Improve the automation capability and degree of equipment in the plant to reduce labor costs and increase production efficiency.

(5) The Group shall continue to work on green production quality operations, green procurement, efficient energy management measures for equipment, the construction of a transitional research and development of a supply chain of recycled raw materials and low-carbon materials, the disclosure of carbon inventory information in the supply chain, renewable energy and solar power generation devices, and energy-saving and waste-reducing environmental protection facilities to initiate actions for sustainable management of the Company.

III. Future development strategy of the Company

Connectors are key components of end-use products in the electronics industry. In recent years, the global connector market has continued to grow due to the continued development of the automotive electronics, new energy application industry, 5G communication industry, computer peripheral and server industry, consumer electronics and other downstream industries. According to Bishop & Associates, the global market for connectors is expected to grow from 2020 to 2026 at a compound annual growth rate of 5.5%, with connectors in the automotive electronics, 5G communications, computer peripheral and server industries, and industrial applications accounting for a larger share of the global connector market; In the future, under the global trend of environmental sustainability, it is expected that the automotive electronics and new energy industries will be the industries with rapid growth of market demand in the future. The Company's market development strategy is closely related to the global trend of application development of electronic industry and connector products, and there is ample room for future growth.

Future business direction and development goals:

1. Provide excellent service to customers: Through the Company's research and development innovation, provide customers with high-quality products and excellent service.
2. Strengthen strategic cooperation or integration with upstream and downstream: Seek strategic partners to strengthen cooperation or integration to enhance the integrated efficiency or technology improvement or cost reduction in the market on the customer side.
3. Leash out the potential of each employee: The company will create a caring, challenging and

rewarding work environment to drive out the work motivation and potential of each employee.

4. Create further value for shareholders: As a growth oriented enterprise, the Company will strive to ensure the continuous and stable growth of the Company, so as to maximize the interests of shareholders.
5. Continue to promote the Company's ESG program: We will do our best to contribute to the sustainability of society and the environment, and continue to promote corporate governance, sustainable development, energy saving and carbon reduction, and fulfill corporate social responsibility.

IV. Influence by the external competitive environment, regulatory environment and overall business environment

(1) The Company operates in a mature industry. Competition among the industry peers by low prices and the continuous price reduction pressure from customers have reduced profit margins. The Company will continue to focus on the products and application industries of the above-mentioned market development strategies, strengthen the operational efficiency and service quality to customers, and expand its overseas market territory. In terms of products, we are developing towards niche waterproof application products, high-frequency and high-speed products with high added value, and in terms of application industries, we are developing for automotive electronics and new energy application industries to continuously improve our competitiveness.

(2) We will strengthen our plant automation, manufacturing and engineering capabilities to reduce the risk of rising labor costs.

(3) Establish a technology center, and continue to focus on and invest resources in new product and industry R&D transformation, and R&D technology talent enhancement. Proactively advance into diversified product applications and development.

(4) We are concerned about the risks and impacts of changes in labor, environmental and tax laws and regulations of the Group's subsidiaries and the global economic situation that may cause fluctuations in foreign currency exchange rates on our operations, and respond to them as soon as possible.

(5) Global corporate information security incidents are frequent. With the high reliance of global enterprises on information technology, a serious information security incident may affect the normal operations of the Company. As such, the Company will also strengthen the Group's information security software and hardware to reduce the risk of information security incidents.

The Company's management team will continue to focus on its core business in a prudent manner in order to continuously improve profitability and create corporate value. Once again, we would like to thank our shareholders for your support, and the management team and all employees of SINGATRON will continue to work hard to meet the expectations of our shareholders.

Chairperson: Hsin-Nan Kan President: Peng-Huang Peng Accounting officer: Rui-Chen Hu

Two. Company Profile

(I) Date of establishment: August 25, 1976

(II) Company History

Date	Important Events
August 1976	Founded with a paid-in capital of NT$1,350 thousand, located in Hukou Township, Hsinchu County and engaged in the production of various connectors and sockets.
January 1978	Increased capital by cash of NT$3,650 thousand, resulting in paid-in capital of NT$5 million after the capital increase.
July 1984	Increased capital by cash of NT$5 million for business expansion, resulting in paid-in capital of NT$10 million after the capital increase.
June 1985	Developed and produced computer connectors and expanded product lines to include information products.
December 1986	Increased capital by cash of $10 million, resulting in paid-in capital of NT$20 million after the capital increase.
January 1995	Passed ISO 9002 international quality certification.
December 1995	Increased capital by cash of $40 million, resulting in paid-in capital of NT$60 million after the capital increase.
November 1998	Increased capital by cash of $60 million, resulting in paid-in capital of NT$120 million after the capital increase. Invested in Chung Shan Lung Tais Hing Electroplating Co., Ltd. to ensure the quality of product electroplating.
March 1999	Invested in Singatron Electronics Enterprise Co. to establish overseas presence.
April 1999	Invested and established Singatron Enterprise (BVI) Co. to enter the Mainland China market.
June 1999	Developed and produced special connectors for communication and the Company officially entered the 3C field.
September 1999	Moved in the new office and plant building in Hukou upon completion of construction.
November 1999	Public offering of shares as approved by the Securities and Futures Commission, Ministry of Finance.
December 1999	Increased capital from earnings of $60 million and by cash of $10 million, resulting in paid-in capital of NT$190 million after the capital increase.
May 2000	Invested in a new plant in Zhongshan, Guangdong, with ground breaking for construction.
July 2000	Increased capital from earnings of $77.8 million and by cash of $32.2 million, resulting in paid-in capital of NT$300 million after the capital increase.
July 2001	Increased capital from earnings of $77.5 million, resulting in paid-in capital of NT$377.5 million after the capital increase.
August 2001	Passed ISO14001:1996 environmental management system certification.
January 2002	The Company's shares were listed on Taipei Exchange on January 18, 2002.
February 2002	Invested in a new plant in Zhongshan, Guangdong, with completion of construction and release to operations. Invested in Suzhou Singatron and started production.
September 2002	Increased capital from earnings of $42.5 million, resulting in paid-in capital of NT$420 million after the capital increase.
May 2003	Passed SONY GP environmental management system audit.
September 2003	Increased capital from earnings of $30 million, resulting in paid-in capital of NT$450 million after the capital increase.
December 2003	Passed ISO9001:2000 environmental management system certification.
September 2004	Increased capital from earnings of $50 million, resulting in paid-in capital of NT$500 million after the capital increase.
April 2005	Reduced capital by treasury stock of $20 million, resulting in paid-in capital of NT$480 million after the

	capital reduction. Complete the construction of the structure of the new Suzhou Singatron plant.
August 2005	Increased capital from earnings of $27 million, resulting in paid-in capital of NT$507 million after the capital increase.
November 2005	Reduced capital by treasury stock of $6 million, resulting in paid-in capital of NT$501 million after the capital reduction.
December 2005	Passed ISO14001:2004 environmental management system revision certification.
January 2006	Passed the OHASA-18001:1999 occupational safety and health management system certification.
March 2006	Reduced capital by treasury stock of $18 million, resulting in paid-in capital of NT$483 million after the capital reduction.
September 2006	Increased capital from earnings of $67 million, resulting in paid-in capital of NT$550 million after the capital increase.
October 2006	Issued NT$500 million of the 1st domestic unsecured convertible bonds.
January 2007	Corporate bonds converted into common stock, resulting in paid-in capital of NT$563,235,740 after conversion.
May 2007	Corporate bonds converted into common stock, resulting in paid-in capital of NT$580,471,520 after conversion.
July 2007	Corporate bonds converted into common stock, resulting in paid-in capital of NT$592,426,500 after conversion.
September 2007	Increased capital from earnings and capital surplus of $1,101,375,430, resulting in paid-in capital of NT$693,801,930 after the capital increase.
November 2007	Corporate bonds converted into common stock, resulting in paid-in capital of NT$694,004,170 after conversion.
January 2008	Singatron Enterprise (BVI) Co., Ltd. invested in Singatron (Hong Kong) International Holding Ltd. to adjust its investment structure in Mainland China.
June 2008	Invested in Shin Ying Investment Co., Ltd.
July 2008	Singatron Electronic (Zhongshan) Co., Ltd. expanded its production line in Nanlang.
September 2008	Increased capital from earnings of $103,320,540, resulting in paid-in capital of NT$797,324,710 after the capital increase.
October 2008	Established Yancheng Branch of Singatron Electronic (Suzhou) Co., Ltd. Redeemed all of the 1st domestic unsecured convertible bonds. Invested in Singatron Technology (HongKong) Co., Ltd.
December 2008	Completed the construction of the third phase of the plant of Singatron Electronic (Suzhou) Co., Ltd. Dongguan Singatron Plastic Hardware Co., Ltd. merged with Singatron Electronic (Zhongshan) Co., Ltd. Reduced capital by treasury stock of $7 million, resulting in paid-in capital of NT$790,324,710 after the capital reduction.
January 2009	Reduced capital by treasury stock of $35 million, resulting in paid-in capital of NT$755,324,710 after the capital reduction.
February 2009	Singatron (Hong Kong) International Holding Ltd. transferred 75% of the shares of Singatron Electronic (Zhongshan) Co., Ltd. to Singatron Electronic (Suzhou) Co., Ltd.
August 2009	Increased capital from earnings of $43,519,480, resulting in paid-in capital of NT$798,844,190 after the capital increase. Singatron (Hong Kong) International Holding Ltd. increased the capital of Singatron Electronic (Suzhou) Co., Ltd. by cash of US$2 million.
October 2009	Sold 13.2% equity interest in Singatron Electronic (Suzhou) Co., Ltd.
March 2010	Established Taizhou Branch of Singatron Electronic (Suzhou) Co., Ltd.
April 2010	Singatron Electronic (Suzhou) Co., Ltd. was restructured and renamed SINGATRON Electronics (China) Co. Ltd.
August 2010	Increased capital from earnings of $153,768,830, resulting in paid-in capital of NT$952,613,020 after the capital increase.

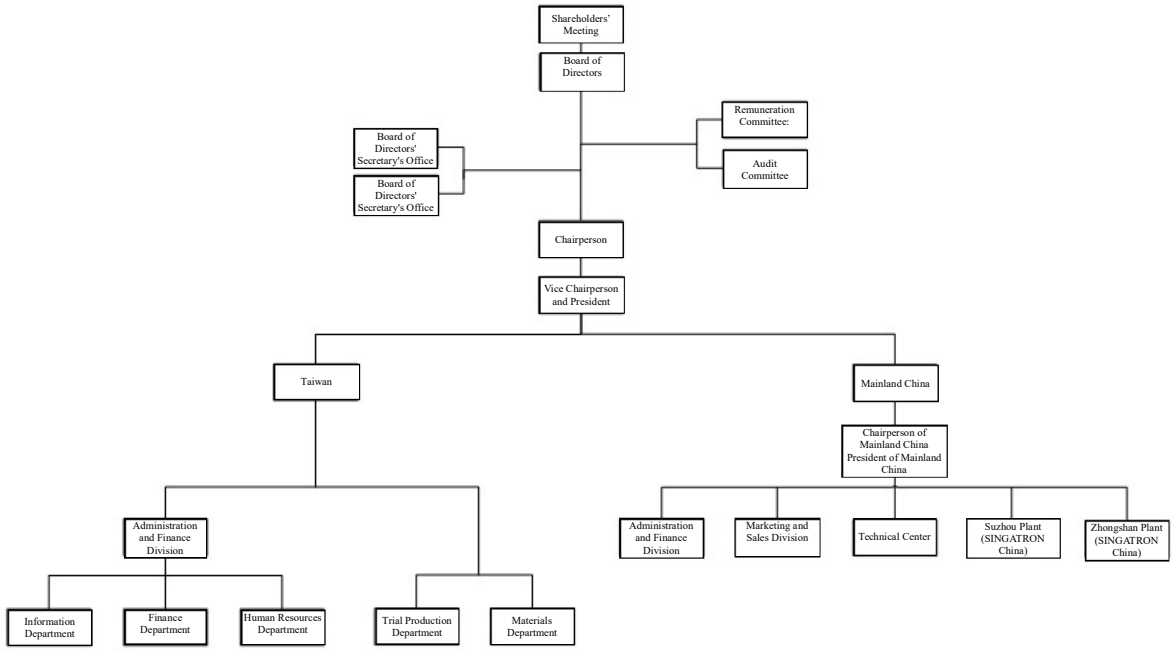
November 2010	Shin Ying Investment Co., Ltd. filed for liquidation.
December 2010	Singatron (Hong Kong) International Holding Ltd. increased the capital of Chung Shan Lung Tais Hing Electroplating Co., Ltd. by cash of US$600 thousand. Chang Wang Enterprise Co., Ltd. completed the liquidation procedures. SINGATRON Electronic Enterprise Co., Ltd. changed its name to SINGATRON Investment Co., Ltd.
February 2011	Reduced capital by treasury stock of $13 million, resulting in paid-in capital of NT$939,613,020 after the capital reduction.
March 2011	Singatron (Hong Kong) International Holding Ltd. increased the capital of Chung Shan Lung Tais Hing Electroplating Co., Ltd. by cash of US$500 thousand.
August 2011	Increased capital from earnings and capital surplus of $93,961,300, resulting in paid-in capital of NT$1,033,574,320 after the capital increase.
September 2011	SINGATRON Electronics (China) Co. Ltd. established a subsidiary, Suzhou Singatron Connector Co., Ltd. Singatron Electronic (Zhongshan) Co., Ltd. established a subsidiary, Chung Shan Singatron Connector Co., Ltd.
April 2012	Increased the capital of Chung Shan Lung Tais Hing Electroplating Co., Ltd. by cash of US$700 thousand.
August 2012	Increased capital from earnings and capital surplus of $103,357,430, resulting in paid-in capital of NT$1,136,931,750 after the capital increase.
March 2013	SINGATRON Electronics (China) Co. Ltd. established a subsidiary, Singatron San Jose Connection Co., Ltd.
November 2013	SINGATRON Electronics (China) Co. Ltd. established a subsidiary, Singatron Electronic (Leshan) Co., Ltd.
January 2014	Launched the waterproof connector brand "SGConn."
September 2014	Obtained ISO/TS16949:2009 quality management certification.
November 2014	Singatron (Hong Kong) International Holding Ltd. disposed of 100% equity interest in Chung Shan Lung Tais Hing Electroplating Co., Ltd.
January 2015	SINGATRON Electronics (China) Co. Ltd. was listed on the National Equities Exchange And Quotations System in Mainland China.
March 2016	The 2nd domestic secured convertible bonds were listed for trading.
November 2016	Corporate bonds converted into common stock, resulting in paid-in capital of NT$1,161,740,460 after conversion.
May 2017	Corporate bonds converted into common stock, resulting in paid-in capital of NT$1,163,707,580 after conversion.
August 2017	Corporate bonds converted into common stock, resulting in paid-in capital of NT$1,181,193,750 after conversion.
September 2017	SINGATRON Electronics (China) Co. Ltd. established a subsidiary, Suzhou Singatron Auto Co., Ltd.
November 2017	Corporate bonds converted into common stock, resulting in paid-in capital of NT$1,203,816,490 after conversion.
December 2017	Singatron Electronic (Leshan) Co., Ltd. completed the deregistration procedures.
February 2018	Corporate bonds converted into common stock, resulting in paid-in capital of NT$1,204,350,060 after conversion.
May 2018	Corporate bonds converted into common stock, resulting in paid-in capital of NT$1,256,165,760 after conversion.
July 2018	Reduced capital by treasury stock, resulting in paid-in capital of NT$1,237,315,760 after the capital reduction.
September 2018	Corporate bonds converted into common stock and increased capital from earnings, resulting in paid-in capital of NT$1,299,077,740 after the conversion and the capital increase.
December 2018	Corporate bonds converted into common stock, resulting in paid-in capital of NT$1,366,504,260 after conversion.
February 2019	Corporate bonds converted into common stock and reduced capital from earnings, resulting in paid-in capital of NT$1,358,963,480 after the conversion and the capital reduction.
March 2019	The 2nd domestic secured convertible bonds were delisted from Taipei Exchange.

May 2019	Corporate bonds converted into common stock and reduced capital from earnings, resulting in paid-in capital of NT$1,359,275,870 after the conversion and the capital reduction.
February 2020	Reduced capital by treasury stock, resulting in paid-in capital of NT$1,318,395,870 after the capital reduction.
April 2020	Established a special committee to examine the initial public offering of common stock in RMB (A shares) in China and application for listing on an overseas stock exchange by the Company's subsidiary, SINGATRON Electronics (China) Co. Ltd.
May 2020	Reduced capital by treasury stock, resulting in paid-in capital of NT$1,268,395,870 after the capital reduction.
December 2020	The trading of the shares of SINGATRON Electronics (China) Co. Ltd. on the National Equities Exchange and Quotations system in China was suspended.
June 2021	SINGATRON Electronics (China) Co. Ltd. completed the filing of application for A-share listing on the Growth Enterprise Market of the Shenzhen Stock Exchange in China.
November 2021	Reduced capital by treasury stock, resulting in paid-in capital of NT$1,227,625,870 after the capital reduction.
August 2022	Progress of China IPO Application of SINGATRON Electronics (China) Co. Ltd.: The examination results of the listing Committee of the Growth Enterprise Market of the Shenzhen Stock Exchange of SINGATRON Electronics (China) Co. Ltd. (IPO): In compliance with the issue criteria, listing criteria and disclosure requirements.
September 2022	Reduced capital by treasury stock, resulting in paid-in capital of NT$1,197,625,870 after the capital reduction.
November 2022	Reduced capital by treasury stock, resulting in paid-in capital of NT$1,172,655,870 after the capital reduction.
November 2022	Progress of China IPO Application of SINGATRON Electronics (China) Co. Ltd. Formally submitted to the Beijing Office of the China Securities Regulatory Commission for registration and entered the stage of registration examination by the China Securities Regulatory Commission.

Three. Corporate Governance Report

I. Organizational System

1. Organizational Structure



2. Business activities of each major department

Department	Business activities
Finance Department	(1) Responsible for company-wide treasury, accounting, cashier and cost control.
	(2) Prepare short, medium and long term capital acquisition and deployment plans.
	(3) Cash flow, exchange rate and interest rate management.
	(4) Cashier and bank transactions.
	(5) Accounting policies and accounting estimates.
	(6) Book-keeping and tax handling.
	(7) Establish company-wide annual budget and profit center system.
	(8) Budget preparation, variance analysis and control.
	(9) Effective control of capital expenditure and evaluation of efficiency of capital expenditure.
Information Department	(1) Information resource planning and management.
	(2) Information security maintenance and management.
	(3) Software project evaluation and implementation.
	(4) Software system design and development.
	(5) Integrated network construction and management.
Human Resources Department	(1) The planning and execution of the Company's organizational details.
	(2) Preparation of company management rules.
	(3) Human resources management and application.
	(4) Establish personnel rules and regulations, develop human resources, and build talent pools.
	(5) Pursue the objectives of seeking, developing and retaining talents.
	(6) Responsible for company-wide education and training, talent development and implement the training plan.
	(7) Handle the matters related to salary, insurance, reward and punishment, promotion, lay-off, leave of absence and performance appraisal of all employees.
	(8) Implement the policies of headcount increase and replacement, employee recruitment and selection, etc.
	(9) Responsible for the supervision and implementation of the policies for general affairs, assets, paperwork, welfare affairs, plant-wide environment, security and cleaning.

	(10) Responsible for the supervision of matters related to public safety and health, occupational safety system training and public relations.
	(11) Management of fixed assets.
Marketing and Sales Division	(1) Achieve budgetary targets set by the Company.
	(2) Strategic product planning and promotion
	(3) Identify competitors in the industry.
	(4) Product creation and promotion.
	(5) Business planning and execution on both sides of the Taiwan Strait.
	(6) Product pricing strategy formulation and implementation
	(7) Production and sales communication, order review and receivables collection.
	(8) Promote corporate and product image, market research and intelligence collection and analysis.
	(9) Develop new products and manage new product development schedule.
	(10) Define and fully communicate the product requirements of customers to relevant units in the plant.
	(11) Product improvement and engineering changes.
	(12) Create and manage all engineering data.
	(13) Preparation and control of specification drawings, and formulation of operations instructions.
	(14) Adjustment and correction of engineering abnormalities.
	(15) Design and maintenance management of molds, calibration of measuring devices.
Technical Center	(1) Design and development of new products.
	(2) Search, development, and introduction of new materials.
	(3) Formulation of new product specifications.
Suzhou Plant (SINGATRON China)	R&D, production and sales of connector products in Eastern China.
Zhongshan Plant (SINGATRON Zhongshan)	R&D, production and sales of connector products in Southern China.
Trial Production Department	Trial production and inspection of electronic modularized products in Taiwan
Materials Department	Purchase and warehouse management in Taiwan.

II. Information on directors, president and officers of departments and branches

(I). Information on directors

1. Name of directors, education and work experiences, shareholding and nature

04/15/2023 (the date for suspension of stock transfer) Unit: Shares; %

Position	Nationality or place of registration	Name	Gender / Age	Date elected	Term of office	Date first elected (Note 2)	Shareholding while elected		Current shareholdings		Current shareholding by spouse and minor children		Shareholding in the name of others		Major education and work experiences (Note 3)	Concurrent positions in the Company and other companies now	Spouse or relatives within second degree of kinship who are officers, directors or supervisors of the Company			Remarks (Note 4)
							Number of shares	Shareholdings percentage	Number of shares	Shareholdings percentage	Number of shares	Shareholdings percentage	Number of shares	Shareholdings percentage			Position	Name	Relationship	
Chairperson	R.O.C.	KAN SHI INVESTMENT CO., LTD.	-	2022.06.16	3	2013.06.20	7,764,829	6.33	7,764,829	6.62	0	0.00	0	0.00	-	-	None	None	None	None
	R.O.C.	Representative: Hsin-Nan Kan	Male 71-80 Years old	2022.06.16	3	2016.06.14	3,607,843	2.94	3,607,843	3.08	209,831	0.18	0	0.00	Department of Accounting and Statistics, National Hsinchu Commercial Vocational High School Chairperson of SINGATRON ENTERPRISE CO., LTD.	Note 1	Director Representative	Chih-Chiang Chu	Relative by marriage within 2nd degree of kinship	None
Vice - Chairperson	R.O.C.	Dong Yi Enterprise Management Co., Ltd.	-	2022.06.16	3	2016.06.14	1,106,000	0.90	1,200,000	1.02	0	0.00	0	0.00	-	-	None	None	None	None
	R.O.C.	Representative: Peng-Huang Peng	Male 61-70 Years old	2022.06.16	3	2016.06.14	2,384,000	1.94	2,384,000	2.03	767,000	0.65	0	0.00	MBA, Soochow University Vice Chairperson and President of SINGATRON ENTERPRISE CO., LTD.	Note 1	None	None	None	None
Director	R.O.C.	ZHEN CHUN INVESTMENT CO., LTD.	-	2022.06.16	3	2013.06.20	3,243,458	2.64	3,243,458	2.77	0	0.00	0	0.00	-	-	None	None	None	None
	R.O.C.	Representative: Chien-Nian Chi	Male 71-80 Years old	2022.08.04	3	2016.06.14	0	0.00	0	0.00	0	0.00	0	0.00	Institute of Electrical Engineering, National Cheng Kung University Vice President of KINYO CO., LTD.	Senior Vice President of JONDER INDUSTRIES LTD. Supervisor of SINGATRON Electronics (China) Co. Ltd.	None	None	None	None
Director	R.O.C.	KAN SHI INVESTMENT CO., LTD.	-	2022.06.16	3	2013.06.20	7,764,829	6.33	7,764,829	6.62	0	0.00	0	0.00	-	-	None	None	None	None
	R.O.C.	Representative: Chih-Chiang Chu	Male 61-70 Years old	2022.06.16	3	2018.09.25	338,429	0.28	338,429	0.29	148,006	0.13	0	0.00	Full-Term Class of Republic of China Military Academy Vice President of Chung Shan Lung Tais Hing Electroplating Co., Ltd.	Director of SINGATRON Electronics (China) Co. Ltd.	Chairperson Representative	Hsin-Nan Kan	Relative by marriage within 2nd degree of kinship	None
Independent director	R.O.C.	Chien-Liang Chen	Male 61-70 Years old	2022.06.16	3	2013.06.20	0	0.00	0	0.00	0	0.00	0	0.00	PhD. in Industrial Engineering, Wisconsin (Madison Campus), USA Full-time Professor of Department of Industrial and Systems Engineering, Chung Yuan University	Full-time Professor of National Tsing Hua University Member of Remuneration Committee and Audit Committee, SINGATRON ENTERPRISE CO., LTD.	None	None	None	None
Independent director	R.O.C.	Hui-Chou Chen	Male 61-70 Years old	2022.06.16	3	2018.06.11	0	0.00	0	0.00	0	0.00	0	0.00	EMBA, National Chengchi University Chairperson of SENYUN PRECISION OPTICAL CORPORATION	Note 1	None	None	None	None
Independent director	R.O.C.	Kung-Chien Huang	Male 61-70 Years old	2022.06.16	3	2022.06.16	0	0.00	0	0.00	0	0.00	0	0.00	Vice President of Asset Management Department (Taipei), Commerzbank AG	-	None	None	None	None

Note 1,

Chairperson	Hsin-Nan Kan	Chairperson: KAN SHI INVESTMENT CO., LTD. Director: SINGATRON(BVI)ENTERPRISE CO LTD, Singatron (Hong Kong) International Holding Ltd., SINGATRON Investment Co., Ltd., SINGATRON Electronics (China) Co. Ltd., Singatron Electronic (Zhongshan) Co., Ltd. , Suzhou Singatron Auto Co., Ltd. , Singatron Technology (HongKong) Co., Ltd, FineLink Investment Holding (HK) Co., Limited
Vice - Chairperson	Peng-Huang Peng	Chairperson: Dong Yi Enterprise Management Co., Ltd., TRANWO TECHNOLOGY CORP. Chuan Yu Communication (Suzhou) Co., Ltd. Director: SINGATRON Electronics (China) Co. Ltd., Singatron Technology (HongKong) Co., Ltd, KINGSTATE ELECTRONICS CORP., Suzhou Singatron Auto Co., Ltd., SINGATRON Electronics (China) Co., Ltd. MacroStar Investment Holding (HK) Co., Limited, Suzhou Zhou Quan Management Consulting Co., Ltd., Info-Tek Corporation, SUN RISE CORP.INFO-TEK HOLDING CO.,LTD, Info-Tek Electronics (Suzhou) Co., Ltd. President: SINGATRON ENTERPRISE CO., LTD., Suzhou Zhou Quan Management Consulting Co., Ltd. Managerial Officer: Singatron (Hong Kong) International Holding Ltd.
Independent director	Hui-Chou Chen	Chairperson: SENYUN PRECISION OPTICAL CORPORATION, SENYUN PRECISION OPTICAL (DONGGUAN) CORPORATION Independent Director: Info-Tek Corporation, HUA JUNG COMPONENTS CO., LTD. Members: Remuneration Committee of SINGATRON ENTERPRISE CO., LTD. and Audit Committee of SINGATRON ENTERPRISE CO.

Note 2: Enter the time when the individual first became a director or supervisor of the Company. If there is any interruption, please make a note: Not applicable.

Note 3: For experience related to the current position, if the individual has worked for a certified public accountant firm or an affiliate during the above-mentioned reporting, please specify the title and responsibilities of the position: No such situation.

Note 4: If the chairperson and the President or equivalents (the top managerial officers) of the Company are the same person, each other's spouse or relative within first degree of kinship, the reason, rationality, necessity, countermeasures: The Company's Chairperson and President are neither the same person nor spouses or relatives of each other within 1st degree of kinship.

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2. If the director is a corporate shareholder:

Name of the corporate shareholder	Major shareholders of the corporate shareholder
KAN SHI INVESTMENT CO., LTD.	Hsin-Nan Kan (25%), Yi-Ling Chu (25%), Yi-Chun Kan (25%), Mei-Hua Gu (12.5%), Guo-Yun Chu (12.5%).
Dong Yi Enterprise Management Co., Ltd.	Peng-Huang Peng (100%)
ZHEN CHUN INVESTMENT CO., LTD.	Shi-Jian Wu (80%), Jin-Yin Chang (8%), Fu-Rong Lian (3%), Tsan-Yang Lin (3%), An-Li Cheng (3%), Feng-Yin Shu (3%).

3. If the major shareholder of a corporate shareholder is a corporation, its major shareholder: Not applicable.

4. If the corporate shareholder is not a corporate organization: Not applicable.

5. Disclosure of professional qualifications of directors and independence of independent directors

Criteria / Name	Professional qualifications and experiences	Status of independence	Number of other public companies in which the individual is concurrently serving as an independent director
Chairperson: KAN SHI INVESTMENT CO., LTD. Representative: Hsin-Nan Kan	With more than 5 years of experiences in the areas required for Company's business and currently serving as the Chairperson of the Company and the Founder and Chairperson of KAN SHI INVESTMENT CO., LTD. Not a person with any of the circumstances under Article 30 of the Company Act.	1. Not an employee of the Company or its affiliates. 2. Not a director, supervisor, or employee of other company. If a majority of the Company's director seats or shares with voting rights and those of that other company are controlled by the same person. 3. Not a director, supervisor, or employee of the other company or institution who is or whose spouse is the chairperson, President or equivalent positions of the Company. 4. Not a director, supervisor, managerial officer, or shareholder holding 5% or more of the shares of a specific company or institution that has a financial or business relationship with the Company. 5. Not a professional, sole proprietor, partner, owner of a company or institution, director, supervisor, managerial officer or its spouse that provides the Company or affiliates with audit services or commercial, legal, financial, accounting or related services with cumulative amount of remuneration in the last two years exceeding NT$500,000.	None
Vice Chairperson: Dong Yi Enterprise Management Co., Ltd. Representative: Peng-Huang Peng	With more than 5 years of experiences in the areas required for Company's business and currently serving as the Vice Chairperson of the Company and the Founder and Chairperson of Dong Yi Enterprise Management Co., Ltd. Not a person with any of the circumstances under Article 30 of the Company Act.	1. Not a director, supervisor or employee of an institutional shareholder directly holding more than 5% of the outstanding shares issued by the company, or a director, supervisor or employee of an institutional shareholder who is among the top 5 shareholders, or a representative of an institutional shareholders appointed as the director or supervisor of the company according to Paragraph 1 or 2, Article 27 of the Company Act. 2. Not a director, supervisor, or employee of other company. If a majority of the Company's director seats or shares with voting rights and those of that other company are controlled by the same person. 3. Not a director, supervisor, or employee of the other company or institution who is or whose spouse is the chairperson, President or equivalent positions of the Company. 4. Not a director, supervisor, managerial officer, or shareholder holding 5% or more of the shares of a specific company or institution that has a financial or business relationship with the Company. 5. Not a professional, sole proprietor, partner, owner of a company or institution, director, supervisor, managerial officer or its spouse that provides the Company or affiliates with audit services or commercial, legal, financial, accounting or related services with cumulative amount of remuneration in the last two years exceeding NT$500,000. 6. Not a person who has a spouse or relatives of the second degree of kinship with other directors.	None

Director: ZHEN CHUN INVESTMENT CO., LTD. Representative: Chien-Nian Chi	With more than 5 years of experiences in the areas required for Company's business and currently serving as a director of the Company and the Senior Vice- President of JONDER INDUSTRIES LTD. Not a person with any of the circumstances under Article 30 of the Company Act.	1. Not an employee of the Company or its affiliates. 2. Not a natural-person shareholder holding more than 1% of the total number of issued shares or among the top 10 natural-person shareholders in the name of itself, its spouse, minor children or others. 3. Not a director, supervisor, or employee of other company. If a majority of the Company's director seats or shares with voting rights and those of that other company are controlled by the same person. 4. Not a director, supervisor, or employee of the other company or institution who is or whose spouse is the chairperson, President or equivalent positions of the Company. 5. Not a director, supervisor, managerial officer, or shareholder holding 5% or more of the shares of a specific company or institution that has a financial or business relationship with the Company. 6. Not a professional, sole proprietor, partner, owner of a company or institution, director, supervisor, managerial officer or its spouse that provides the Company or affiliates with audit services or commercial, legal, financial, accounting or related services with cumulative amount of remuneration in the last two years exceeding NT$500,000. 7. Not a person who has a spouse or relatives of the second degree of kinship with other directors.	None
Director: KAN SHI INVESTMENT CO., LTD. Representative: Chih-Chiang Chu	With more than 5 years of experiences in the areas required for Company's business and currently serving as a director of the Company Not a person with any of the circumstances under Article 30 of the Company Act.	1. Not an employee of the Company or its affiliates. 2. Not a natural-person shareholder holding more than 1% of the total number of issued shares or among the top 10 natural-person shareholders in the name of itself, its spouse, minor children or others. 3. Not a director, supervisor, or employee of other company. If a majority of the Company's director seats or shares with voting rights and those of that other company are controlled by the same person. 4. Not a director, supervisor, or employee of the other company or institution who is or whose spouse is the chairperson, President or equivalent positions of the Company. 5. Not a director, supervisor, managerial officer, or shareholder holding 5% or more of the shares of a specific company or institution that has a financial or business relationship with the Company. 6. Not a professional, sole proprietor, partner, owner of a company or institution, director, supervisor, managerial officer or its spouse that provides the Company or affiliates with audit services or commercial, legal, financial, accounting or related services with cumulative amount of remuneration in the last two years exceeding NT$500,000.	None

Independent director: Chien-Liang Chen	With more than 5 years of experiences in the areas required for Company's business and currently serving as a Full-time Professor of National Tsing Hua University Not a person with any of the circumstances under Article 30 of the Company Act.	1. Not an employee of the Company or its affiliates. 2. Not a director or supervisor of the Company or its affiliates. 3. Not a natural-person shareholder holding more than 1% of the total number of issued shares or among the top 10 natural-person shareholders in the name of itself, its spouse, minor children or others. 4. Not a managerial officer under (1) or a spouse, relative within the second degree of kinship or lineal relative by blood within the third degree of kinship under (2), (3). 5. Not a director, supervisor or employee of an institutional shareholder directly holding more than 5% of the outstanding shares issued by the company, or a director, supervisor or employee of an institutional shareholder who is among the top 5 shareholders, or a representative of an institutional shareholders appointed as the director or supervisor of the company according to Paragraph 1 or 2, Article 27 of the Company Act. 6. Not a director, supervisor, or employee of other company. If a majority of the Company's director seats or shares with voting rights and those of that other company are controlled by the same person. 7. Not a director, supervisor, or employee of the other company or institution who is or whose spouse is the chairperson, President or equivalent positions of the Company. 8. Not a director, supervisor, managerial officer, or shareholder holding 5% or more of the shares of a specific company or institution that has a financial or business relationship with the Company. 9. Not a professional, sole proprietor, partner, owner of a company or institution, director, supervisor, managerial officer or its spouse that provides the Company or affiliates with audit services or commercial, legal, financial, accounting or related services with cumulative amount of remuneration in the last two years exceeding NT$500,000. 10. Not a person who has a spouse or relatives of the second degree of kinship with other directors. 11. Not a person elected in the capacity of the government, a corporation, or a representative as provided in Article 27 of the Company Act.	None
Independent director: Hui-Chou Chen	With more than 5 years of experiences in the areas required for Company's business, former Junior Manager of FAR EASTERN INTERNATIONAL BANK and currently serving as the Chairperson of SENYUN PRECISION OPTICAL CORPORATION. Not a person with any of the circumstances under Article 30 of the Company Act.	1. Not an employee of the Company or its affiliates. 2. Not a director or supervisor of the Company or its affiliates. 3. Not a natural-person shareholder holding more than 1% of the total number of issued shares or among the top 10 natural-person shareholders in the name of itself, its spouse, minor children or others. 4. Not a managerial officer under (1) or a spouse, relative within the second degree of kinship or lineal relative by blood within the third degree of kinship under (2), (3). 5. Not a director, supervisor or employee of an institutional shareholder directly holding more than 5% of the outstanding shares issued by the company, or a director, supervisor or employee of an institutional shareholder who is among the top 5 shareholders, or a representative of an institutional shareholders appointed as the director or supervisor of the company according to Paragraph 1 or 2, Article 27 of the Company Act. 6. Not a director, supervisor, or employee of other company. If a majority of the Company's director seats or shares with voting rights and those of that other company are controlled by the same person. 7. Not a director, supervisor, or employee of the other company or institution who is	2

		or whose spouse is the chairperson, President or equivalent positions of the Company. 8. Not a director, supervisor, managerial officer, or shareholder holding 5% or more of the shares of a specific company or institution that has a financial or business relationship with the Company. 9. Not a professional, sole proprietor, partner, owner of a company or institution, director, supervisor, managerial officer or its spouse that provides the Company or affiliates with audit services or commercial, legal, financial, accounting or related services with cumulative amount of remuneration in the last two years exceeding NT$500,000. 10. Not a person who has a spouse or relatives of the second degree of kinship with other directors. 11. Not a person elected in the capacity of the government, a corporation, or a representative as provided in Article 27 of the Company Act.	
Independent director: Kung-Chien Huang	With more than 5 years of experiences in the areas required for Company's business, former Vice President of Asset Management Department (Taipei), Commerzbank AG. Not a person with any of the circumstances under Article 30 of the Company Act.	1. Not an employee of the Company or its affiliates. 2. Not a director or supervisor of the Company or its affiliates. 3. Not a natural-person shareholder holding more than 1% of the total number of issued shares or among the top 10 natural-person shareholders in the name of itself, its spouse, minor children or others. 4. Not a managerial officer under (1) or a spouse, relative within the second degree of kinship or lineal relative by blood within the third degree of kinship under (2), (3). 5. Not a director, supervisor or employee of an institutional shareholder directly holding more than 5% of the outstanding shares issued by the company, or a director, supervisor or employee of an institutional shareholder who is among the top 5 shareholders, or a representative of an institutional shareholders appointed as the director or supervisor of the company according to Paragraph 1 or 2, Article 27 of the Company Act. 6. Not a director, supervisor, or employee of other company. If a majority of the Company's director seats or shares with voting rights and those of that other company are controlled by the same person. 7. Not a director, supervisor, or employee of the other company or institution who is or whose spouse is the chairperson, President or equivalent positions of the Company. 8. Not a director, supervisor, managerial officer, or shareholder holding 5% or more of the shares of a specific company or institution that has a financial or business relationship with the Company. 9. Not a professional, sole proprietor, partner, owner of a company or institution, director, supervisor, managerial officer or its spouse that provides the Company or affiliates with audit services or commercial, legal, financial, accounting or related services with cumulative amount of remuneration in the last two years exceeding NT$500,000. 10. Not a person who has a spouse or relatives of the second degree of kinship with other directors. 11. Not a person elected in the capacity of the government, a corporation, or a representative as provided in Article 27 of the Company Act.	None

6. Diversity and Independence of the Board of Directors.

(1) Diversity of the Board of Directors.

Based on the Company's corporate governance and diversity policy, the nomination of director candidates is based on the candidate nomination system in accordance with the Company's Articles of Incorporation. .

In addition to that, the number of directors who are also managerial officers of the Company should not exceed one-third of the number of directors, the Company shall formulate appropriate diversity policies with respect to its development needs and operating status, which should include but not be limited to the following criteria:

a. Basic composition: Nationality, gender, age, and whether directors are also employees.

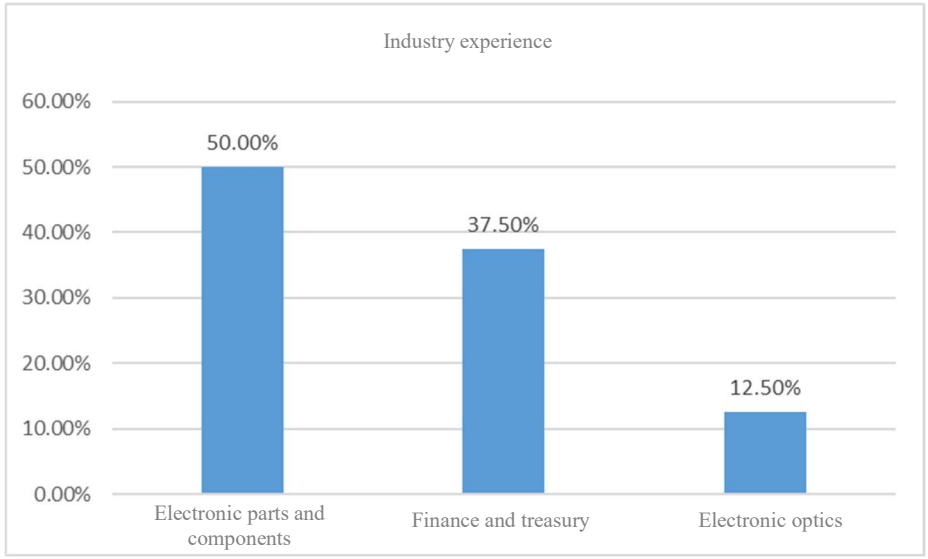
b. Professional knowledge and skills: Industry knowledge, operational judgement ability, accounting and financial analysis ability, business management ability, crisis management ability, international market perspective, leadership ability, decision-making ability, etc.

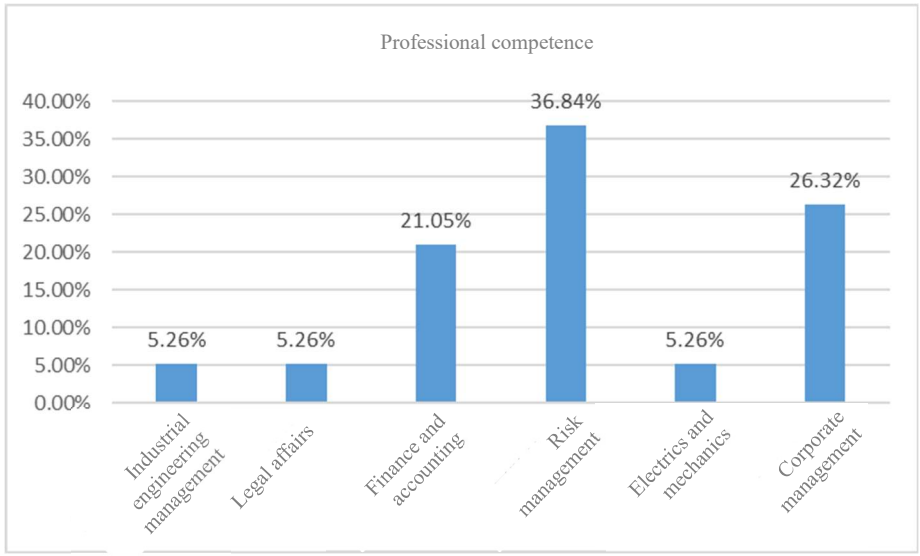
The 16th Board of Directors of the Company consists of seven directors. The specific objectives of the Board of Directors' diversity and the status of their achievement are as follows:

Objective	Status of achievement
The number of directors who are also managerial officers of the Company should not exceed one-third of the number of directors	V
At least one independent director with financial or corporate management background	V
Adequate professional knowledge and skills	V

The members of the Board of Directors of the Company shall formulate and implement a diversity policy. The Company's Board members are diversified and have experiences in the industries of electronic components, finance and treasury and electronic optics in order to meet the diversity policy for a sound structure of the Company's Board of Directors. Please refer to the following table for the industry experience and professional competence of the Board members.

Name of director / Diversity core	Basic composition								Industry experience			Professional competence					
	Nationality	Gender	With a position as an employee	Age	Age	Years of service as an independent director			Electronic parts and components	Finance and treasury	Electronic optics	Industrial engineering management	Legal affairs	Finance and accounting	Risk management	Electrics and mechanics	Corporate management
				61-70 years old	71-80 Years old	Less than 3 years	Less than 6 years	More than 9 years									
Representative of KAN SHI INVESTMENT CO., LTD.: Hsin-Nan Kan	R.O.C.	Male	-	-	V	-	-	-	V	-	-	-	-	V	V	-	V
Representative of Dong Yi Enterprise Management Co., Ltd.: Peng-Huang Peng	R.O.C.	Male	V	V	-	-	-	-	V	-	-	-	-	-	V	V	V
Representative of ZHEN CHUN INVESTMENT CO., LTD.: Chien-Nian Chi	R.O.C.	Male	-	-	V	-	-	-	-	V	-	-	V	V	V	-	-
Representative of KAN SHI INVESTMENT CO., LTD.: Chih-Chiang Chu	R.O.C.	Male	-	V	-	-	-	-	V	-	-	-	-	-	V	-	V
Chien-Liang Chen	R.O.C.	Male	-	-V	-	-	-	V		-	-	V	-	-	V	-	V
Hui-Chou Chen	R.O.C.	Male	-	-V	-		V	-	V	V	V	-	-	V	V	-	V
Kung-Chien Huang	R.O.C.	Male	-	V	-	V	-	-	-	V	-	-	-	V	V	-	-





(2). Independence of the Board of Directors

a. The Company has 7 Board members, including 4 regular directors and 3 independent directors, the latter of which account for 42.86% of all directors and 1 director is also an employee, which accounts for 14.29% of all directors.

Independent directors are in compliance with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

b. Except for the fact that Chairperson Hsin-Nan Kan, representative of KAN SHI INVESTMENT CO., LTD., and Director Chih-Chiang Chu, representative of KAN SHI INVESTMENT CO., LTD., are related by marriage within second degree of kinship, there are no other directors and independent directors who are related to each other as stipulated in Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act.

(II). Information on president, vice president and assistant VP and officers of departments and branches

April 15, 2023 (the date for suspension of stock transfer) Unit: Shares; %

Title	Nationality	Name	Gender	Date elected	Shareholdings		Shareholdings of spouse and minor children		Shareholding in the name of others		Major education and work experiences	Concurrent positions in other companies now	Spouse or relatives within the second degree of kinship who are managerial officers of the Company			Remarks
					Number of shares	Shareholdings %	Number of shares	Shareholdings %	Number of shares	Shareholdings %			Position	Name	Relationship	
Group President	R.O.C.	Peng-Huang Peng	Male	2020.09.01	2,384,000	2.03	767,000	0.65	0	0.00	MBA, Soochow University Vice Chairperson and President of SINGATRON ENTERPRISE CO., LTD.	Note 2	None	None	None	None
Chairperson of SINGATRON Electronics (China) Co. Ltd.	R.O.C.	Cheng-Gang Yang	Male	2019.06.17	238,300	0.20	0	0.00	0	0.00	Graduate School of Business Administration, University of South Australia President of QI DONG Linkconn Electronics Co., Ltd.	Note 2	None	None	None	None
President of SINGATRON Electronics (China) Co. Ltd.	R.O.C.	Mao-Hsien Lin	Male	2018.10.15	0	0.00	0	0.00	0	0.00	EMBA, Fudan University Sales VP of JESS-LINK PRODUCTS CO., LTD.	Note 2	None	None	None	None
Vice-President of Marketing and Sales Division, Singatron Technology (HongKong) Co., Ltd	R.O.C.	Tian-Shan Shi	Male	2019.06.01	191,748	0.16	0	0.00	0	0.00	Department of Library Information, Shih Hsin Journalism Junior College Vice Chairperson of Sales Division, SINGATRON ENTERPRISE CO., LTD.	Director of Hsin City Investment Holding (HK) Co., Limited	None	None	None	None
Chief of Marketing and Sales Division, Singatron Technology (HongKong) Co., Ltd	R.O.C.	Jian-Hui Guo	Male	2010.02.01	50,663	0.04	157,339	0.13	0	0.00	Department of Electrical Engineering, Ta Hwa Institute of Technology Chief of Sales Division, SINGATRON ENTERPRISE CO., LTD.	Director of Suzhou Singatron Auto Co., Ltd.	None	None	None	None
Chief of Administration and Finance Division	R.O.C.	Rui-Chen Hu	Female	2016.11.04	36,185	0.03	0	0.00	0	0.00	Department of Accounting, Tunghai University CFO, Spokesperson and Corporate Governance Officer of Info-Tek Corporation	Note 2	None	None	None	None
Chief of Administration and Finance Division, SINGATRON Electronics (China) Co. Ltd.	R.O.C.	Chi-Bin Tseng	Male	2020.07.01	0	0.00	0	0.00	0	0.00	EMBA, National Central University Finance Director of New Egg Information Technology(Shanghai)Co., Ltd. Newegg Tech Inc.	Director of Hsin City Investment Holding (HK) Co., Limited	None	None	None	None

Note 1: For experience related to the current position, if the individual has worked for a certified public accountant firm or an affiliate during the above-mentioned reporting, please specify the title and responsibilities of the position: No such situation.

Note 2

Position	Name	Concurrent positions in other companies now
Vice-Chairperson and Group President	Peng-Huang Peng	Chairperson: Dong Yi Enterprise Management Co., Ltd., TRANWO TECHNOLOGY CORP. Chuan Yu Communication (Suzhou) Co., Ltd. Director: SINGATRON Electronics (China) Co. Ltd., Singatron Technology (HongKong) Co., Ltd, KINGSTATE ELECTRONICS CORP., Suzhou Singatron Auto Co., Ltd., SINGATRON Electronics (China) Co., Ltd. Singatron Electronic (Zhongshan) Co., Ltd. , MacroStar Investment Holding (HK) Co., Limited, Suzhou Zhou Quan Management Consulting Co., Ltd., Info-Tek Corporation, SUN RISE CORP., INFO-TEK HOLDING CO.,LTD, Info-Tek Electronics (Suzhou) Co., Ltd. President: SINGATRON ENTERPRISE CO., LTD., Suzhou Zhou Quan Management Consulting Co., Ltd. Managerial Officer: Singatron (Hong Kong) International Holding Ltd.
Chairperson of SINGATRON Electronics (China) Co. Ltd.	Cheng-Gang Yang	Chairperson: Singatron Electronic (Zhongshan) Co., Ltd., Suzhou Singatron Connector Co., Ltd. , Chung Shan Singatron Connector Co., Ltd., Singatron San Jose Connection Co., Ltd, Suzhou Singatron Auto Co., Ltd. Director: Singatron Technology (HongKong) Co., Ltd, Hsin City Investment Holding (HK) Co., Limited.
President of SINGATRON Electronics (China) Co. Ltd.	Mao-Hsien Lin	Director: SINGATRON Electronics (China) Co. Ltd., Singatron Technology (HongKong) Co., Ltd, MacroStar Investment, Suzhou Singatron Auto Co., Ltd.
Chief of Administration and Finance Division	Rui-Chen Hu	Supervisor: Singatron Electronic (Zhongshan) Co., Ltd., Suzhou Singatron Connector Co., Ltd. , Chung Shan Singatron Connector Co., Ltd., Suzhou Singatron Auto Co., Ltd.

Note 3: If the president or equivalents (the top managerial officer) and the chairperson of the Company are the same person, each other's spouse or relative within first degree of kinship, the reason, rationality, necessity, countermeasures: None.

III. Remuneration paid to directors, supervisors, president and vice president for the most recent year

(I). Remuneration for general directors and independent director

Unit: Thousand NTD; %

Position	Name	Directors' Remuneration								A, B, C and D as a % of the net profit after tax		Remuneration for concurrent position as an employee						A, B, C, D, E, F and G as a % of the net profit after tax		Remuneration from investees outside subsidiaries or from the parent company
		Base remuneration (A)		Severance and pension (B)		Profit sharing remuneration for directors (C)		Business execution expenses (D)				Salary, bonus, allowance (E)		Severance and pension (F)		Profit sharing remuneration for employees (G)				
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	
Chairperson	KAN SHI INVESTMENT CO., LTD.	0	0	0	0	750	750	0	0	750 0.34%	750 0.34%	0	0	0	0	0	0	750 0.34%	750 0.34%	None
	Representative: Hsin-Nan Kan	0	11,894	0	0	0	0	0	0	0 0.00%	11,894 5.35%	0	0	0	0	0	0	0 0.00%	11,894 5.35%	None
Vice Chairperson	Dong Yi Enterprise Management Co., Ltd.	0	0	0	0	750	750	1,200	1,200	1,950 0.88%	1,950 0.88%	0	1,800	0	0	0	0	1,950 0.88%	3,750 1.69%	None
	Representative: Peng-Huang Peng	0	4,095	0	0	0	0	0	0	0 0.00%	4,095 1.84%	0	0	0	0	0	0	0 0.00%	4,095 1.84%	None
Director	KAN SHI INVESTMENT CO., LTD.	600	600	0	0	750	750	0	0	1,350 0.61%	1,350 0.61%	0	0	0	0	0	0	1,350 0.61%	1,350 0.61%	None
	Representative: Chih-Chiang Chu	0	2022	0	0	0	0	30	30	30 0.01%	141 0.06%	0	0	0	0	0	0	30 0.01%	141 0.06%	None
Director	ZHEN CHUN INVESTMENT CO., LTD.	600	600	0	0	750	750	0	0	1,350 0.61%	1,350 0.61%	0	0	0	0	0	0	1,350 0.61%	1,350 0.61%	None
	Representative: Liang-Hsiung Peng (Note 1)	0	2022	0	0	0	0	12	12	12 0.01%	123 0.06%	0	0	0	0	0	0	12 0.01%	123 0.06%	None
	Representative: Chien-Nian Chi (Note 1)	0	44	0	0	0	0	9	9	9 0.00%	53 0.02%	0	0	0	0	0	0	9 0.00%	53 0.02%	None
Director	PROSPERITY DIELECTRICS CO., LTD. (Note 2)	200	200	0	0	250	250	0	0	450 0.20%	450 0.20%	0	0	0	0	0	0	450 0.20%	450 0.20%	None
	Representative: Chao-Kai Hong (Note 2)	0	0	0	0	0	0	0	0	0 0.00%	0 0.00%	0	0	0	0	0	0	0 0.00%	0 0.00%	None
Independent director	Chien-Liang Chen	600	600	0	0	850	850	30	30	1,480 0.67%	1,480 0.67%	0	0	0	0	0	0	1,480 0.67%	1,480 0.67%	None
Independent director	Hui-Chou Chen	600	600	0	0	850	850	30	30	1,480 0.67%	1,480 0.67%	0	0	0	0	0	0	1,480 0.67%	1,480 0.67%	None
Independent director	Kung-Chien Huang (Note 3)	300	300	0	0	425	425	15	15	740 0.33%	740 0.33%	0	0	0	0	0	0	740 0.33%	740 0.33%	None

Note F. The actual amount of severance and pension paid in 2022 was $0 thousand, where the provision of severance for the Company was $0 thousand; and the provision of severance for all companies in the financial statements was $0 thousand.

Note 1: The representative was reassigned on 2022/08/04.

Note 2: On 2022/04/18, the corporate director, PROSPERITY DIELECTRICS CO., LTD. and the representative resigned.

Note 3: Elected as the independent director of the 16th term on 2022/06/16.

(1) The policy, system, criteria and structure for the Directors' Remuneration, and the correlation to the amount of remuneration in terms of their responsibilities, risks, time spent and other factors:

a. The remuneration of independent directors is evaluated and reviewed by the Remuneration Committee of the Company on a regular basis in accordance with the regulations and recommendations are made in accordance with the degree of participation in the Company's operations and contribution of each independent director to the Board of Directors for approval.

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b. The fixed business execution remuneration of the independent directors is determined by taking into account the Company's business objectives, financial position and performance of duties and responsibilities, and the risks assumed.

(2) Except as disclosed in the table above, the remuneration received by the directors for services rendered to all companies in the financial statements (such as serving as non-employee consultants to the parent company/all companies in the financial statements/re-investees) in the most recent year: None.

(II). Remuneration for supervisors

Unit: Thousand NTD; %

Position	Name	Remuneration for supervisors						A, B, and C as a % of the net profit after tax		Remuneration from investees outside subsidiaries or from the parent company
		Base remuneration (A)		Profit sharing remuneration (B)		Business execution expenses (C)				
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	
Supervisor	Zi-Peng Chen (Note)	300	300	375	375	15	15	690 0.31%	690 0.31%	None
Supervisor	CHANG RUN INVESTMENT CO., LTD. (Note)	300	300	375	375	0	0	675 0.30%	675 0.30%	None
	Representative: Ya-Zhi Chang (Note)	0	44	0	0	15	15	15 0.01%	59 0.03%	None
Supervisor	Chien-Nian Chi (Note)	300	344	375	375	15	15	690 0.31%	734 0.33%	None

Note: The Audit Committee was established to replace supervisors after the general re-election on 2022/06/16.

(III) Remuneration for Group President, President and Vice-President

Unit: Thousand NTD; %

Position	Name	Salary (A)		Severance and pension (Note B)		Bonus and allowance (C)		Profit sharing remuneration for employees (D)				A, B, C and D as a % of the net profit after tax		Remuneration from investees outside subsidiaries or from the parent company
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
Group President	Peng-Huang Peng	0	12,522	0	181	0	8,599	0	0	0	0	0	21,302	None
Chairperson of the subsidiary in Mainland China	Cheng-Gang Yang													None
President of the subsidiary in Mainland China, Singatron Electronic (China) Co., Ltd.	Mao-Hsien Lin													None
President of the subsidiary in Mainland China, Singatron Electronics Enterprise Co., Ltd. (HK)	Tian-Shan Shi											0.00%	9.57%	None

Note B. The actual amount of severance and pension paid in 2022 was $0 thousand, where the provision of severance for the Company was $0 thousand; and the provision of severance for all companies in the financial statements was is $181 thousand.

Remuneration range for the President and Vice-President

Remuneration range for the Company's President and vice president	Name of President and Vice President	
	The Company	All companies in the financial statements
Less than $1,000,000	-	-
$1,000,000 (inclusive)～$2,000,000 (exclusive)	-	Peng-Huang Peng
$2,000,000 (inclusive)～$3,500,000 (exclusive)	-	-
$3,500,000 (inclusive)～$5,000,000 (exclusive)	-	Tian-Shan Shi
$5,000,000 (inclusive)～$10,000,000 (exclusive)	-	Mao-Hsien Lin, Cheng-Gang Yang
$10,000,000 (inclusive)～$15,000,000 (exclusive)	-	-
$15,000,000 (inclusive)～$30,000,000 (exclusive)	-	-
$30,000,000 (inclusive)～$50,000,000 (exclusive)	-	-
$50,000,000 (inclusive)～$100,000,000 (exclusive)	-	-
More than $100,000,000	-	-
Total	0	4

(IV). The Company shall disclose the names and remuneration of its directors or supervisors on an individual basis if any of the following apply; the remainder may be disclosed either by aggregating the remuneration in accordance with the remuneration range, or by disclosing the names and remuneration on an individual basis (for individual disclosure, please list the title, name and amount individually, without the need to fill in the table of remuneration range).

1.

(1). The names and remuneration of "directors and supervisors" should be disclosed individually if there has been an after-tax loss in the standalone or parent company only financial statements for the last three years, except for the circumstance where there was net profit after tax in the standalone or parent company only financial statements for the most recent year, which is sufficient to cover the accumulated losses: no such situation.

(2). The remuneration of individual directors shall be disclosed if the shareholding percentage of directors has been insufficient for at least three consecutive months in the most recent year and the remuneration of individual supervisors shall be disclosed if the shareholding percentage of supervisors has been insufficient for at least three consecutive months in the most recent year: no such situation.

(3). If the average percentage of shares pledged by directors or supervisors is greater than 50% in any three months of the most recent year, the remuneration of each director or supervisor whose percentage of shares pledged is greater than 50% should be disclosed for each of those months: Please refer to P25.

(4). If the remuneration for all directors and supervisors paid by all the consolidated entities exceeds 2% of the net profit after tax and the remuneration received by any individual directors or supervisors exceeds NT$15 million, the remuneration of individual directors or supervisors shall be disclosed. (Explanation: The forgoing Directors' Remuneration and supervisors is calculated by adding "remuneration for supervisors" to "Directors' Remuneration" in the Exhibit, excluding the remuneration for their concurrent positions as employees.) : no such situation.

(5). If the results of corporate governance evaluation for the most recent year fall to the last interval, or if the Company's shares have been changed in trading methods, suspended from trading, terminated from the listing, or the Company has been deemed by the Corporate Governance Evaluation Committee not to be evaluated for the most recent year and for the current year as of the date of publication of the annual report: no such situation.

(6). The average annual salary of full-time employees not holding managerial positions in the most recent year has not reached NT$500,000: No such situation.

(2) If either of the above (1) or (5) applies, information on the remuneration of the top five most highly paid officers (such as the president, vice president, chief executive officer, or finance officer) shall be disclosed individually: not applicable.

(V). Managerial officers who received profit sharing remuneration for employees and status of distribution

Unit: Thousand NTD; %

	Position	Name	Stock amount	Cash amount	Total	Total amount as a % of net profit after tax (%)
Managerial officer	Group President	Peng-Huang Peng	0	738	738	0.33
	Division Chief	Rui-Chen Hu				

(VI). Compare and describe the total remuneration paid to directors, supervisors, Presidents and Vice- Presidents in the most recent 2 years by the Company and all companies in the consolidated financial statements as a % of the net profit after tax. And explain the policies, criteria, package, the procedures for determining remuneration and the correlation to operating performances and future risks.

1. The total remuneration paid to the Company's directors, supervisors, President and Vice- President as a percentage of net profit after tax for the last two years by the Company and all companies in the consolidated statements.

Item / Position	The Company				All companies in the financial statements			
	2021		2022		2021		2022	
	Total amount (Thousand of NTD)	As a % of the net profit after tax (%)	Total amount (Thousand of NTD)	As a % of the net profit after tax (%)	Total amount (Thousand of NTD)	As a % of the net profit after tax (%)	Total amount (Thousand of NTD)	As a % of the net profit after tax (%)
Directors' Remuneration	9,800	3.97	9,601	4.31	26,638	10.80	25,856	11.62
Remuneration for supervisors	4,131	1.67	2,070	0.93	4,218	1.71	2,158	0.97
Remuneration for President and Vice-President	0	0.00	0	0.00	23,118	9.37	21,302	9.57
Net profit after tax	246,754	-	222,508	-	246,754	-	222,508	-

Note 1: Remuneration to be distributed for 2022 is the *pro forma* amount.

Note 2: The Audit Committee was established to replace supervisors after the general re-election on 2022/06/16.

2. The policies, criteria, package, the procedures for determining remuneration:

Remuneration for directors and supervisors

(1) In accordance with the provisions of Article 16 of the Company's Articles of Incorporation, the Board of Directors is authorized to determine the remuneration to the directors, members of the Audit Committee, the Remuneration Committee and other functional committees for the performance of the Company's business, regardless of the Company's profit or loss, in accordance with the usual standards in the industry based on the value of their participation in and contribution to the Company's operations.

(2) In accordance with the provisions of Article 20 of the Company's Articles of Incorporation, if the Company makes a profit in a year, it shall make an appropriation of not less than one-thousandth of the profit as profit-sharing remuneration for employees and not more than three percent as profit-sharing remuneration for directors and supervisors.

(3) The Company periodically evaluates the remuneration of directors in accordance with the Regulations for Performance Evaluation of the Board of Directors, and the related performance evaluation and the reasonableness of the remuneration are reviewed and approved by the Remuneration Committee and the Board of Directors.

Remuneration for managerial officers

The remuneration of the Company's managerial officers is calculated in accordance with the allowances and bonuses set forth in the Company's Salary Management Regulations to reward the managerial officers for their efforts and dedication to their work. The bonus is based on the Company's annual performance, financial position and personal performance. The Company conducts performance evaluations in accordance with the "Bonus Provision and Distribution Policy of the SINGATRON Group" and the evaluation results are used as a reference for granting bonuses to managerial officers.

The performance evaluation of managerial officers can be divided into two major parts. The first part is a financial indicator: Bonus is paid based on each subsidiary's contribution to the Group's profitability and each managerial officer's annual KPI achievement rate;

The second part is a non-financial indicator: Management performance bonus is calculated based on each managerial officer's core value and operational management ability to the Company.

The remuneration package paid by the Company is determined in accordance with the Remuneration Committee Charter and includes cash remuneration, stock options, profit sharing with stock ownership, retirement benefits or severance pay, allowances and other material incentives; the scope of which is consistent with the Regulations Governing Information to be Published in Annual Reports of Public Companies on the remunerations for directors, supervisors and officers.

3. Procedures for determining remuneration:

The remuneration of directors and supervisors is based on the "Regulations for Performance Evaluation of the Board of Directors" of the Company, and the remuneration of managerial officers is based on the evaluation results in accordance with the "Bonus Provision and Distribution Policy of the SINGATRON Group". The actual amounts of

remuneration for directors, supervisors and managerial officers are discussed and considered by the Remuneration Committee and submitted to the Board of Directors for resolution.

4. Correlation to operating performances and future risks:

(1) The Company's remuneration policy is based on the Company's overall operating performance, financial position, performance of directors and supervisors' duties and risk taking and other factors and the payment standards are determined based on the performance achievement rate and individual contribution.

(2) Bonuses and profit sharing remuneration for employees received by managerial officers of the Company are determined with the manager's professional ability and annual performance evaluation taken into account, as well as the Company's operating and financial position, with reference to the industry standard to ensure that the Company's remuneration is competitive in order to retain talent.

(3) The important decisions on the operating management of the Company are made after weighing various risk factors, and the related decisions will reflect the future profitability of the Company, which will be related to the remuneration of the Company's management.

IV. Operations of Corporate Governance

(I) Information on the operations of the Board of Directors.

For the most recent year, the Board of Directors met 14 times (A) and the attendance of directors and supervisors was as follows (14 times from January 01, 2022 to April 26, 2023)

Position	Name	Number of attendance in person (B)	Number of attendance by proxy	Percentage of attendance in person (%) (B/A)	Remarks
Chairperson	Representative of KAN SHI INVESTMENT CO., LTD.: Hsin-Nan Kan	14	0	100.00	None
Vice - Chairperson	Representative of Dong Yi Enterprise Management Co., Ltd.: Peng-Huang Peng	14	0	100.00	None
Director	Representative of ZHEN CHUN INVESTMENT CO., LTD.: Liang-Hsiung Peng	4	2	57.14	Stepped down on 2022/07/11
Director	Representative of ZHEN CHUN INVESTMENT CO., LTD.: Chien-Nian Chi	7	0	100.00	Newly elected on 2022/08/04
Director	Representative of PROSPERITY DIELECTRICS CO., LTD.: Chao-Kai Hong	0	0	0.00	Resigned on 2022/04/18
Director	Representative of KAN SHI INVESTMENT CO., LTD.: Chih-Chiang Chu	14	0	100.00	None
Independent director	Chien-Liang Chen	14	0	100.00	None
Independent director	Hui-Chou Chen	14	0	100.00	None
Independent director	Kung-Chien Huang	8	0	100.00	Elected on 2022/06/16
Supervisor	Zi-Peng Chen	4	0	80.00	Stepped down on 2022/06/16
Supervisor	Representative of CHANG RUN INVESTMENT CO., LTD.: Ya-Zhi Chang	5	0	100.00	Stepped down on 2022/06/16
Supervisor	Chien-Nian Chi	4	0	80.00	Stepped down on 2022/06/16

Other matters required to be recorded:

I. If the operations of the Board of Directors is under any of the following circumstances, the date, period, proposal content, all independent directors' opinions and the Company's handling of their opinions should be described:

(I) Matters listed in Article 14-3 of the Securities and Exchange Act:

From 2022/01/01 to 2022/06/15, independent directors' voting on the motions under Article 14-3 of the Securities and Exchange Act Please refer to P35.

The Company has established an Audit Committee on 2022/06/16, and the provisions of Article 14-3 of the Securities and Exchange Act are not applicable. For a description of the matters set forth in Article 14-5 of the Securities and Exchange Act, please refer to the description of the operations of the Audit Committee's (P39-P41).

(II) In addition to the previous matters, other Board meeting resolutions that have been opposed or reserved by independent directors with records or written statements: no such situation.

II. In the implementation of a director's recusal for being an interested party in a proposal, the director's name, the proposal content, the recusal reasons and his or her participation in voting should be stated:

The 1st meeting in 2022 of the 15th Board of Directors (2022/01/13)

Subject 12: discussion of the year-end director's remuneration for 2021 for the executive Chairperson and Vice Chairperson of the Company.

Resolution: The Chairperson and Vice Chairperson of the Board of Directors, Hsin-Nan Kan and Peng-Huang Peng, recused themselves from participating in the discussion due to conflict of interest. The remaining directors present approved the motion as proposed without objection.
The 3rd meeting in 2022 of the 15th Board of Directors (2022/04/28)
Subject 3: Discussion of the list of candidates for the directors (including independent directors) of the 16th term.
Resolution: The motion was to discuss the list of candidates for the directors (including independent directors) of the 16th term and the list of candidates for regular directors was approved as proposed without objections by all the directors present. During the qualification examination of the Directors and Independent Directors Candidates List, Chien-Liang Chen and Hui-Chou Chen, independent directors, recused themselves from participating in the examination and the remaining directors present approved the motion as proposed without objections. The list of candidates for the directors (including independent directors) of the 16th term was approved by the Board of Directors and will be submitted to the shareholders' meeting for election.
The 1st meeting in 2022 of the 16th Board of Directors (2022/08/05)
Subject 5: Discussion of the Company's plan to enter into a contract with National Tsing Hua University on "Industry-Academic Collaboration and Academic Feedback Mechanism."
Resolution: Chien-Liang Chen, an independent director, recused himself from participating in the discussion. The remaining directors present approved the motion as proposed without objection after being consulted by the chair.
Subject 10: Discussion of the remuneration for the Company's Chairperson, Vice Chairperson and directors of the 16th term.
Resolution: The discussion was divided into two items for resolution.

1. In the discussion of the first item, "Remuneration for the Chairperson and Vice Chairperson of the Board of Directors of the 16th term", Chairperson Hsin-Nan Kan and Vice Chairperson Peng-Huang Peng recused themselves from the discussion and the Chair appointed Chien-Liang Chen, an independent director, to act as the Chair. The remaining directors present approved the motion as proposed without objection after being consulted.

2. In the discussion of the second item "Remuneration for the non-executive directors of the 16th term", directors Chih-Chiang Chu and Chien-Nian Chi, independent directors Chien-Liang Chen, Hui-Chou Chen and Kung-Chien Huang recused themselves from participating in the discussion and the Chairperson, Hsin-Nan Kan acted as Meeting Chair. The remaining directors present approved the motion as proposed without objection after being consulted by the Chair.

Subject 11: Discussion of the director's performance-based remuneration for 2021 for the executive Chairperson and Vice Chairperson of the Company
Resolution: Chairperson Hsin-Nan Kan and Vice Chairperson Peng-Huang Peng recused themselves from the discussion and the Chair appointed Chien-Liang Chen, an independent director, to act as the Chair. The remaining directors present approved the motion as proposed without objections after being consulted.
Subject 13: discussion of the remuneration for the President of the 16th Board of Directors of the Company.
Resolution: the Vice Chairperson and President, Peng-Huang Peng recused himself from participating in the discussion due to conflict of interest. The remaining directors present approved the motion as proposed without objection after being consulted by the Chair.
The 1st meeting in 2023 of the 16th Board of Directors (2023/01/11)
Subject 5: discussion of the year-end director's remuneration for 2021 for the executive Chairperson and Vice Chairperson of the Company.
Resolution: Chairperson Hsin-Nan Kan and Vice Chairperson Peng-Huang Peng recused themselves from the discussion and the Chair appointed Chien-Liang Chen, an independent director, to act as the Chair. The remaining directors present approved the motion as proposed without objections after being consulted.

III. The Company should disclose information on the frequency, scope, method and content of the self-evaluation (or peer evaluation) by the Board of Directors:
(I) Information on the internal evaluation conducted by the Company is as follows:

Evaluation frequency	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Internal evaluation Once every 1 year	2022/01/01-2022/12/31	Board of Directors	Internal self-evaluation of the Board of Directors	1. Participation in the operation of the Company 2. Improvement of the quality of the Board of Directors' decision making 3. Composition and structure of the Board of Directors 4. Election and continuing education of the directors 5. Internal control
Internal evaluation Once every 1 year	2022/01/01-2022/12/31	Board members	Self-evaluation of directors	1. Alignment of the goals and mission of the company 2. Awareness of the duties of a director

				3. Participation in the operation of the Company 4. Management of internal relationship and communication 5. Election and continuing education of the directors 6. Internal control
Internal evaluation Once every 1 year	2022/01/01-2022/12/31	Audit Committee	Internal self-evaluation of the Committee	1. Participation in the operation of the Company 2. Awareness of the duties of the functional committee 3. Improvement of the quality of the functional committee's decision making 4. Composition and member selection of functional committees 5. Internal control
Internal evaluation Once every 1 year	2022/01/01-2022/12/31	Remuneration Committee:	Internal self-evaluation of the Committee	1. Their degree of participation in the Company's operations 2. Awareness of the duties of the functional committee 3. Improvement of the quality of the functional committee's decision making 4. Composition and member selection of functional committees 5. Internal control

1. The Board of Directors actively participates in the operations of the Company, and is responsible for directing and supervising the Company's strategy, major business and risk management and establishing a proper internal control system: score: 96.57%.
2. Based on the directors' performance evaluation for 2022 by themselves: average score of 95.03%.
3. The overall operation of functional committees is sound and in line with corporate governance, with each committee fulfilling its responsibilities and effectively enhancing the functions of the Board of Directors:
   (1). Evaluation score of the Special Committee: score of 97.27%.
   (2). Evaluation score of the Remuneration Committee: score of 95.11%.

(II) Information on the 2022 external evaluation conducted for the Company is as follows:

Evaluation frequency	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
External evaluation Once every 3 years	The Company appointed EY ADVISORY SERVICES INC. to conduct the evaluation in January 2022. Evaluation period: 2021/01/01-2021/12/31	Composition, guidance, authorization, supervision, communication and self-discipline of the Board of Directors, internal control and risk management	An external professional independent organization or external experts and scholars were appointed to conduct performance evaluation. The operations of the Company's current Board of Directors and functional committees are reviewed through professional organizations to obtain professional and objective examination reports through the guidance and communication of evaluation members.	The evaluation was conducted on the three major aspects of the Board structure, membership, and process and information, respectively, by means of document review, self-evaluation by directors, self-evaluation by the Board affairs administration units, and individual interviews of directors, covering eight items, including Board structure and process, Board composition and membership, corporate and organizational structure, roles and responsibilities, behavior and culture, training and development of directors, supervision of risk control, and reporting, disclosure and performance monitoring.

The evaluation of the effectiveness of the Board of Directors was conducted by EY ADVISORY SERVICES INC. andthe evaluation result was "The Board of Directors is operating well at this stage, but needs to make structural adjustments in the coming year in accordance with the requirements of the competent authorities". The main recommendations and improvements to the Board of Directors and functional committees of the Company are as follows:

1. Propose the professional competencies required by the Company at this stage and discuss with the directors to define the professional knowledge courses and continuous development plans required for them to perform their functions as directors.

2. Plan ESG-related professional training programs for Board members in light of international ESG development trends.
3. Establish the nomination method for Board members and refine the criteria for considering the professionalism, diversity, and independence of Board members.
4. Establish a succession plan for Board members. The succession training should cover the core values of the company, industry-related knowledge and the requirements of Board functions.
5. In response to the request of the competent authorities, abolish the supervisor system and complete the establishment of the audit committee in 2022.
6. In accordance with the government's vision of Corporate Governance Blueprint 3.0, include the establishment of the Nomination Committee in the future Board of Directors' discussion.
7. Select one important corporate issue every quarter and have the responsible officer report it in the Board of Directors' meeting to help the directors better understand the company's operation and future development direction.
8. Include the company's risk management plan in the Board of Directors' meeting, and discuss the major risks of the company every year.

IV. Evaluation of the objective for enhancing the functions of the Board of Directors (*e.g.,* establishing an audit committee, enhancing information transparency, etc.) and its implementation.

1. Establish a good Board of Directors' governance system, improve the supervision function and strengthen the management mechanism, and comply with the rules of procedures for the Board of Directors' meetings of the Company.
2. Enhance the corporate governance system, where the Company formally adopted the audit committee system on 2022/06/16 after the shareholders' meeting in 2022 to re-elect directors of a new term.
3. In order to establish a good corporate governance system, the Company has made reference to the "Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies" formulated by TWSE and TPEx. On 2015/01/30, the Board of Directors approved the establishment of the “Corporate Governance Best Practice Principles” of the Company, which are updated simultaneously in accordance with amendments to the “Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies” every time. The most recent revision of the “Corporate Governance Best Practice Principles” was approved by the Board of Directors on 2023/03/03.
4. In January 2022, the Company appointed EY ADVISORY SERVICES INC. to conduct an external performance evaluation of the Company's Board of Directors. The operations of the Company's current Board of Directors and functional committees are reviewed through professional organizations to obtain professional and objective examination reports through the guidance and communication of evaluation members.
5. Please refer to P47 for details of the continuing education of directors.
6. The Chairperson of the Board of Directors of the Company does not concurrently hold the position of managerial officer of the Company and his or her authorities and responsibilities are clearly delineated for a good checks and balances mechanism.
7. To protect shareholders' rights and interests, the Company discloses important resolutions of the Board of Directors on the Company's website.

From 2022/01/01 to 2022/06/15, independent directors’ opinions on matters listed in Article 14-3 of the Securities and Exchange Act:

Board meeting (session/date)	Motion content	Matters listed in Article 14-3 of the Securities and Exchange Act	Objections or reservations by independent directors	The Company's handling of independent directors' opinions
1st meeting in 2022 of the 15th term (2022/01/13)	Subject 12: discussion of the year-end director's remuneration for 2021 for the executive Chairperson and Vice Chairperson of the Company.	V	No objections or reservations by independent directors	Not applicable
2nd meeting in 2022 of the 15th term (2022/03/04)	Subject 7: discussion of the amendments to certain provisions of the Company's "Operating Procedures for Endorsements and Guarantees."	V	No objections or reservations by independent directors	Not applicable
	Subject 8: Discussion of the amendments to certain provisions of the Company’s “Operating Procedures for Lending of Funds to Others.”			
	Subject 9: Discussion of the amendments to certain provisions of the Company’s “Operating Procedures for Acquisition or Disposal of Assets.”			
	Subject 16: Discussion of the Company's endorsement and guarantee for the Group's subsidiary, Singatron Technology (HongKong) Co., Ltd.			
	Subject 17: Discussion of the amendments to certain provisions of the General Provisions of the Company's Internal Control System.			
	Subject 18: Discussion of the amendments to certain provisions of the Enforcement Rules of the Company's Internal Control System.			

3rd meeting in 2022 of the 15th term (2022/04/28)	Subject 3: Discussion of the list of candidates for the directors (including independent directors) of the 16th term.	V	The independent directors recused themselves from participating in the review of the qualifications of the new independent director candidates and the remaining independent directors had no objections or reservations.	Not applicable
4th meeting in 2022 of the 15th term (2022/05/06)	Subject 3: Discussion of the Company's endorsement and guarantee for the Group's subsidiary, Singatron Technology (HongKong) Co., Ltd. Subject 5: Discussion of the Company's 14th repurchase of treasury stock.	V	No objections or reservations by independent directors	Not applicable
5th meeting in 2022 of the 15th term (2022/06/14)	Subject 1: Discussion of the Company's subsidiary, Singatron (Hong Kong) International Holding Ltd., issued the "Letter of Commitment for Software Use" for its subsidiary SINGATRON Electronics (China) Co. Ltd. and the latter's subsidiaries prior to listing.	V	No objections or reservations by independent directors	Not applicable

(II). Operations of the Audit Committee or supervisors' participation in the operations of the Board of Directors.

1. Information on the operations of the Audit Committee

The Company has established the Audit Committee on 2022/06/16, the Committee had 8 meetings (A) during the most recent year (2022/06/16 to 2023/04/26) and the attendance of independent directors is as follows:

Position	Name	Number of attendance in person (B)	Number of attendance by proxy	Percentage of attendance in person (B/A) (%)	Remarks
Independent director	Hui-Chou Chen	8	0	100.00	Elected on 2022/06/16
Independent director	Chien-Liang Chen	8	0	100.00	Elected on 2022/06/16
Independent director	Kung-Chien Huang	8	0	100.00	Elected on 2022/06/16

Other matters required to be recorded:

I. If the operation of the Audit Committee is under any of the following circumstances, the date, session, motion content, the objections, reservations or major recommendations of the independent directors, resolution of the Audit Committee and the Company's handling of the Audit Committee's opinions should be described:

(I). Matters listed in Article 14-5 of the Securities and Exchange Act:
Please refer to P39-P41.

(II). Other than the matters in the preceding paragraphs, resolutions not approved by the Audit Committee but approved by two-thirds or more of all directors: none.

II. In the implementation of an independent director's recusal for being an interested party in a proposal, the independent director's name, the proposal content, the recusal reasons and his or her participation in voting should be stated:
1st meeting in 2022 of the 1st Audit Committee (2022/08/05)
Subject 5: Discussion of the Company's plan to enter into a contract with National Tsing Hua University on "Industry-Academic Collaboration and Academic Feedback Mechanism."
Resolution: Chien-Liang Chen, an independent director, recused himself from participating in the discussion. The motion was approved as proposed by the remaining members present without objection after being consulted and submitted to the Board of Directors for deliberation.

III. Communication between independent directors, internal audit officer and CPAs (major matters, methods and results of communication on the Company's financial and business conditions, etc. should be included).
(I). The Audit Officer can communicate in the following methods:

(1) The Audit Officer holds meetings and communicates with the Audit Committee

Date	Communication method	Communication contents	Communication situation and results
2022/01/13	Separate communication between supervisors, independent directors and the Audit Officer	1. Report on the execution of audit work and tracking of improvements for 4Q2021	Agreed as reported
2022/03/04	Email and telephone communication meetings between supervisors, independent directors and the Audit Officer	1. Report on the execution of audit work and tracking of improvements for January and February 2022 2. Statement of internal control system for 2021 3. Amendments to the Enforcement Rules for Internal Control Audits	Agreed as reported
2022/08/05	Communication during the Audit Committee's meetings	1. Report on the execution of audit work and tracking of improvements for 2Q and June - July 2022	Agreed as reported
2022/11/03	Communication during the Audit Committee's meetings	1. Report on the execution of audit work and tracking of improvements August - September of 3Q2022 2. Audit plan for 2023 based on risk assessment	1. Discussion and communication on issues raised by independent directors 2. The independent directors emphasized their questions on the internal control cycle to be included in the annual audit plan. 3. Agreed as reported

(2). Communication during the Board of Directors' meetings

The following table summarizes the communications at the Board of Directors' meetings during 2022:

Date	Communication focus	Communication situation: Independent directors' opinion	Communication situation: Supervisors' opinion
2022/01/13	Communication item: report by the Audit Officer Implementation status of audit work during 2021/11-2021/12 Communication method: Board meeting	The contents of the report were known in detail and no opinion was expressed.	The contents of the report were known in detail and no opinion was expressed.
2022/03/04	Communication item: report by the Audit Officer Implementation status of audit work during 2022/01-2022/02 Communication method: Board meeting	The contents of the report were known in detail and no opinion was expressed.	The contents of the report were known in detail and no opinion was expressed.
2022/05/06	Communication item: report by the Audit Officer Implementation status of audit work during 2022/03-2022/04 Communication method: Board meeting	The contents of the report were known in detail and no opinion was expressed.	The contents of the report were known in detail and no opinion was expressed.
2022/06/14	Communication item: report by the Audit Officer Implementation status of audit work during 2022/05 Communication method: Board meeting	The contents of the report were known in detail and no opinion was expressed.	The contents of the report were known in detail and no opinion was expressed.
2022/08/05	Communication item: report by the Audit Officer Implementation status of audit work during 2022/06-2022/07 Communication method: Board meeting	The contents of the report were known in detail and no opinion was expressed.	The Company has established the Audit Committee, so not applicable.
2022/11/03	Communication item: report by the Audit Officer Implementation status of audit work during 2022/08-2022/09 Communication method: Board meeting	The contents of the report were known in detail and no opinion was expressed.	The Company has established the Audit Committee, so not applicable.

(II). The CPAs can communicate in the following methods:

(1). Communication with the independent directors

Communication date	Communication counterparty	Communication contents	Independent directors' opinion and suggestion	The Company's handling of the situation

1st in 2022 (2022/12/20)	Independent director	Internal communication matters	No opinion nor suggestion	Not applicable

(2). Communication with the entire body of the directors (including supervisors of the 15th term)

Communication date	Communication counterparty	Communication contents	Independent directors' and supervisors' opinion and suggestion	The Company's handling of the situation
1st in 2022 (2022/03/04)	Independent directors (including regular directors) and supervisors	1. Independence of CPAs 2. Audit scope of the Group 3. Audit opinion of the CPAs for 2021 4. Key Audit Matters 5. Material accounting and auditing issues	No opinion nor suggestion	Not applicable
2nd in 2022 (2022/11/03)	Independent directors (including regular directors)	1. Review scope and review report for the Group 2. Material accounting and auditing issues 3. Draft of key audit matters for annual audit report 4. Plan of annual audit work 5. Statutory updates	No opinion nor suggestion	Not applicable

Matters listed in Article 14-5 of the Securities and Exchange Act:

Audit Committee (Session/date)	Motion content	Objections, reservations or major recommendations of the independent directors	Resolution of the Audit Committee	The Company's handling of the Audit Committee's opinions
1st meeting in 2022 of the 1st Audit Committee (2022/08/05)	1. Review of the 2Q2022 consolidated reports of the Company.	None	Except for subject 5 where Chien-Liang Chen, an independent director, recused himself from participating in the discussion. The motion was approved as proposed by the all members present without objection after being consulted by the chair and submitted to the Board of Directors for deliberation.	The motion was proposed for resolution at the 1st meeting in 2022 of the Board of Directors of the 16th term.
	2. Discussion of the plan for the Company and the Group's subsidiary, Singatron Technology (HongKong) Co., Ltd to obtain credit facilities from financial institutions.			
	3: Discussion of the Company's endorsement and guarantee for the Group's subsidiary, Singatron Technology (HongKong) Co., Ltd.			
	4. Discussion of the Company registration with the Ministry of Economic Affairs for the custodian of the company seal.			
	5. Discussion of the Company's plan to enter into a contract with National Tsing Hua University on "Industry-Academic Collaboration and Academic Feedback Mechanism."			
	6. Discussion of the "Letter of Explanation of Trademark and Copyright Use" issued by the Company.			
	7. Discussion of the Company's 15th repurchase of treasury stock	Independent Director Hui-Chou Chen proposed that the funds used for the repurchase of treasury stock should come from the newly developed bank facilities, based on the principle of capital conservation.	After discussion, the Board of Directors approved the motion and proposed to use the newly developed bank facilities for the motion, which was consented by the other two directors and will be submitted to the Board of Directors for deliberation.	
2nd meeting in 2022 of the 1st Audit Committee (2022/11/03)	1. Review of the 3Q2022 consolidated reports of the Company.	None	The motion was approved as proposed by all members present without objection after being consulted and submitted to the Board of Directors for deliberation.	The motion was proposed for resolution at the 2nd meeting in 2022 of the Board of Directors of the 16th term.
	2. Discussion of the plan for the Company and the subsidiary, Singatron Technology (HongKong) Co., Ltd to obtain credit facilities from financial institutions.			
	3: Discussion of the Company's endorsement and guarantee for the subsidiary, Singatron Technology (HongKong) Co., Ltd.			
	4. Discussion of the lending of funds from the subsidiary, Singatron (Hong Kong) International Holding Ltd. to the Company.			
	5. Discussion of the Company's plan to establish the "Greenhouse Gas Inventory Management Regulations."			
	6. Discussion of the Company's plan to establish the			

	"Operating Procedures for the Preparation and Verification of Sustainability Reports." . 7. Discussion of the Company's audit plan for 2023. 8. Discussion of the Company's audit fee for 2022 for Ernst & Young.			
3rd meeting in 2022 of the 1st Audit Committee (2022/12/01)	1. Discussion of the plan for the Company and the subsidiary, Singatron Technology (HongKong) Co., Ltd to obtain credit facilities from financial institutions. 2. Discussion of the Company's endorsement and guarantee for the subsidiary, Singatron Technology (HongKong) Co., Ltd.	None	The motion was approved as proposed by all members present without objection after being consulted and submitted to the Board of Directors for deliberation.	The motion was proposed for resolution at the 3rd meeting in 2022 of the Board of Directors of the 16th term.
1st meeting in 2023 of the 1st Audit Committee (2023/01/11)	1. Discussion of the Company's acquisition of credit facilities from financial institutions. 2. Discussion of the amendments to certain provisions of the “Rules of Procedure for the Board of Directors’ Meetings” of the Company.	None	The motion was approved as proposed by all members present without objection after being consulted and submitted to the Board of Directors for deliberation.	The motion was proposed for resolution at the 1st meeting in 2023 of the Board of Directors of the 16th term.
2nd meeting in 2023 of the 1st Audit Committee (2023/01/11)	1. Review of the Company’s 2022 Business Report. 2. Review of the Company's standalone financial statements and consolidated financial statements for 2022. 3. Discussion of the appointment of CPAs and evaluation of the professionalism, competency and independence of the attesting CPAs of the Company. 4. Discussion of the amendments to certain provisions of the Company’s Articles of Incorporation. 5. Discussion of the amendments to certain provisions of the “Corporate Governance Best Practice Principles” by the Company. 6. Amendments to certain provisions of the Company's "Standard Operating Procedures for Handling Directors' Requests." 7. Discussion of the Company’s plan to establish the "General Policy on Pre-Approval for Non-Assurance Services." 8. Discussion of issuing the Company's Statement of Internal Control System for 2022. 9. Discussion of the Company's acquisition of credit facilities from financial institutions.	None	The motion was approved as proposed by all members present without objection after being consulted and submitted to the Board of Directors for deliberation.	The motion was proposed for resolution at the 2nd meeting in 2023 of the Board of Directors of the 16th term.
1st interim meeting in 2023 of the 1st Audit Committee	1. Discussion of the “Confirmative Opinion of Controlling Shareholders and Substantive Controllers on Securities Issuance Documents" issued by the Company, SINGATRON(BVI)ENTERPRISE CO LTD, Singatron (Hong	None	The motion was approved as proposed by all members present without objection after being consulted and submitted to the	The motion was proposed for resolution at the 1st

(2023/03/07)	Kong) International Holding Ltd. 2. Discussion of the "Letter of commitment not to influence or interfere with the audit" issued by the Company, SINGATRON(BVI)ENTERPRISE CO LTD, Singatron (Hong Kong) International Holding Ltd. and SINGATRON Electronics (China) Co. Ltd.		Board of Directors for deliberation.	interim meeting in 2023 of the Board of Directors of the 16th term.
3rd meeting in 2022 of the 1st Audit Committee (2023/04/26)	1. Discussion of the Company's 2022 earnings distribution proposal. 2. Discussion of the plan for the Company and the subsidiary, Singatron Technology (HongKong) Co., Ltd to obtain credit facilities from financial institutions. 3. Discussion of the Company's endorsement and guarantee for the Group's subsidiary, Singatron Technology (HongKong) Co., Ltd 4. Discussion of the amendments to certain provisions of the Company's Articles of Incorporation. 5.. Discussion of the amendments to certain provisions of the Company's "Operating Procedures for Acquisition or Disposal of Assets." 6. Authorization for strategic or long-term investments for diversified business development. 7. Authorization for the intention evaluation of strategic or long-term investments for diversified business development.	None	The motion was approved as proposed by all members present without objection after being consulted and submitted to the Board of Directors for deliberation.	The motion was proposed for resolution at the 3rd meeting in 2023 of the Board of Directors of the 16th term.

2. The participation of supervisors in the operations of the Board of Directors before the establishment of the Audit Committee on 2022/06/16.

From 2022/01/01 to 2022/06/15, the Board of Directors met 5 times (A) and the attendance of supervisors was as follows:

Position	Name	Number of attendance in person (B)	Percentage of attendance in person (B/A) (%)	Remarks
Supervisor	Zi-Peng Chen	4	80.00	None
Supervisor	Representative of CHANG RUN INVESTMENT CO., LTD.: Ya-Zhi Chang	5	100.00	None
Supervisor	Chien-Nian Chi	4	80.00	None

Other matters required to be recorded:

I. Composition and responsibilities of supervisors:

(I). The Company has three supervisors.

(II). Communication between supervisors and the Company's employees and shareholders (*e.g.,* communication channels, methods, etc.).

The Company has harmonious labor relations, with open information and smooth communication channels. Up to the establishment of the Audit Committee, employees and shareholders had not specifically requested to communicate with supervisors.

(III). Communication between supervisors, internal audit officer and CPAs (e.g. major matters, methods and results of communication on the Company's financial and business conditions, etc. should be included). Please refer to P36-P38.

II. If the supervisors attending the Board of Directors' meeting have opinions, state the date and session of the Board of Directors' meeting, the motion content, the result of the Board of Directors' resolution and the Company's handling of the supervisors' opinion: when the supervisors attend the Board of Directors' meeting, they occasionally make an exchange of opinions on

the Company's motions or policies, but have no specific objections or disagreement.

(III) The state of operations of corporate governance and the differences from the Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies and the reasons therefor.

Evaluation item	State of operations			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies and the reasons therefor.
	Yes	No	Summary description	
I. Has the Company formulated and disclosed its corporate governance practice principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies?"	V		The "Corporate Governance Best Practice Principles" (last amended on 2023/03/03), which was approved by the Board of Directors of the Company, was formulated with reference to the “Corporate Governance Best Practice Principles for TWSE/TPEx- Listed Companies” formulated by the competent securities authorities. The Corporate Governance Best Practice Principles have been uploaded to the Market Observation Post System and the Company's website under "Corporate Governance" for public reference. The Company's corporate governance system, in addition to complying with the laws and regulations, has established an effective corporate governance structure to protect shareholders' rights and interests, strengthen the functions of the Board of Directors and enhance information transparency.	No difference
II. The Company’s ownership structure and shareholders' equity				
(I). Has the Company established internal operating procedures to handle shareholder recommendations, doubts, disputes and litigations and implemented them in accordance with the procedures?	V		The Company has dedicated investor relations personnel with a spokesperson and an acting spokesperson to handle shareholders' proposals, doubts and disputes. In addition to the contact information of the spokesperson and acting spokesperson, there is also an investor relations mailbox on the Company's website at E-mail:twlz@singatron.com.tw to handle shareholder proposals, questions, disputes or inquiries.	No difference
(II). Does the Company have a list of the major shareholders who actually control the Company and those who ultimately have control over the major shareholders?	V		In accordance with Article 25 of the Securities and Exchange Act, the Company reports changes in the shareholdings of insiders (directors, supervisors, managerial officers and shareholders holding more than 10% of the shares) on a monthly basis on the website designated by the Securities and Futures Bureau - Market Observation Post System.	No difference
(III). Has the Company established and implemented risk control and firewall mechanisms between affiliated companies?	V		1. The Company's internal control system covers risk management at the corporate level and operating activities at the operational level, and has a "Subsidiary Supervisory System" to carry through the risk control mechanism for subsidiaries. . 2. The Company and its affiliates carry out regular monitoring and control procedures for risky accounts such as cash and bank deposits, accounts receivable, inventories, bank loans and foreign currency exchange risk.	No difference
(IV). Has the Company formulated internal regulations to prevent insiders from trading securities using undisclosed information on the market?	V		1. In addition to compliance with the Securities and Exchange Act by the employees, managerial officers and directors of the Company, we have established the "Code of Ethical Conduct," "Procedures for Ethical Management and Guidelines for Conduct" and "Procedures for Handling Material Inside Information and	No difference

<table>
<tr><td></td><td></td><td></td><td>Prevention of Insider Trading" to regulate members to avoid conflicts of interest related to their duties and not to use the non-public information they know to disclose it to others in order to prevent insider trading.
2. Article 10 of the Company’s "Corporate Governance Best Practice Principles" stipulates that directors shall not trade their shares during the closed period of 30 days prior to the announcement of the annual financial statements and 15 days prior to the announcement of the quarterly financial statements.
The implementation status for 2022 and the current year up to the date of publication of the Annual Report is as follows:
<table><tr><td>Board meeting date</td><td>Email notification reminder date</td></tr><tr><td>Consolidated financial statements for 1Q2022 (2022/05/06)</td><td>2022/04/20</td></tr><tr><td>Consolidated financial statements for 2Q2022 (2022/08/05)</td><td>2022/07/20</td></tr><tr><td>Consolidated financial statements for 3Q2022 (2022/1/03)</td><td>2022/10/18</td></tr><tr><td>Standalone and consolidated financial statements for 2022 (2023/03/03)</td><td>2023/01/31</td></tr></table>3. The Company plans a series of courses on regulations, auditing, risk management, etc. in the annual training, and conducts promotional education on legal knowledge, service rules and codes of conduct. In the courses, the concept and implementation of the prevention mechanism are reinforced by case studies to jointly manage and prevent unethical behavior. On January 13, 2022, the Company conducted a 0.5-hour insider trading education session for 12 directors, supervisors and managerial officers.</td><td></td></tr>
<tr><td colspan="5">III. Composition and responsibilities of the Board of Directors</td></tr>
<tr><td>(I). Has the Board of Directors formulated and implemented a diversity policy on membership?</td><td>V</td><td></td><td>The structure of the Board of Directors depends on the scale of the Company's business development, the shareholding of major shareholders and the operational needs, and the number of directors is determined by law and the Company's Articles of Incorporation. The Company's Board of Directors has the required knowledge and expertise in different industries. The directors' extensive knowledge, insight and judgment contribute to the Company's business strategies.
Please refer to P20-P22 for the specific objectives of the Board of Directors' diversity and their achievement and the diversity of the Board members.</td><td>No difference</td></tr>
<tr><td>(II). In addition to the Remuneration Committee and the Audit Committee established in accordance with law, has the Company voluntarily set up other functional committees?</td><td></td><td>V</td><td>The Company has not established any functional committees other than the Remuneration Committee and the Audit Committee, which were established in accordance with law.
Other committees will be established at the discretion of the Company in the future.</td><td>The details are as described on the left.</td></tr>
<tr><td>(III). Has the Company formulated Board performance evaluation measures and methods, conducts performance evaluations annually and regularly, and reports the results of performance evaluations to the Board of Directors, and uses them as a reference for individual directors' remuneration and nomination for reappointment?</td><td>V</td><td></td><td>1. The Company's Board of Directors resolved on 2020/01/10 to establish the “Regulations for Performance Evaluation of the Board of Directors” (last amended on 2022/01/13), which includes the performance evaluation of the Board of Directors, Board members and functional committees.
. The performance evaluation of the Board of Directors for the year 2022 was completed on March 23, 2023 and will be submitted to the coming Board of Directors' meeting (2023/04/26) and uploaded to the Company's website.
2. Please refer to P33 for details of the internal and external performance evaluation and scores of the Company's Board of Directors.
3. The performance evaluation of the Board members will be provided to the Board of Directors for reference in the nomination of directors for election.</td><td>No difference</td></tr>
<tr><td>(IV). Does the Company regularly evaluate the independence of attesting CPAs?</td><td>V</td><td></td><td>1. As of the most recent attestation, there has been no such situation as not having replaced the attesting CPAs for seven years.
2.</td><td>No difference</td></tr>
</table>

			(1). The Company evaluates the independence of the attesting CPAs once a year and submits the results to the Board of Directors. The last submission to the Board of Directors is on 2023/01/11. (Please refer to P48 for the evaluation criteria of CPAs.) 3. Discussion of the appointment of CPAs and evaluation of the professionalism, competency and independence of the attesting CPAs of the Company was reported on March 3, 2023to the Audit Committee and Board of Directors. In accordance with the audit quality indicators (AQI) with five major aspects and 13 indicators, including professionalism, independence, quality control, supervision, and innovation ability. 3. CPAs Chi-Ming Chang and Mao-Yi Hung from Ernst and Young have been evaluated to be in compliance with the Company's criteria.	
IV. Does the Company as a listed company have suitable and appropriate number of corporate governance personnel and appoint a corporate governance officer to be responsible for corporate governance related matters (including but not limited to providing information necessary for directors and supervisors to perform their business, assisting directors and supervisors to comply with laws and regulations, conducting board meeting and shareholders' meeting related matters in accordance with law, handling company registration and alteration registration, and preparing minutes of board meetings and shareholders' meetings, etc.)?	V		1. The Board of Directors of the Company resolved on 2023/03/03 to approve Ms. Rui-Chen Hu Chief of Administration and Finance Division, as Corporate Governance Officer with the following major responsibilities and priorities: (1) Plan and develop corporate systems and organizational structure to promote Board independence, compliance with laws and regulations, and implementation of internal audits and controls. (2) Notify all directors at least 7 days in advance of Board meetings and provide sufficient information before the meetings to help directors understand the issues. If the content of a motion is related to an interested party, the party concerned will be reminded to recuse himself or herself as appropriate. (3) Register the date of the shareholders' meeting in accordance with the deadline of the law, and prepare the notice of the meeting, the handbook and the minutes of the meeting before the deadline. (4) Establish corporate governance best practice principles and formulate or revise related matters. (5) Provide information necessary for directors to carry out their business. (6) Assist shareholders in dealing with stock-related issues. (7) Assist directors in their continuing education. (8) Disclose corporate governance information on the Company's website. (9) Review the achievement of corporate governance evaluation indicators on an annual basis and propose improvement plans and countermeasures for the indicators that have not been achieved. (10) Provide business and financial information to directors in accordance with their needs and maintain smooth communication and exchange between directors and various responsible officers. 2. The date the Company last reported to the Board of Directors on the implementation of corporate governance: 2023/01/11.	No difference
V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers, etc.) and a special section for stakeholders on the Company's website and responded appropriately to important corporate social responsibility issues that are of concern to stakeholders?	V		We attach great importance to the balance of rights and obligations of our stakeholders (including shareholders, employees, customers, suppliers, banks, etc.) with each other. In addition to maintaining good communication with our stakeholders, we have a stakeholder section on our website (https://www.singatron.com.tw/zh-tw/a3-2047/). We also provide contact telephone, e-mail and other channels for different stakeholders so that they can contact us at any time with relevant issues and suggestions.	No difference
VI. Has the Company appointed a professional stock affairs agency to handle matters for shareholders' meetings?	V		The Company's stock affairs agency: Stock Affairs Services Department, Fubon Securities Co., Ltd.	No difference
VII. Public disclosure of information:				

(I). Has the Company set up a website to disclose finance and business matters and corporate governance information?	V		The Company has set up a website (https://www.singatron.com.tw/) to disclose the following information 1. Disclosure of financial information: The Company's website has a financial section to disclose the Company's financial information, which is updated regularly for investors' reference. 2. Disclosure of business information: The product section of the Company's website provides product introductions and information on industry applications for users to inquire. In addition, the Company's annual reports provide information on business scope, industry overview, technology and R&D overview, market analysis, major product applications and production process for users to inquire. 3. Disclose corporate governance information The Corporate Governance section of the Company's website has information on the members of the Board of Directors (including diversity), important resolutions of the Board of Directors, communication between CPAs, internal audit officer and independent directors, important corporate rules and regulations, and the organization and operations of internal audits.	No difference
(II). Has the Company adopted other means of information disclosure (such as setting up an English website, appointing dedicated personnel responsible for the collection and disclosure of Company information, implementing a spokesperson system, posting the Company's earnings calls on its website, etc.)?	V		1. Designate full-time personnel responsible for the collection and disclosure of corporate information. The Company's Administration and Finance Division and Marketing and Sales Division have designated personnel to be responsible for information collection and disclosure, and the related operations are smooth. 2. Implement the spokesperson system. The Company's spokesperson is the Chief of Administration and Finance Division, Rui-Chen Hu and the acting spokesperson is the Chief of Marketing and Sales Division, Tian-Shan Shi. 3. The website to inquire for the proceedings of corporate earnings calls: On November 15, 2021, the Company was invited to participate in the online earnings call held by President Securities Corporation and uploaded the presentation file to the Company's website for public reference.	No difference
(III). Does the Company publicly announce and file annual financial statements within two months after the end of the fiscal year and the financial statements for the first, second and third quarters and the monthly operating status before the prescribed deadline?		V	The Company announces financial statements and revenue for each month as required by law. Please refer to the Market Observation Post System for more information on the disclosure of the information listed on the left.	The Company currently announces and reports its annual financial statements within three months after the end of the fiscal year.
VIII. Does the Company have other important information that is helpful to understand its implementation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, continuing education of directors and supervisors, Implementation of risk management policies and risk measurement standards, implementation of customer policies, implementation of customer policy, the Company's purchase of liability insurance for directors and supervisors, etc.)?	V		1. Vision, mission and management philosophy: Vision: To be the preferred connector solution provider in the industry Mission: To build a healthy and efficient team to accomplish the mission Business philosophy: "Innovation, Service, Efficiency" 2. Employee rights and interests: In accordance with the Labor Standards Act and the Company's personnel regulations. 3. Employee care: A window is in place to handle employee assistance programs, and multiple channels are available for employees to express their opinions, creating a good sense of participation and a smooth two-way channel. 4. Investor relations: The Company's top goal is to protect the interests of shareholders and treat all shareholders fairly. In addition, the Company will immediately upload material information on finance, business and changes in insider shareholding to the Market Observation Post System (MOPS) in accordance with relevant	No difference

			regulations. We also communicate with investors through shareholders' meetings and the spokesperson. In addition, the Company has an "Investor Section" on its website, in which information on the four major aspects, including "Company Profile," "Stakeholders," "Financial Information" and "Investor Services" is disclosed for investors' easy reference. 5. Supplier relations: The Company conducts procurement operations in accordance with the "Procurement Management Procedures" and suppliers deliver goods in accordance with contracts. The Company holds supplier meetings at least once a year to promote corporate social responsibility, conduct questionnaire surveys, recognize good suppliers, and communicate management philosophy in order to establish closer supplier relationships. 6. Rights of stakeholders: The Company protects the rights of different stakeholders through the rules, regulations, and contracts established by the Company and the "Stakeholder Section" is in place on the Company's website, which contains the contact telephone numbers and e-mails of the corresponding communication channels for each stakeholder, by which stakeholders can communicate with and advise the Company in order to maintain the necessary cooperative relationship. 7. Continuing education of directors: All directors of the Company have relevant professional knowledge. The Company also offers training courses for directors from time to time, and holds seminars as necessary. Please refer to P47 for details of the continuing education of directors in 2022. 8. Implementation of risk management policy and risk measurement standards: The Company analyzes and responds to the possibility and impact of business objectives during operations, financial reporting accuracy and fraud prevention in order to strengthen corporate governance and establish sound risk management practices. 9. Purchase of liability insurance for directors by the Company: Since 2006, the Company has taken out liability insurance for directors during their term of office to reduce and diversify the significant losses to the Company and shareholders caused by the directors' mistakes or negligent acts. The most recent purchase of liability insurance for directors was reported to the Board of Directors on 2023/04/26. 10. The directors always pay attention to the relevant regulatory information. 11. Internal rules and regulations are established to manage and evaluate risks and are implemented accordingly.	

IX. Please describe the improvements that have been made in response to the corporate governance evaluation results issued by the Corporate Governance Center of the Taiwan Stock Exchange in the most recent year, and propose priorities and measures for those not yet improved:

Serial No.	Evaluation indicator	Priority enhancement
1.18	Important contents of the shareholders' questions and the Company's replies recorded in the meeting minutes of the Company's regular shareholders' meetings?	Important contents of the shareholders' questions and the Company's replies recorded in the meeting minutes of the regular shareholders' meetings?

Continuing education of directors, managerial officers, finance officer and audit officer of the Company in 2022

Position	Name	Training date		Organizer	Course name	Training hours
		From	To			
Vice Chairperson and President	Peng-Huang Peng	2022/10/16	2022/10/06	Securities and Futures Institute	Discussion of the legality of Cyber Security Management Act from the perspective of corporate fraud prevention	3 hours
Vice Chairperson and President	Peng-Huang Peng	2022/10/07	2022/10/07	Securities and Futures Institute	Global Risk Awareness - Opportunities and Challenges for the Next Decade	3 hours
Vice Chairperson and President	Peng-Huang Peng	2022/10/25	2022/10/25	Taiwan Corporate Governance Association	Study and Outlook for Important Economic and Trade Issues for 2022	3 hours
Independent director	Chien-Liang Chen	2022/10/11	2022/10/11	Accounting Research and Development Foundation	Corporate Fraud Investigation Practices and Case Studies	6 hours
Independent director	Hui-Chou Chen	2022/08/08	2022/08/08	Accounting Research and Development Foundation	Legal Compliance and Audit Practices for the Operations of the "Audit Committee" of Enterprises	6 hours
Independent director	Kung-Chien Huang	2022/08/08	2022/08/08	Accounting Research and Development Foundation	Legal Compliance and Audit Practices for the Operations of the "Audit Committee" of Enterprises	6 hours
Independent director	Kung-Chien Huang	2022/10/11	2022/10/11	Accounting Research and Development Foundation	Corporate Fraud Investigation Practices and Case Studies	6 hours
Director	Chien-Nian Chi	2022/10/11	2022/10/11	Accounting Research and Development Foundation	Corporate Fraud Investigation Practices and Case Studies	6 hours
Division Chief	Rui-Chen Hu	2022/01/18	2022/01/18	Taiwan Investor Relations Institute	How Enterprises Implement Low Carbon ESG Transition Plan	2 hours
Division Chief	Rui-Chen Hu	2022/06/02	2022/06/02	Accounting Research and Development Foundation	Sustainability Report Seminar: Sustainability Accounting Standards	2 hours
Division Chief	Rui-Chen Hu	2022/07/26	2022/07/26	Accounting Research and Development Foundation	Disputes over management rights from the perspective of corporate governance and shareholder structure	3 hours
Division Chief	Rui-Chen Hu	2022/08/08	2022/08/08	Accounting Research and Development Foundation	Legal Compliance and Audit Practices for the Operations of the Audit Committee of Enterprises	6 hours
Division Chief	Rui-Chen Hu	2022/08/15	2022/08/15	Accounting Research and Development Foundation	Policy Development and Internal Control Management Practices Related to ESG Sustainability and Self-Prepared Financial Statements	6 hours
Division Chief	Rui-Chen Hu	2022/11/17	2022/11/17	Cathay United Bank /Taiwan Academy of Banking and Finance	Corporate Governance Seminar for Directors and Supervisors	3 hours
Audit Officer	Ying-Yuan Peng	2022/01/07	2022/01/07	The Institute of Internal Auditors	Self-Assessment Practice	6 hours
Audit Officer	Ying-Yuan Peng	2022/04/25	2022/04/25	The Institute of Internal Auditors	The Impact of ESG Risks on Corporate Internal Control System and Countermeasures in the Face of ESG Wave (with Sustainable Development)	6 hours

Criteria for evaluating the independence of CPAs

Item	Results
1. As of the most recent attestation, there has been no such situation as not having replaced the attesting CPAs for seven years.	■ Yes □ No
2. No significant financial interest with the client.	■ Yes □ No
3. No inappropriate relationship with the client.	■ Yes □ No
4. The CPA should ensure the integrity, impartiality and independence of his or her associates.	■ Yes □ No
5. The CPA shall not audit and attest the financial statements of the organizations he or she served within two years prior to the date of the CPA's practice.	■ Yes □ No
6. The CPA's name shall not be used by others.	■ Yes □ No
7. The CPA shall not hold any shares of the Company or its affiliates.	■ Yes □ No
8. No monetary lending or borrowing with the Company and its affiliates.	■ Yes □ No
9. No joint investment or benefit-sharing relationship with the Company or its affiliates.	■ Yes □ No
10. No regular employment with the Company or its affiliates for a fixed remuneration.	■ Yes □ No
11. Not involved in the management function of making decisions for the Company or its affiliates.	■ Yes □ No
12. Not engaged in any other business that may compromise his or her independence.	■ Yes □ No
13. No spouse or relatives within second degree of kinship in the Company's management.	■ Yes □ No
14. No commission received in connection with the business of the Company	■ Yes □ No
15. To date, no disciplinary action has been received or the principle of independence has been compromised.	■ Yes □ No

(IV). The composition and operations of the Remuneration Committee established by the Company:

1. The Company's Board of Directors resolved to establish a Remuneration Committee, whose members are appointed by the Board of Directors.

The main duties of the Remuneration Committee are to review the performance evaluation and remuneration policies of directors and managerial officers on a regular basis and to submit its recommendations to the Board of Directors for discussion.

2. Scope of authorities and responsibilities of the Remuneration Committee:

The Committee shall faithfully perform the following authorities and responsibilities with the attention of good stewards and submit its recommendations to the Board of Directors for discussion.

(1) Review and propose amendments to the Charter on a regular basis.

(2) Establish and regularly review the performance evaluation standards, annual and long-term performance goals, and policies, systems, standards and structures for remuneration of directors and managerial officers, and disclose the contents of the performance evaluation standards in the annual report.

(3) Periodically evaluate and determine the achievement of the performance goals of directors and managerial officers, and determine the content and amount of their individual remuneration based on the evaluation results in accordance with the performance evaluation standards. The annual report shall disclose the results of the individual performance evaluation of directors and managerial officers, and the content and amount of individual remuneration in relation to the results of the performance evaluation and the reasonableness of the results, which shall be reported to the shareholders' meeting.

In performing the foregoing duties and responsibilities, the Committee shall abide by the following principles.

(1) Ensure that the Company's remuneration arrangements are in compliance with the relevant laws and regulations and are sufficient to attract talent.

(2) The performance evaluation and remuneration of directors and managerial officers shall be based on the usual industry standard, and shall have the results of the performance evaluation, the time spent, the responsibilities, the achievement of goals, the performance in other positions, the remuneration offered to equivalent positions in recent years and the achievement of short-term and long-term business goals and the financial position of the Company, the reasonableness of the relationship between individual performance and the Company's operating performance and future risks taken into account.

(3) Directors and managerial officers shall not be induced to engage in conduct that exceeds the Company's risk appetite in pursuit of remuneration.

(4) The distribution percentage for remuneration in accordance with short-term performance of directors and senior managerial officers and the timing of payment of certain variable remunerations shall be determined by taking into account the characteristics of the industry and the nature of the Company's business.

(5) The content and amount of remuneration for directors and officers shall be reasonable and the determination of remuneration for directors and officers shall not be materially inconsistent with the financial performance of the Company. If there is a significant decline in profit or a long-term loss, the remuneration shall not be higher than the previous year. If it is still higher than the previous year, the reasonableness should be disclosed in the annual report and reported in the shareholders' meeting.

(6) The members of the Committee shall not participate in the discussion and voting on the decision of their personal remuneration.

The remuneration referred to in the preceding two paragraphs includes cash remuneration, stock options, profit sharing with stock ownership, retirement benefits or severance pay, allowances and other material incentives; the scope of which is consistent with the Regulations Governing Information to be Published in Annual Reports of Public Companies on the remunerations for directors and officers.

If the remuneration of directors and managerial officers of subsidiaries is subject to the approval of the Board of Directors of the Company in accordance with the hierarchical authorizations of the subsidiaries, the Committee shall make recommendations and then submit them to the Board of Directors for discussion.

3. Information on the members of the current Remuneration Committee (Term of office: 2022/06/16-2025/06/15)

Position / Criteria / Name		Professional qualifications and experiences	Status of independence	Number of other public companies in which the individual is concurrently serving as a remuneration committee member
Independent director (Convener)	Chien-Liang Chen	Please refer to P20-P22 for disclosure of professional qualifications of directors and independence of independent directors.	1. Not an employee of the Company or its affiliates. 2. Not a director or supervisor of the Company or its affiliates. 3. Not a natural-person shareholder holding more than 1% of the total number of issued shares or among the top 10 natural-person shareholders in the name of itself, its spouse, minor children or others. 4. Not a managerial officer under (1) or a spouse, relative within the second degree of kinship or lineal relative by blood within the third degree of kinship under (2), (3). 5. Not a director, supervisor or employee of an institutional shareholder directly holding more than 5% of the outstanding shares issued by the company, or a director, supervisor or employee of an institutional shareholder who is among the top 5 shareholders, or a representative of an institutional shareholders appointed as the director or supervisor of the company according to Paragraph 1 or 2, Article 27 of the Company Act. 6. Not a director, supervisor, or employee of other company. If a majority of the Company's director seats or shares with voting rights and those of that other company are controlled by the same person. 7. Not a director, supervisor, or employee of the other company or institution who is or whose spouse is the chairperson, President or equivalent positions of the Company. 8. Not a director, supervisor, managerial officer, or shareholder holding 5% or more of the shares of a specific company or institution that has a financial or business relationship with the Company. 9. Not a professional, sole proprietor, partner, owner of a company or institution, director, supervisor, managerial officer or its spouse that provides the Company or affiliates with audit services or commercial, legal, financial, accounting or related services with cumulative amount of remuneration in the last two years exceeding NT$500,000. 10. Not a person who has a spouse or relatives of second degree of kinship in other directors. 11. Not a person elected in the capacity of the government, a corporation, or a representative as provided in Article 27 of the Company Act.	None
Independent director	Hui-Chou Chen			2
Independent director	Kung-Chien Huang			None

4. Operations of the Remuneration Committee.

(1) There are three members in the Remuneration Committee of the Company.

(2) The term of office of the current committee is from June 16, 2022 to June 15, 2025.

The number of meetings held in 2022 and 2023 by the 4th term: 2; the number of meetings held in 2022 by the current term: 4 (A) and the qualifications and attendance of the members are as follows:

Position	Name	Number of attendance in person (B)	Number of attendance by proxy	Percentage of attendance in person (%) (B/A)	Remarks
Convener	Chien-Liang Chen	6	0	100.00%	Re-elected on 2022/06/16
Member	Hui-Chou Chen	6	0	100.00%	Re-elected on 2022/06/16
Member	Rui-Zhong Lu	2	0	100.00%	Stepped down on 2022/06/16
Member	Kung-Chien Huang	4	0	100.00%	Newly elected on 2022/06/16
Other matters required to be recorded: I. If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, it should state the date, session, motion content, resolution of the Board, and its handling of the committee's opinions (if the remuneration approved by the Board is better than the recommendation proposed by the committee, the difference and reasons therefor should be stated): No such situation. II. For the proposals by the Remuneration Committee. If any members have objections or reservations with records or written statements, the date, period, proposal content, the opinions of all members, its handling of the members' opinions should be stated: No such situation.					

4. Discussion and resolution of the Remuneration Committee for the most recent year (2022/01/01-2023/03/03), and the Company's handling of the members' opinions.

Meeting date	Motion content	Resolution	The Company's handling of the members' opinions.
1st meeting in 2022 of the 4th Remuneration Committee (2022/01/13)	1. Discussion of the amendments to certain provisions of the "Remuneration Committee Charter" by the Company.	Resolved to pass by all the Committee members	The motion was proposed for resolution at the 1st meeting in 2022 of the Board of Directors of the 15th term.
	2. Discussion of the amendments to certain provisions of the "Regulations for Performance Evaluation of the Board of Directors" by the Company.		
	3. Discussion of the year-end director's remuneration for 2021 for the executive Chairperson and Vice Chairperson of the Company.		
	4. Discussion of the year-end bonus for 2021 for managerial officers of the Company.		
2nd meeting in 2022 of the 4th Remuneration Committee (2022/03/04)	1. Discussion of the profit sharing remuneration for employees, directors and supervisors of the Company for 2021.	Resolved to pass by all the Committee members	The motion was proposed for resolution at the 2nd meeting in 2022 of the Board of Directors of the 15th term.
1st meeting in 2022 of the 5th Remuneration Committee (2022/06/16)	1. The election of the Chairperson of the 5th Remuneration Committee.	Resolved to pass by all the Committee members	The motion was proposed for resolution at the 1st meeting in 2022 of the Board of Directors of the 16th term.
2nd meeting in 2022 of the 5th Remuneration Committee (2022/08/05)	1. Discussion of the remuneration for the Company's Chairperson, Vice Chairperson and directors of the 16th term	Resolved to pass by all the Committee members	The motion was proposed for resolution at the 2nd meeting in 2022 of the Board
	2. Discussion of the director's performance-based remuneration for 2021 for the executive Chairperson and Vice-Chairperson of the Company		

	3. Discussion of the profit sharing remuneration for directors and supervisors of the Company for 2021. 4. Discussion of the remuneration for the President of the 16th Board of Directors of the Company. 5. Discussion of the employee profit sharing remuneration for the Company's managerial officers for 2021 and the incentive bonus for employees.		of Directors of the 16th term.
1st meeting in 2023 of the 5th Remuneration Committee (2023/01/11)	1. Discussion of the year-end director's remuneration for 2022 for the executive Chairperson and Vice Chairperson of the Company. 2. Discussion of the year-end bonus for 2022 for managerial officers of the Company.	Resolved to pass by all the Committee members	The motion was proposed for resolution at the 1st meeting in 2023 of the Board of Directors of the 16th term.
2nd meeting in 2023 of the 5th Remuneration Committee (2023/03/03)	1. Discussion of the profit sharing remuneration for employees, directors and supervisors of the Company for 2022.	Resolved to pass by all the Committee members	The motion was proposed for resolution at the 2nd meeting in 2023 of the Board of Directors of the 16th term.

(V). Implementation status of the promotion of sustainable development, the differences from the Sustainable Development Best Practice Principles for TWSE/TPEx-listed Companies and the reasons therefor.

Evaluation item	State of operations			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEx-Listed Companies and the reasons therefor.
	Yes	No	Summary description	
I. Has the Company established a governance structure to promote sustainable development and set up a dedicated (part-time) unit to promote sustainable development, which is authorized by the Board of Directors to be handled by senior management, and the supervision situation of the Board of Directors?	V		1. In accordance with the “Corporate Social Responsibility Best Practice Principles,” the Board of Directors authorized the General Administration Center to be a part-time unit to promote CSR and report to the Board of Directors on a regular basis. In January 2022, the name of the Best Practice Principles was changed to "Sustainable Development Best Practice Principles" in accordance with the law, which was approved by the Board of Directors; the promotion unit of the General Administration Center was renamed "ESG Promotion Committee" in February 2022. 2. The Principles’ boundary covers the Company and its controlled subsidiaries as the organizational scope (hereinafter referred to as the Group). The General Administration Center reviews the Group's core operating competencies through senior officers in different areas to develop medium- and long-term sustainability plans and annual programs. The Principles’ driving unit serves as a cross-departmental communication platform that integrates up and down and connects horizontally to identify relevant sustainability issues, track budgets for development-related projects and ensure that sustainability strategies are fully implemented in the Group's daily operations. 3. In 2022, the Board of Directors received three periodic reports on the implementation of the Principles, including the "Corporate Governance Assessment and Operations Report," "Ethical Operations Report" and "Greenhouse Gas Inventory Progress Report. The Board of Directors was given the reports and reviewed and monitored the progress of the implementation.	No difference
II. Does the Company conduct risk evaluations on environmental, social and corporate governance issues related to the Company's operations in accordance with the materiality principle and formulate relevant risk management policies or strategies?	V		1. The Group's core business is the design, manufacturing and sale of electronic components and connectors and the main development and production sites are the subsidiaries at each plant. The risk assessment boundary covers the subsidiaries controlled by the Group, including the established locations in Taiwan and Mainland China. This disclosure covers the period from January 2022 to December 2022. 2. The Group's vision is to become the preferred connector solution provider in the industry and to build a healthy and efficient team to accomplish its mission. Based on the materiality principle of the sustainability report, stakeholder communication and verification reports from external parties for each management system, we monitor and control material sustainability issues and their risk impacts by identifying and evaluating them in accordance with the risk methodology and establish relevant risk management policies. Coverage: Climate change management, energy management, environmental management, occupational safety management, human resource development, epidemic prevention management,	No difference

Evaluation item		State of operations			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEx-Listed Companies and the reasons therefor.
		Yes	No	Summary description	
				customer relationship, integrity, R&D innovation, information security, sustainable supply practice, and operational performance.	
III. Environmental Issues					
(I)	Has the Company set up an appropriate environmental management system based on the characteristics of its industry?	V		1. The Group's core business is connector design and manufacturing, with the United States and the European Union as the main markets. Establish an environmental management system based on the characteristics of the electronics industry. In the Group's operation cycle, we mainly use electricity and a small amount of water resources, which generate a small amount of wastewater, exhaust, noise and waste in the process. Through the implementation of process safety institutionalized cycle management, we effectively reduce the impact of pollution on the environment. By 2022, all of the Group's plants completed third-party verification of the sustainable and effective environmental management systems "ISO 14001" and "QC080000," which is publicly disclosed on the Company's website. 2. In 2022, the Group conducted an inventory of greenhouse gas emission sources and emissions for approximately 95% of the organization's areas in accordance with ISO14064-1, and has not yet obtained a verification report from a third party.	No difference
(II)	Is the Company committed to improving the efficiency of resource utilization and using recycled materials with low impact on the environment?	V		1. Energy saving and improving energy efficiency: 1.1. The Group continues to promote various energy saving measures, eliminating old and renewing equipment with high efficiency design to improve production efficiency and energy efficiency of enterprises and products. 1.2. The Group's energy saving target for 2022: 1% energy saving in total electricity consumption based on the previous year. 1.3. The Taiwan plant mainly focuses on sales and outsourced production as the main operation cycle. Compared to 2021, the area used and the number of employees were the same, and the total electricity used in 2022 reduced by 3%, which met the target. 1.4. The China plant is mainly for development and production. The total electricity consumption of the China plant reduced by 10.8% in 2022 compared to 2021. 1.5.Group electricity usage intensity (MhWk/revenue in Millions of NTD): The Group’s electricity usage intensity was 2.49 in 2021 and 2.40 in 2022, down by 3.8%, which showed the efficiency of electricity consumption was improved. In the past two years, the Group increased the use of LED lighting to 90%, replaced with high efficiency air compressors, upgraded to high and low voltage transformers, replaced with air conditioning facilities, and automated process equipment. 2. Renewable energy usage in the plant, low-carbon energy use transformation. 2.1 The important subsidiary Suzhou Plant in Mainland China, officially started to produce electricity for supply to the plant in the fourth quarter of 2021 and the total electricity supplied to the plant in 2022 accounted for 7.6% of the Group's total	No difference

Evaluation item	State of operations			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEx-Listed Companies and the reasons therefor.
	Yes	No	Summary description	
			electricity usage. Effectively reduce the impact on the environment. 3. Use materials that comply with international environmental material regulations and increase the recycling of waste 3.1 The raw materials used by the Group are in compliance with EU RoHS, REACH, Halogen-free regulations and the Green Product Quality System QC080000. 3.2 The R&D unit continues to develop technology for the formulation design of recycled materials, and through process management, process waste is sorted and managed, with priority given to reuse within the plant, followed by reuse for recycling, and finally by incineration or landfill. Waste reduction at source is our management measure. 3.3 The recycling rate of zero burial management waste is 80% as the low limit standard, which is the target of recycling and low waste in 2023. 4. The Company gives priority to the purchase and use of green building materials label, environmental label and various building materials, equipment and appliances that comply with regulations. Continue to expand the introduction of electronic systems to reduce paper consumption.	
(III) Does the Company evaluate the potential risks and opportunities of climate change to the Company now and in the future and take countermeasures to respond to climate-related issues?	V		Please refer to the related climate information of TWSE/TPEx-listed companies: Table 2 (P63).	No difference
. (IV) Does the Company make statistics on greenhouse gas emissions, water consumption and total weight of waste for the past two years and formulate policies for energy conservation and carbon reduction, greenhouse gas reduction, water consumption reduction or other waste management?	V		(I) Greenhouse gas emissions: 1. 2022 Inventory of the Group encompassed about 95% of the sources of emissions in the organizational area, emissions are mainly generated by the consumption of electricity for classification 2, accounting for about 89% of annual emissions. 2. Only some important subsidiaries of the Group have completed the ISO14064-1 greenhouse gas inventory report. The Sustainability Promotion Committee has reported to the Board of Directors the progress and plan of the inventory and verification of the Group's subsidiaries; in 2022, the Group's organizational scope conducted its own inventory and calculated emissions in accordance with ISO 14064-1 and the status of 2022 and 2021 is hereby described. 2.1 The Company (TW Plant): TW Plant is mainly engaged in sales and outsourcing production. The main energy used is purchased electricity and the main greenhouse gas emissions are CO2. In the past two years, the area used and the number of employees were the same, and self-inventory and calculation of emissions was conducted on our own, but there was no third party verification report yet. In 2021, the inventory emission amount was 196 tons of Co2e according to (Category 2) electricity receipts; in 2022, it was increased to (Category 1) and (Category 2) to conduct inventory for annual activity data. The	No difference

Evaluation item	State of operations			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEx-Listed Companies and the reasons therefor.
	Yes	No	Summary description	
			data source is invoice receipts, etc. According to the estimation of various emission coefficients by the Bureau of Energy, the total Co2e emission in Taiwan: (Category 1) 37.178 tons (Category 2) 192.707 tons, up by 3.1% in electricity usage and down by 1.68% in emissions compared to the previous year. 2.2 The subsidiaries (Mainland plants): Mainland Plant is mainly engaged in design and manufacturing. Its main energy used is purchased electricity and the main greenhouse gas emissions are C02. The important subsidiary Suzhou Plant is responsible for about 80% of the Group's operating activities. Its regularly carries out third-party greenhouse gas inventory and report since 2014. The inventory report for 2021 was completed in 2022/06, and the inventory report for 2022 is in progress. The subsidiary Zhongshan Plant conducts its own inventory to calculate emissions and there has been no third party inspection report yet. The third-party inventory reports for the Mainland plants are not comprehensive, and the original 2021 self-inventory calculation is based on annual electricity usage * MO emission coefficient of each power grid, and the total greenhouse gas emissions of the Mainland subsidiaries were produced and disclosed. Subsequently, in 202206, the SuZhou Plant obtained a third-party inventory report for 2021 and the electricity emission coefficient was calculated using the coefficient announced by Ministry of Ecology and Environment of the People's Republic of China in 2022/03, and the total Co2e emission for the Mainland plant for 2021 was 6,163.856 tons, and the total Co2e emission for 2022 was 5,366.807 tons, down 13% in emissions.version) The reduction in emissions includes the use of solar power to reduce emissions of Co2e by 381.52 tons, with an impact of about 6%. The total emissions of (Classification 1) were 538.063 tons and (Classification 2) were 4828.744 tons. 2.3 The Group’s consolidated greenhouse gas emission intensity: Measure CO2e emissions intensity in terms of revenue in millions of NTD, and total emissions reduction reflects revenue performance: 2021 revenue was 4184 million, while the Group's consolidated emissions were 6,359.856, so intensity = 1.52 tons per million of revenue. 2022 revenue was 3,892.5 million, while the Group's consolidated emissions were 5,596.693, so intensity = 1.438 tons per million of revenue. Revenue: the Group’s consolidated revenue for the year 2.4 Greenhouse gas emissions management policy: management of electricity usage, efficiency and energy savings, and renewable energy usage and corporate car usage status. (II) Water consumption: 1. The Company (TW Plant): 21,200(M3) of total water consumption in 2022, 20% less than 2021.	

Evaluation item	State of operations			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEx-Listed Companies and the reasons therefor.
	Yes	No	Summary description	
			Annual water consumption intensity per capita: 238(M3), down 13% compared to 2021. 2. Subsidiaries (Mainland): total water consumption in 2022: 135,181(M3), up 10.5% compared to 2021. Annual water consumption intensity per capita: 140(M3), up 8.5% compared to 2021. 3. Water consumption management policy: water consumption management, water use equipment management, and waste water regulation management. (III) Waste: 1. The Company (Taiwan): 27.4 tons of waste in 2022 compared to 24.59 tons in 2021, up 11.4%, with no hazardous waste. The subsidiaries (Mainland plants): 7.56 tons of hazardous waste in 2022 compared to 4.55 tons in 2021, up 66%, mainly for the increase of waterproof products. In 2022, the total weight of waste recycled and processed was 293 tons and general waste was disposed of with a fixed number of truck loads under contract. In 2022 as in 2021, it was not possible to calculate the weight exactly, which will be improved in 2023 The recycling rate cannot be calculated. 3. The waste in Mainland plants is separated for management and recycled by category and the recycling rate will be managed continuously to reduce waste and incineration or burial. Waste management policy: separate management by category, recycling, waste reduction and design of source reduction.	
IV. Social Issues				
(I) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations as well as the International Bill of Human Rights? .	V		The Group recognizes and voluntarily follows the internationally recognized human rights conventions and the laws and regulations of the relevant authorities, and establishes relevant personnel and administrative practices and occupational safety and health management procedures to respect and protect the legitimate rights and interests of employees. In 2022, the ISO45001 environmental safety and health management system of all subsidiaries has been validated by a third party and the RBA management system of important subsidiaries has been validated by a third party and is publicly available on the Company's website. 1. In 2022, we did not receive any correspondence from the authorities or suggestions for improvement on such issues at any of our subsidiaries. 2. In 2022, we were verified by a third party on a regular basis to identify and assess potential risks and there were no significant improvement issues in the verification report. 3. In 2022, we reviewed the risks related to employees and environmental safety and	No difference

Evaluation item	State of operations			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEx-Listed Companies and the reasons therefor.
	Yes	No	Summary description	
			health: (1) the potential risks arising from the epidemic closure control cover the instability of scheduled labor and (2) the fluctuation flexibility of adjusting labor due to the peak and off-peak power consumption in the external environment. 4. Management policies and procedures: (1) Safety and health environment as a policy (2) Group energy management policy on power supply stability and low carbon supply as a goal to mitigate risk impacts.	
(II). Whether or not the Company has formulated and implemented reasonable employee welfare measures (including remuneration, vacation and other benefits, etc.), and appropriately reflects operating performance or results in employee remuneration? . .	V		1. Each subsidiary of the Group formulates and implements the Group's welfare and compensation management rules and employee welfare measures in accordance with the principles of fairness, justice, equality, voluntariness and honesty in accordance with local laws and regulations. 2. The Company attaches importance to the reasonable treatment of employees in the development of the compensation and welfare system. Provide a number of welfare programs and build a considerate working environment. Conduct regular appraisal and payment of performance bonuses. Share the results of management with employees. Taiwan: Considerate working environment: Restaurant, parking lot, fitness and leisure center, dormitory. Rich welfare programs: labor insurance, employee health checkups, wedding and funeral celebrations, birthday/travel/festival subsidies, comprehensive education and training activities, employee health checkups, regular medical visits to the plants and an incentive stock trust system for employees. Mainland China: Considerate working environment: work environment: fitness and leisure center, employee cafeteria, dormitory, parking lot, transportation vehicle, reading room, basketball court, kiosk, etc. Rich welfare programs: hardware insurance, employee health check, quarterly employee activities, holiday gifts, etc. Superior education and training activities, incentive production bonuses, new product development bonuses, and profit sharing bonuses for new industries. 3. Diversity and equality in the Group's workplace: 34.6% of senior executives in functional departments are women and 54.4% of employees are women.	No difference
(III). Does the Company provide employees with a safe and healthy working environment, and related education? .	V		1. The Group follows the Occupational Safety and Health Act and the regulations of customers and related organizations to establish policies and respect the requirements of related stakeholder groups on occupational safety and health in order to build an efficient and healthy workplace. Each subsidiary of the Group has a dedicated occupational safety and health team to promote the implementation of various environmental safety and health management measures.	No difference

Evaluation item	State of operations			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEx-Listed Companies and the reasons therefor.
	Yes	No	Summary description	
			In 2022, all subsidiaries of the Group were certified by a third party to be in compliance with the ISO 45001 management system. Specialized industrial safety team audit: (1) Production labor safety team audits are conducted by each unit: at least once a month. (2) Production labor safety team and safety representatives of each unit: at least once a quarter. (3) Preventive drills: at least 2 times a year. (4) 0 cases of reported work-related injuries in 2022 for all subsidiaries of the Group compared to 1 case in 2021, with a target of 0 cases (0% of the total number of people in the Group in 2022). 2. Continue to promote occupational safety education and establish the concept of safe workplace environment for employees and stakeholders. All subsidiaries of the Group completed employee drills in accordance with emergency plans to develop employees' ability to identify risks, respond to emergencies and manage their own safety. In 2022, the Group completed safety training with a total of 686 trainees and 1993 training hours. The number of trainees accounted for 43.3% of the annual average number of employees. 3. Declare environmental and occupational safety inspection reports conducted by 3rd party in accordance with the regulations of the competent authorities and verified the continuous implementation of the reports, including: fire safety, waste water and exhaust gas and dry noise inspection, electrical safety, harmful factors inspection in the workplace, safety production emergency plan report, environmental safety emergency plan report and risk identification report.	
(IV) Has the Company established an effective career development training program for employees? .	V		1. The Group's mission is to build a healthy and efficient team. For employees to fully learn and grow and to give full play to their strengths in order to achieve sustainable growth, the Group plans and analyzes training programs for management and professional functions required at each level of responsibility every year. Training completed in 2022: a total of 2,841 trainees, 7,245 training hours average training hours 2.55HRS/time/person, annual *per capita* class hours 4.7HRS/person. 2. Training courses include: general governance, workplace safety, R&D technology, supervisor training and newcomer training. 3. The Group is committed to talent cultivation and succession training for functional managers, and has consistent training objectives and projects for the development of functional core competencies including cooperation, initiative and challenge excellence.	No difference
(V). Does the Company comply with relevant laws and regulations and international standards regarding customer health and safety, customer privacy, marketing and labeling of products and services	V		1. The Company strictly complies with government regulations and relevant customer agreements. The company has a non-disclosure management system and policy and has a data protection system to manage and protect the privacy of	No difference

Evaluation item	State of operations			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEx-Listed Companies and the reasons therefor.
	Yes	No	Summary description	
and establish relevant customer rights protection policies and complaint procedures? . . .			customers. Through personal information internal audit, external verification, crisis prevention and education training, we are the gatekeeper of our clients' information. 2. The Group follows ISO standards and international regulations and establishes responsible production and sales-related service management and customer complaint management to provide quality services to customers; and has a dedicated unit to provide customized services and customer complaint resolution solutions. Complete annual customer satisfaction survey as a basis for improvement supervision. In 2022, the Company achieved an improvement in the annual evaluation of important customers compared to 2021.	
(VI). Has the Company formulated supplier management policies that require suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health or labor rights, and monitor their implementation? . .	V		1. Each subsidiary of the Group has established "Supplier Management Procedures" to implement supplier management policies in compliance with ISO, RBA, Ethical Corporate Management, etc. 2. Our supplier management has been verified to be effective when verified by the third-party related system, and there were no significant issues for improvement in the 2022 report. 3. Each plant implements an annual supplier appraisal program, and major suppliers are appraised on-site or self-evaluated at least once a year, including (1) quality system appraisal (2) green product appraisal (3) R&D engineering system appraisal (4) material procurement system evaluation. 4. In 2022, the communication meeting with suppliers was held once for each plant for on-site evaluation and communication of deficiencies. 5. Each subsidiary deals with the selection of suppliers, audit guidance, performance evaluation, training and supplier forums through evaluation and audit, and carry through the requirements of sustainability in the daily management of the supply chain based on cooperation. 6. In 2022, the evaluation was still based on the traditional evaluation of product quality, but in 2023, we will design to introduce important environmental and social issues into the evaluation items to ensure that suppliers will follow environmental and social issues in a sustainable manner. Reduce supply chain risks.	No difference
V. Does the Company make reference to international reporting standards or guidelines to prepare corporate social responsibility or other reports that disclose non-financial information about the Company? Has the confirmation or assurance opinion from third-party certifying institutions been obtained for the reports of the preceding paragraph?		V	The Company complied with the regulations in establishing the "Regulations Governing the Preparation and Filing of Sustainability Reports," which were approved by the Board of Directors in November 2022. The 2022 Sustainability Report will be prepared in accordance with the Regulations. The report is expected to be submitted to the Board of Directors by 2023/06.	The Company has not yet prepared the sustainability report.
VI. If the Company has related practice principles of its own in accordance with the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEx- Listed Companies," please state the				

Evaluation item	State of operations			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEx-Listed Companies and the reasons therefor.
	Yes	No	Summary description	
differences between the two and the state of implementation: The Company's “Sustainable Development Best Practice Principles” were formulated with reference to the “Sustainable Development Best Practice Principles for TWSE/TPEx-Listed Companies” and there are no significant differences except that no sustainability report has been prepared.				
VII. Other important information that is helpful to understand the implementation of corporate social responsibility:None.				

Exhibit 2

Climate related information

1. Climate related implementation status

Item	Implementation status
1. Describe the supervision and governance for climate related risks and opportunities by the Board of Directors and management.	We believe in corporate growth and a friendly environment and pay close attention to international trends and regulations, market industry customers, suppliers, and potential contents related to our operation technology. The Company's General Administration Center is responsible for identifying the risks and opportunities arising from climate change on corporate development. The management center group and the existing organizational functions conduct meetings to link the major risks, opportunities and related countermeasure strategies that may be caused by the operation to ensure the reasonable management of risks at the group level. We also regularly report on climate change to the Board of Directors.
2. Describe how the identified climate risks and opportunities will affect the business, strategy and finances (short, medium and long term) of the Company.	The Company is committed to analyze and inventory to identify company-related climate change risks. 1. Physical risks: (long-term) (Immediate) Extreme weather conditions such as high temperature, extreme cold, heavy rain, etc. may cause disruptions to operations and damage to the Company's goodwill; or the need to adjust the energy consumption of equipment such as limiting power generation in order to maintain safe occupational sites, increasing operating costs. 2. Impact: The Company's goodwill will be damaged, operating costs will increase, operating profit will decrease, and corporate development will be limited. Strategy: (material) Mitigate greenhouse gas emissions from extreme climate change: (1) inventory of plant inventory sources (2) energy saving and emission reduction (3) low-carbon energy conversion (4) sorting and recycling to reduce incineration and burial (5) transformation of low-carbon services and products. 2. Transition risks: (medium term) (1) Regulations: Total carbon emission control, carbon price (tax) cost increase (2) Regulations: Electricity users above certain contract capacity should install renewable energy generation equipment, low-carbon energy conversion use. Impact: Increased carbon price (tax) or increased cost of renewable energy conversion, increased operating cost, reduced market competitiveness, restricted development and reduced operating profitability. Strategy: (material) Organization's total emission control, emission reduction per million revenue: (1) inventory plant inventory sources (2) energy saving and emission reduction (3) low carbon energy conversion and use (4) sorting and recycling to reduce incineration and landfill (5) improve equipment energy use efficiency. 3. Transition risks: (short term) (medium term) (immediate) (1) Voluntary participation in the supply chain of customer initiatives: voluntary participation in market industry customer initiatives related to emission reduction, low-carbon energy transformation, recycling and environmental zero. (2) Competitive market substitution: Market competition substitution risk due to carbon tax, low-carbon services, green product design and

	sustainable supply chain. Impact: Restricted development of market competition substitution enterprises, increased investment in equipment, increased R&D costs, increased direct overhead costs and reduced operating profitability. Strategy: (material) (immediate) (1) Inventory of plant emission sources (2) Energy saving and emission reduction (3) Low carbon energy conversion and use (4) Regeneration and recycling to reduce landfill (5) Improvement of equipment energy use efficiency (6) Green supply practice inventory (7) Product innovation technology (8) Company's industrial market transformation WECAN, product development for low carbon solar energy storage industry (E) and electric vehicle industry (A). 4. Identifying risks also provides the Company with the opportunity to develop sustainable opportunities: favoring the company's competitiveness and financial impact. (1) Promote the Company to pay attention to improve the management of energy use and economic performance of each plant subsidiary. (2) Promote plant inventory of emission sources and increase attention to environmental risk assessment for investment in equipment renewal. (3) Promote the improvement of production efficiency in the plants. (4) Promote the Company's competitiveness in the market increased customers' concerns about environmental risk initiatives in the supply chain. (5) Promote the Company's expanded participation in greenhouse gas emission mitigation projects; for example, the use of solar power at the plant, or collaboration with or contribution to the reduction of emission coefficients with solar power operators. (6) Promote R&D units to focus on the development of material use technologies or low-carbon recycled material supply chains. (7) Promote the Company's concern about the climate risk linkage of the supply chain of important suppliers of important materials to the company's development. (8) Promote the Company to accelerate and focus on the development of the low carbon industry market.
3. Describe the financial impact of extreme climate events and transition actions.	In 2022, the financial impact of extreme weather events was zero, and the transition actions (1) were activated at the plant site. The audit for each plant's environmental team self-operations: The financial impact is zero. (2) The subsidiary uses 656 MhWk of solar power, which has a financial impact of NTD 175,000,000 compared to the cost of electricity used by the general power grid. (3) The investment in replacing old and new energy-saving air compressors and detecting energy leakage is NTD 4.78 million.
4. Describe how the climate risk identification, assessment and management process is integrated into the overall risk management system.	1. Climate risk change management system is still under construction. 2. Develop projects that are necessary for a sustainable environment in accordance with the company's Sustainable Development Best Practice Principles. 3. The identification, assessment and management of environmental and climate risks are included in the Company's risk management operations. 4. Climate risk management process (1) The company pays close attention to international trends and regulations, market industry customers, suppliers and potential content related to the company's operation technology. (2) Each executive unit will take action projects according to the response strategy and report the feedback progress regularly (3) Rolling review to adjust

	the risk strategy and action projects of the management center (4) The target period is defined as within 3 years for the short term, 3-5 years for the medium term, and more than 5 years for the long term (5) The ESG Promotional Project Committee has included the response strategy action projects in the master list. In 2022, the items included in the master list are inventory items; including greenhouse gas emission sources and activities for calculating emissions, waste recycling classification, weight and estimated recycling rate, supply chain local procurement ratio and the most recent 2 years of acceptance of energy-consuming equipment including central air conditioning, air compressors, nitrogen generators, power generators and solar power supply, etc.
5. If scenario analysis is used to assess the resilience to climate change risks, the scenario, parameters, assumptions, analysis factors, and major financial impacts should be described.	None
6. If there is a transformation plan to manage climate related risks, describe the contents of the plan and the indicators and targets used to identify and manage physical and transformation risks.	Action plan for climate change related risks: 1. Energy conservation: 2022 Inventory of the Group encompassed about 95% of the sources of greenhouse gas emissions in the organizational area, emissions are mainly generated by the consumption of electricity for classification 2, accounting for about 89% of annual emissions. Therefore, energy conservation is still an important action. In 2023, the energy conservation action plan will continue to be implemented, with a target of 1% reduction based on the previous year. Total electricity consumption in 2022 was 8,689.6 MhWk, with a target energy saving of 86.9 MhWk and a target reduction of 54 tons of CO2e emissions in 2023 based on 2022 emission factors. 2. Low carbon solar power usage: The solar power equipment installed at the subsidiary's plant was activated in the fourth quarter of 2021, and the power consumption at the plant accounted for 7.6% of the total electricity consumption in 2022, which reduced CO2e emissions by 381 tons in 2022 and the total electricity consumption target for 2022 will continue in 2023. 3 Improve energy production efficiency of equipment use: Target: To reduce CO2e emissions by 1% per million NTD of revenue, based on the previous year. 4. Waste recycling rate: In 2022, the Group as a consolidated organization had a 95% inventory of the waste recycling rate, as some of the plants were using garbage cans to dispose of general waste. There was no measuring the exact weight for the recycling rate. 2023 Improvement records have been obtained and the annual waste recycling rate of 80% is targeted to reach the UL2799 zero landfill level standard.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	None.
8. If climate related targets are set, the activities covered, the scope of greenhouse gas emissions, the planning period, the annual progress of achievement, etc. should be stated; if carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant targets, the source and quantity of carbon reduction credits to be offset or the quantity of renewable energy certificates (RECs) should be stated.	Please refer to the 6 Description of the implementation status
9. Greenhouse gas inventory and confirmation (also fill in 1-1).	Please refer to Table 1-1 (P66).

(Exhibit 1-1)

Basic information on the Company □ Company with capital of $10 billion or more, steel industry, cement industry □ Company with capital of more than $5 billion and less than $10 billion ▪ Company with capital of less than $5 billion	According to the sustainable development pathway of TWSE/TPEx listed companies, at least disclose the below: ▪ Individual inventory of parent company ▪ Inventory of subsidiaries by consolidated financial statements □ Individual assurance of parent company □ Assurance of subsidiaries by consolidated financial statements

Scope I	Total emissions (Metric tons CO2e)	Intensity (Metric tons CO2e/million) (Note 2)	Assurance agency	Description of assurance situation (Note 3)
1. Parent company (Taiwan):	37.178	0.148	None	NA
2. Subsidiaries (Mainland plants)	538.063			
2.1 SuZhou Plant	150.648			
2.2 Zhongshan Plant	387.415			
Total	575.241			
Scope II	Total emissions (Metric tons CO2e)	Intensity (Metric tons CO2e/million) (Note 2)	Assurance agency	Description of assurance situation (Note 3)
1. Parent company (Taiwan):	192.707	1.290	None	NA
2. Subsidiaries (Mainland plants)	4,828.744			
2.1 SuZhou Plant	3,411.540			
2.2 Zhongshan Plant	1,417.204			
Total	5,021.452			
Scope III	None			

1-1 Greenhouse gas inventory and confirmation

Instructions for completing the table:

1. Information on Scopes I and II of this table shall be handled in accordance with the schedule stipulated in Article 10, Paragraph 2 of the Standards, while information on Scope III is subject to the discretion of the Company.
2. The Company may conduct a greenhouse gas inventory in accordance with the following standards:
(1) Greenhouse Gas Protocol (GHG Protocol).
(2) ISO 14064-1 issued by International Organization for Standardization (ISO)
3. The assurance agency shall comply with the relevant provisions of the sustainability report assurance set by the Taiwan Stock Exchange Corporation and the Taipei Exchange
4. Subsidiaries may report individually, in aggregate (e.g., by country or region), or by consolidation (Note 1).
5. The intensity of greenhouse gas emissions can be calculated per unit of product/service or revenue, but at least the data calculated by revenue (Million of NTD) should be disclosed (Note 2).
6. The proportion of operating sites or subsidiaries not included in the inventory calculation shall not be more than 5% of the total emissions and the aforementioned total emissions shall refer to the emissions calculated in accordance with the mandatory inventory scope stipulated in Description 1.
7. The assurance opinion letter should be summarized in the assurance report of the assurance agency and the complete assurance opinion should be attached to the Annual Report (Note 3).

(VI) Implementation of ethical corporate management and the differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx- Listed Companies and the reasons therefor

Evaluation item		State of operations			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx- Listed Companies and the reasons therefor.
		Yes	No	Summary description	
I. Formulation of ethical corporate management policy and plan					
(I)	Has the Company formulated an ethical corporate management policy approved by the Board of Directors, and are the policy and practice of ethical corporate management stated in the Company's regulations and external documents, as well as the commitment of the Board of Directors and the senior management, to actively implement the policy?	V		The Company's Board of Directors resolved to establish the "Ethical Corporate Management Best Practice Principles" on March 20, 2015, and the latest version of the "Ethical Corporate Management Best Practice Principles" were approved by the Board of Directors on January 13, 2022 in line with the amendments of the laws and regulations. The Best Practice Principles specify that the directors or persons with de facto control over the Company shall be responsible for supervising and managing the Company's business based on integrity in order to create a business environment for sustainable development.	No difference
(II)	If the Company has established a mechanism for evaluating the risk of unethical conduct, regularly analyzes and evaluates the activities in the scope of business with a higher risk of unethical conduct and on the basis of this, has formulated a plan to prevent unethical conduct, which covers at least the preventive measures for the conduct set out in Paragraph 2 of Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx- Listed Companies"?	V		The Company has specified in the "Procedures for Ethical Management and Guidelines for Conduct" that it is prohibited to offer or accept improper benefits, offer or promise any facilitation fees, political contributions and charitable donations or sponsorship, engage in unfair competitive practices, prevent products from damaging stakeholders, prohibit insider trading and violate confidentiality agreements, etc. Preventive measures have been taken and education and promotion have been conducted to implement the policy of ethical corporate management.	No difference
(III)	If the Company has specified operating procedures, conduct guidelines, and disciplinary and complaint systems for violations in the plan to prevent unethical conduct and implemented the plan as well as regularly reviews and amends it?	V		In order to implement the Company's policy of ethical corporate management, the Board of Directors resolved on January 13, 2022 to revise the "Procedures for Ethical Management and Guidelines for Conduct" and the "Regulations for Complaints and Reporting" in accordance with the Company's "Ethical Corporate Management Best Practice Principles" to specifically regulate the matters to be paid attention to by the Group's personnel in carrying out the Company's business, including the procedures and guidelines for practices, disciplinary actions and complaints for non-compliance. In addition to education and training for new employees, the Company also implements them in business operations.	No difference
II. Implementation of ethical corporate management					
(I)	Does the Company evaluate the ethical records of its counterparties	V		The Company requires suppliers to sign a supplier ethical	No difference

Evaluation item		State of operations			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx- Listed Companies and the reasons therefor.
		Yes	No	Summary description	
	and specify the ethical conduct clauses in the contracts signed with the counterparties?			management assurance agreement prior to the transaction as defined in its procurement management regulations, and the agreement includes penalties for breach of ethical management. In addition to requiring suppliers to cooperate closely, we also conduct regular evaluations of suppliers. If the Company receives a report that names a supplier and is proven to be true by evidence, the Company may terminate or cancel the contract in accordance with the terms of the contract if it is confirmed that the supplier has breached or improperly violated the requirements for ethical management.	
(II)	Does the Company have a dedicated unit under the Board of Directors to promote ethical corporate management and report regularly (at least once a year) to the Board of Directors on its ethical management policy and plan to prevent unethical conduct and monitor their implementation?	V		The "Working Group on Ethical Corporate Management" was formed by the Group's Chief Auditor and the Group's Administration and Finance Division, with the Division Chief, Rui-Chen Hu, as the convener. The Working Group is responsible for assisting the Board of Directors and the management in formulating and supervising the implementation of the ethical corporate management policy and preventive measures in accordance with the duties and responsibilities of each unit. Ensure the enforcement of the Ethical Corporate Management Best Practice Principles. . The Administration and Finance Division reports the implementation in the previous year to the Board of Directors at the beginning of each year (last report to the Board of Directors: 2023/01/11).	No difference
(III)	Does the Company have a policy to prevent conflict of interest, provide appropriate channels for explanation, and implement it?	V		The Company has established the "Ethical Corporate Management Best Practice Principles" and the “Procedures for Ethical Management and Guidelines for Conduct" , and has established a policy to prevent conflict of interest and requires all units of the Company to carry them through. In addition, Article 15 of the Company's "Rules of Procedure for the Board of Directors’ Meetings" stipulate that directors attending the Board of Directors' meetings are required to recuse themselves from the Board of Directors' meetings if they have an interest in the motions listed therein.	No difference
(IV)	If the Company has established an effective accounting system and	V		The Company has established an effective accounting system and	No difference

Evaluation item	State of operations			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx- Listed Companies and the reasons therefor.
	Yes	No	Summary description	
internal control system for the implementation of ethical corporate management, and the internal audit unit draws up relevant audit plans based on the evaluation results of risk of unethical conduct, and audits the compliance of the plan to prevent unethical conduct or entrusts a CPA to perform the audit?			internal control system, and the Company's audit unit performs audits in accordance with the annual audit plan approved by the Board of Directors and submits the audit reports to independent directors, and reports on the execution of the audits at the Board of Directors' meeting. The Company also reports to the competent authorities in accordance with the regulations.	
(V) Does the Company regularly organize internal and external education and training on ethical corporate management?	V		The Company organized a series of courses in 2022 on regulations, auditing, risk management, etc. in the annual training in order to carry through ethical corporate management, and provided promotional education on legal knowledge for workers, service rules and codes of conduct for a total of 73.5 hours. In the courses, the concept and implementation of the prevention mechanism are reinforced by case studies to jointly manage and prevent unethical behavior.	No difference
III. The operations of the Company's whistleblower reporting system				
(I) Has the Company set up a specific whistleblower reporting and reward system and a convenient reporting channel, and designated appropriate personnel to deal with the reported matters?	V		Article 23 of the Company's “Ethical Corporate Management Best Practice Principles,” Article 21 of the “Procedures for Ethical Management and Guidelines for Conduct" and Article 4 of the “Regulations for Complaints and Reporting” provide the relevant provisions of the whistleblower reporting system. Employees can respond to various management and the human resources unit through multiple channels, and then the whistleblower reports will be transferred to a dedicated unit in accordance with the Company's relevant operating procedures. The Company has designated the Administration and Finance Division as the dedicated unit for receiving whistleblower reports. No whistleblower reports from outside the Company or directly from employees were received as of December 2022.	No difference
(II) Has the Company formulated standard operating procedures for the investigation of the reported matters, follow-up measures to be taken after the completion of the investigation and the relevant confidentiality mechanisms?	V		Article 23 of the Company's “Ethical Corporate Management Best Practice Principles,” Article 21 of the “Procedures for Ethical Management and Guidelines for Conduct" and Article 5 of the “Regulations for Complaints and Reporting” stipulate that the Company shall keep records of the reports received and the investigation process and results and shall keep the identity of the whistleblower and the contents of the reports confidential.	No difference
(III) If the Company takes measures to protect whistleblowers from being improperly handled due to reporting?	V		Article 23 of the Company's “Ethical Corporate Management Best Practice Principles,” Article 21 of the “Procedures for Ethical	No difference

Evaluation item	State of operations			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx- Listed Companies and the reasons therefor.
	Yes	No	Summary description	
.			Management and Guidelines for Conduct" and Article 5 of the "Regulations for Complaints and Reporting" provide for measures to protect the identity of the whistleblowers and the contents of the reports from being improperly disposed of as a result of the reporting.	
IV. Enhancement of information disclosure				
(I) Does the Company disclose the content and effectiveness of its Ethical Corporate Management Principles on its website and the Market Observation Post System?	V		The Company's "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct" have been uploaded to the "Market Observation Post System" and the "Corporate Governance" section of the Company's website for public reference. We continue to conduct employee education and training in Taiwan every year and ask our directors, managerial officers and employees to sign the "Singatron Group Anti-Corruption Pledge" to adhere to clear ethical standards and character. The Company achieved 100% completion rate for the signing of the "Singatron Group Anti-Corruption Commitment Letter."	No difference
V. If the Company has related practice principles of its own in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx- Listed Companies," please state the differences between the two and the state of implementation: The Company's "Ethical Corporate Management Best Practice Principles" were formulated with reference to the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and the operations are not materially different from the Best Practice Principles.				
VI. Other important information that is helpful to understand the implementation of ethical corporate management: (For example, if the Company reviews and amends its ethical corporate management best practice principles) 1. The Company has established "SINGATRON ENTERPRISE Supplier Integrity Assurance Agreement" to publicly promote the Company's determination and policy of conducting business with integrity to its suppliers. 2. The "Rules of Procedure for the Board of Directors' Meetings" of the Company provides for the recusal of directors to avoid conflict of interest. Any person or the corporation he or she represents that has an interest in the motions of the Board of Directors' meetings, which may be harmful to the Company's interest, may present his or her opinion and answer questions, but may not join the discussion or voting and shall recuse himself or herself from discussions and voting and shall not exercise the voting rights on behalf of other directors. . On March 10, 2020, the amended "Rules of Procedure for the Board of Directors' Meetings" added the provisions that where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such director shall be deemed to have a personal interest in the matter. 3. The Company has established the "Procedures for Handling Material Inside Information and Prevention of Insider Trading," which stipulates that directors, managerial officers and employees shall not disclose material inside information that they are aware of to others, nor shall they inquire or collect unpublished material inside information that is not relevant to their personal duties from those who are aware of material inside information of the Company, nor shall they disclose to others unpublished material inside information of the Company that they obtain not through the execution of their business. .				

(VII). If the Company has formulated corporate governance best practice principles and related regulations, it shall disclose the way of inquiry:

The Company has established the Corporate Governance Best Practice Principles, the Ethical Corporate Management Best Practice Principles, the Procedures for Ethical Management and Guidelines for Conduct, the Code of Ethical Conduct, the Sustainable Development Best Practice Principles and other related regulations, which have been uploaded to the Market Observation Post System and the Company's website (https://www.singatron.com.tw).

(VIII). Other important information that is helpful to understand the implementation of ethical corporate management may be disclose. Please refer to P47 for information on corporate governance training courses attended by the Company's managerial officers.

(IX). Regarding the implementation of the internal control system, the following matters should be disclosed:

1. Statement of internal control

SINGATRON ENTERPRISE CO., LTD.

Statement of internal control system

Date: March 3, 2023

The Company states the following for its 2022 internal control system based on the results of self-evaluation:

I. The Company knows that establishing, implementing and maintaining an internal control system is the responsibility of the Company's Board of Directors and managerial officers and the Company has established this system. Its purpose is to provide reasonable assurance of the achievement of objectives such as the effectiveness and efficiency of operations (including profitability, performance and asset security, etc.), the reliability, timeliness, and transparency of reporting, as well as compliance with relevant rulings, laws and regulations, etc.

II. Internal control system has its inherent limitations. No matter how perfect the design is, an effective internal control system can only provide a reasonable assurance of the achievement of the above three objectives; moreover, due to changes in the environment and circumstances, the effectiveness of the internal control system may change accordingly. However, the Company's internal control system has a self-monitoring mechanism. Once a defect is identified, the Company will take corrective actions.

III. The Company determines the effectiveness of the design and implementation of its internal control system in accordance with the criteria of the effectiveness of the internal control system stipulated in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The criteria of internal control system adopted in the "Regulations" are based on the process of managerial control and divide internal control system into five components: 1. control environment, 2. risk evaluation and response, 3. control operations, 4. Information and communication and 5. Monitoring operations. Each component consists of a number of items. Please refer to the "Regulations" for these items.

IV. The Company has adopted the aforementioned criteria of internal control system to evaluate the effectiveness of the design and implementation of its internal control system.

V. Based on the evaluation results of the preceding paragraph, the Company believed that the design and implementation of its internal control system was effective as of December 31, 2022 (including the supervision and management of subsidiaries), with an understanding of the extent to which the objectives of effectiveness and efficiency of operations were achieved, whether the reporting was reliable, timely, transparent, and if the compliance with relevant rulings, laws and regulations is met and a reasonable assurance of the achievement of these objectives.

VI. This statement will become the main content of the Company's annual report and prospectus and will be made public. If the above-mentioned disclosures have falsehood or concealment, legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Act will be incurred.

VII. This statement was approved by the Company's Board of Directors on March 3, 2023. Of the 7 directors present, 0 had objections and the rest all agreed with the content of this statement and declared it here.

SINGATRON ENTERPRISE CO., LTD.

Chairperson: Hsin-Nan Kan with signature

President: Peng-Huang Peng with signature

2. Where a CPA was entrusted to review the internal control system, the review report should be disclosed: not applicable.

(X) During the most recent year or during the current year up to the date of publication of the annual report, if the Company or its internal personnel have been punished in accordance with law, or the Company has punished its internal personnel for violating the provisions of the internal control system, and the results of such punishments may have a material effect on shareholder equity or securities price, the contents of the punishments, major deficiencies and improvements should be listed: There were no punishments imposed on the Company and its internal personnel in 2022 or the current year as of the date of publication of the annual report in accordance with the law or for violating the provisions of the internal control system.

(XI) Important resolutions of the shareholders' meetings and Board meetings during the most recent year or during the current year up to the date of publication of the annual report:

1. Important resolutions of the 2022 shareholders' meeting and their implementation status:

Date	Resolution of the regular shareholders' meeting	Implementation status
2022/06/16	I. Adoption of the Company's 2021 Business Report Standalone and consolidated financial statements	The resolution has been complied with.
	II. Adoption of the Company's 2021 earnings distribution proposal.	1. It was resolved to distribute cash dividends of NT$1.3 per share. 2. The dividend distribution was completed on 2022/08/23.
	III. Approval for the amendments to certain provisions of the Company's Articles of Incorporation.	The resolution has been complied with.
	IV. Approval for the amendments to certain provisions of the Company's "Operating Procedures for Endorsements and Guarantees,"	The resolution has been complied with.
	V. Approval for the amendments to certain provisions of the Company's "Operating Procedures for Lending of Funds to Others."	The resolution has been complied with.
	VI. Approval for the amendments to certain provisions of the Company's "Operating Procedures for Acquisition or Disposal of Assets."	The resolution has been complied with.
	VII. Approval for the change of the name of the Company's "Regulations for Election of Directors and Supervisors" to "Regulations for Election of Directors" and the amendments to certain provisions of the Regulations.	The resolution has been complied with.
	VIII. Approval for the amendments to certain provisions of the Company's "Rules of Procedure for Shareholders' Meetings."	The resolution has been complied with.
	IX. Election of the directors of the 16th term	List of elected directors 1. Representative of KAN SHI INVESTMENT CO., LTD.: Hsin-Nan Kan 2. Representative of Dong Yi Enterprise Management Co., Ltd.: Peng-Huang Peng 3. Representative of ZHEN CHUN INVESTMENT CO., LTD.: Liang-Hsiung Peng 4. Representative of KAN SHI INVESTMENT CO., LTD.: Chih-Chiang Chu List of elected independent directors 1. Chien-Liang Chen 2. Hui-Chou Chen 3. Kung-Chien Huang
	X. Approval for the release of non-compete restriction on new directors.	List of directors released from non-compete restriction 1. Representative of KAN SHI INVESTMENT CO., LTD.: Hsin-Nan Kan 2. Representative of Dong Yi Enterprise Management Co., Ltd.: Peng-Huang Peng 3. Representative of ZHEN CHUN INVESTMENT CO., LTD.: Liang-Hsiung Peng

2. Of the important resolutions approved by the Board of Directors in 2022 and in the current year as of the date of publication of the annual report, the following have been fully addressed in accordance with the resolutions.

Date	Important approved resolution
1st meeting in 2022 of the 15th Board of Directors (2022/01/13)	1. Discussion of the Company's operating targets for 2022.
	2. Discussion of the Company's application for credit facilities from financial institutions.
	3. Discussion of the formulation of the Company's "Rules Governing the Scope of Powers of Independent Directors".
	4. Discussion of the amendments to certain provisions of the “Rules of Procedure for the Board of Directors’ Meetings” by the Company.
	5. Discussion of the amendments to certain provisions of the “Corporate Governance Best Practice Principles” by the Company.
	6. Discussion of the amendments to certain provisions of the “Ethical Corporate Management Best Practice Principles” by the Company.
	7. Discussion of the amendments to certain provisions of the “Procedures for Ethical Management and Guidelines for Conduct" by the Company.
	8. Discussion of the amendments to certain provisions of the “Code of Ethical Conduct” by the Company.
	9. Approval for the change of the name of the Company's "Corporate Social Responsibility Best Practice Principles" to "Sustainable Development Best Practice Principles” and the amendments to certain provisions of the Principles.
	10. Discussion of the amendments to certain provisions of the "Remuneration Committee Charter" by the Company
	11. Discussion of the amendments to certain provisions of the “Regulations for Performance Evaluation of the Board of Directors” by the Company.
	12. Discussion of the year-end director's remuneration for 2021 for the executive Chairperson and Vice Chairperson of the Company.
	13. Discussion of the year-end bonus for 2021 for managerial officers of the Company.
2nd meeting in 2022 of the 15th Board of Directors (2022/03/04)	1. Discussion of the profit sharing remuneration for employees, directors and supervisors of the Company for 2021.
	2. Review of the Company’s 2021 Business Report.
	3. Review of the Company's standalone financial statements and consolidated financial statements for 2021.
	4. Discussion of the Company’s 2021 earnings distribution proposal.
	5. Discussion of authorizing the Chairperson of the Board of Directors to set the ex-dividend date for the payment of 2021 cash dividends.
	6. Discussion of the amendments to certain provisions of the Company’s Articles of Incorporation.
	7. Discussion of the amendments to certain provisions of the Company's "Operating Procedures for Endorsements and Guarantees."
	8. Discussion of the amendments to certain provisions of the Company’s “Operating Procedures for Lending of Funds to Others.”
	9. Discussion of the amendments to certain provisions of the Company’s “Operating Procedures for Acquisition or Disposal of Assets.”
	10. Discussion of the change of the name of the Company's "Regulations for Election of Directors and Supervisors" to "Regulations for Election of Directors" and the amendments to certain provisions of the Regulations.
	11. Discussion of the amendments to certain provisions of the Company’s “Rules of Procedure for Shareholders’ Meetings”
	12. Discussion of issuing the Company's Statement of Internal Control System for 2021.
	13. Election of the directors of the 16th term of the Company.
	14. Discussion of convening the 2022 regular shareholders’ meeting of the Company.
	15. Discussion of the plan for the Company and the subsidiary, Singatron Technology (HongKong) Co., Ltd to obtain credit facilities from financial institutions.
	16. Discussion of the Company's endorsement and guarantee for the Group's subsidiary, Singatron Technology (HongKong) Co., Ltd
	17. Discussion of the amendments to certain provisions of the General Provisions of the Company's Internal Control System.
	18. Discussion of the amendments to certain provisions of the Enforcement Rules of the Company's Internal Control System.
	19. Discussion of the proposed list of new directors and supervisors of the Group's subsidiary, SINGATRON Electronics (China) Co. Ltd.
3rd meeting in 2022 of the 15th Board of Directors (2022/04/28)	1. Discussion of the plan for the Company and the Group's subsidiary, Singatron Technology (HongKong) Co., Ltd to obtain credit facilities from financial institutions.
	2. Discussion of the Company's endorsement and guarantee for the Group's subsidiary, Singatron Technology (HongKong) Co., Ltd
	3. Discussion of the list of candidates for the directors (including independent directors) of the 16th term.
	4. Discussion of the release of non-compete restriction on the director candidates of the 16th term.
4th meeting in 2022 of the 15th Board of Directors (2022/05/06)	1. Review of the 1Q2022 consolidated reports of the Company.
	2. The plan for the Company and the Group’s subsidiary, Singatron Technology (HongKong) Co., Ltd to obtain credit facilities from financial institutions.
	3: Discussion of the Company's endorsement and guarantee for the Group's subsidiary, Singatron Technology (HongKong) Co., Ltd
	4. The Company’s plan to formulate the "Audit Committee Charter."
	5. Discussion of the Company's 14th repurchase of treasury stock.
5th meeting in 2022 of the 15th Board of Directors	1. Discussion of the Company's subsidiary, Singatron (Hong Kong) International Holding Ltd., issued the "Letter of Commitment for Software Use" for its subsidiary SINGATRON Electronics (China) Co. Ltd. and the latter’s

(2022/06/14)	subsidiaries prior to listing.
	2. Discussion of the Company's application for credit facilities from financial institutions.
1st interim meeting in 2022 of the 16th Board of Directors (2022/06/16)	1. Election of the Chairperson of the 16th Board of Directors.
	2. Election of the Vice Chairperson of the 16th Board of Directors.
	3. Discussion of the appointment of the President of the Company.
	4. Discussion of the appointment list of the 1st Audit Committee of the Company.
	5. Discussion of the appointment list of the 5th Remuneration Committee of the Company.
2nd interim meeting in 2022 of the 16th Board of Directors (2022/07/05)	1. Discussion of the proposed list of new supervisors of the Group's subsidiaries.
1st meeting in 2022 of the 16th Board of Directors (2022/08/05)	1. Review of the 2Q2022 consolidated reports of the Company.
	2. Discussion of the plan for the Company and the Group's subsidiary, Singatron Electronics Enterprise Co., Ltd. to obtain credit facilities from financial institutions.
	3. Discussion of the Company's endorsement and guarantee for the Group's subsidiary, Singatron Technology (HongKong) Co., Ltd
	4. Discussion of the Company registration with the Ministry of Economic Affairs for the custodian of the company seal.
	5. Discussion of the Company's plan to enter into a contract with National Tsing Hua University on "Industry-Academic Collaboration and Academic Feedback Mechanism."
	6. Discussion of the "Letter of Explanation of Trademark and Copyright Use" issued by the Company.
	7. Discussion of the release of non-compete restriction on directors and managerial officers.
	8. Discussion of the base date of capital reduction for the Company's 14th repurchase of treasury stock
	9. Discussion of the appointment of the legal advisor to the Audit Committee of the Company.
	10. Discussion of the remuneration for the Company's Chairperson, Vice-Chairperson and directors of the 16th term
	11. Discussion of the director's performance-based remuneration for 2021 for the executive Chairperson and Vice-Chairperson of the Company.
	12. Discussion of the profit sharing remuneration for directors and supervisors of the Company for 2021.
	13. Discussion of the remuneration for the President of the 16th Board of Directors of the Company.
	14. Discussion of the employee profit sharing remuneration for the Company's managerial officers for 2021 and the incentive bonus for employees.
	15. Discussion of the Company's 15th repurchase of treasury stock.
2nd meeting in 2022 of the 16th Board of Directors (2022/11/03)	1. Review of the 3Q2022 consolidated reports of the Company.
	2. Discussion of the plan for the Company and the subsidiary, Singatron Technology (HongKong) Co., Ltd to obtain credit facilities from financial institutions.
	3: Discussion of the Company's endorsement and guarantee for the subsidiary, Singatron Technology (HongKong) Co., Ltd.
	4. Discussion of the lending of funds from the subsidiary, Singatron (Hong Kong) International Holding Ltd. to the Company.
	5. Discussion of the Company's plan to establish the "Greenhouse Gas Inventory Management Regulations."
	6. Discussion of the Company's plan to establish the "Operating Procedures for the Preparation and Verification of Sustainability Reports".
	7. Discussion of the Company's audit plan for 2023.
	8. Discussion of the Company's audit fee for 2022 for Ernst & Young.
	9. Discussion of the base date of capital reduction for the Company's 15th repurchase of treasury stock.
3rd meeting in 2022 of the 16th Board of Directors (2022/12/01)	1. Discussion of the plan for the Company and the subsidiary, Singatron Technology (HongKong) Co., Ltd to obtain credit facilities from financial institutions.
	2. Discussion of the Company's endorsement and guarantee for the subsidiary, Singatron Technology (HongKong) Co., Ltd.
1st meeting in 2023 of the 16th Board of Directors (2023/01/11)	1. Discussion of the Company's operating targets for 2023.
	2. The Company's acquisition of credit facilities from financial institutions.
	3. Discussion of the amendments to certain provisions of the "Rules of Procedure for the Board of Directors' Meetings" of the Company.
	4. Discussion of the proposed establishment of the Vietnam rep office by the subsidiary, Singatron Technology (HongKong) Co., Ltd.
	5. Discussion of the year-end director's remuneration for 2022 for the executive Chairperson and Vice Chairperson of the Company.
	6. Discussion of the year-end bonus for 2022 for managerial officers of the Company.
2nd meeting in 2023 of the 16th Board of Directors (2023/03/03)	1. Discussion of the distribution of profit-sharing remuneration to employees and directors (including 2022 profit-sharing remuneration for supervisors of the 15th term) of the Company.
	2. Review of the Company's 2022 Business Report.
	3. Review of the Company's standalone financial statements and consolidated financial statements for 2022.
	4. Discussion of the appointment of CPAs and evaluation of the professionalism, competency and independence of the attesting CPAs of the Company.
	5. Discussion of the appointment of the Company's Corporate Governance Officer
	6. Discussion of the amendments to certain provisions of the Company's Articles of Incorporation.
	7. Discussion of the amendments to certain provisions of the "Corporate Governance Best Practice Principles" by the Company.
2nd meeting in 2023 of the 16th Board of Directors (2023/03/03)	8. Discussion of the amendments to certain provisions of the Company's "Standard Operating Procedures for Handling Directors' Requests."
	9. Discussion of the Company's plan to establish the "General Policy on Pre-Approval for Non-Assurance Services."

	10. Discussion of issuing the Company's Statement of Internal Control System for 2022.
	11. Discussion of convening the 2023 regular shareholders' meeting of the Company.
	12. Discussion of the Company's acquisition of credit facilities from financial institutions.
1st interim meeting in 2023 of the 16th Board of Directors (2023/03/07)	1. Discussion of the "Confirmative Opinion of Controlling Shareholders and Substantive Controllers on Securities Issuance Documents" issued by the Company, SINGATRON(BVI)ENTERPRISE CO LTD, Singatron (Hong Kong) International Holding Ltd. .
	2. Discussion of the "Letter of commitment not to influence or interfere with the audit" issued by the Company, SINGATRON(BVI)ENTERPRISE CO LTD, Singatron (Hong Kong) International Holding Ltd. and SINGATRON Electronics (China) Co. Ltd.
3rd meeting in 2023 of the 16th Board of Directors (2023/04/26)	1. Discussion of the Company's 2022 earnings distribution proposal.
	2. Discussion of authorizing the Chairperson of the Board of Directors to set the ex-dividends date for the payment of 2022 cash dividends.
	3. Discussion of the plan for the Company and the subsidiary, Singatron Technology (HongKong) Co., Ltd to obtain credit facilities from financial institutions.
	4. Discussion of the Company's endorsement and guarantee for the Group's subsidiary, Singatron Technology (HongKong) Co., Ltd
	5. Discussion of the amendments to certain provisions of the Company's Articles of Incorporation.
	6.. Discussion of the amendments to certain provisions of the Company's "Operating Procedures for Acquisition or Disposal of Assets,"
	7. Authorization for strategic or long-term investments for diversified business development.
	8. Authorization for the intention evaluation of strategic or long-term investments for diversified business development.
	9. Addition of motions for discussion at the Company's 2023 regular shareholders' meeting.

(XII). If the directors or supervisors have different opinions on the resolutions reached by the Board of Directors with a record or written statement made in the most recent year and up to the date of publication of the annual report, please state the content of the opinion: no such situation.

(XIII) For the most recent year or the current year up to the date of publication of the annual report, summary of the resignation and dismissal of the Company's chairperson, President, accounting officer, finance officer, internal audit officer, corporate governance officer, and R&D officer: No such situation.

V. Information on attesting CPAs' professional fees.

1. Information on the professional fees

Unit: Thousand NTD

CPA firm	CPA name	CPA audit period	Audit Fees	Non-Audit Fees	Total	Remarks
Ernst and Young	Chi-Ming Chang Certified Public Accountant	2022/01/01-2022/12/31	3,610	383	3,993	Non-audit fees include: The tax returns amounted to NT$270,000, audit of dual-status business entities reporting amounted to NT$50,000, the business registration of capital reduction by treasury stock amounted to NT$56,000 and the business registration of corporate director reassignment amounted to NT$7,000.
	Mao-Yi Hung Certified Public Accountant	2022/01/01-2022/12/31				

2. The Company shall disclose the following if one of the events below occurs:

(1) The audit fee paid in the year of the replacement of CPA firm is less than the audit fee in the year before the replacement, The audit fees before and after the replacement should be disclosed and the reasons therefor: There was no replacement of CPA firm in 2022.

(2) Where the audit fee has decreased by 10% or more from the previous year, the amount, percentage and reasons therefor should be disclosed: No such situation.

VI. Information on Replacement of CPAs:

(I). About the predecessor CPAs

<table>
<tr><td>Date of replacement</td><td colspan="5">Not applicable</td></tr>
<tr><td>Reasons for replacement and description</td><td colspan="5">Not applicable</td></tr>
<tr><td rowspan="3">Indicate whether the appointment is terminated or not accepted by the client or CPAs</td><td colspan="3">Party involved / Circumstance</td><td>Certified Public Accountant</td><td>The client</td></tr>
<tr><td colspan="3">Proactive termination of appointment</td><td>Not applicable</td><td>Not applicable</td></tr>
<tr><td colspan="3">Not accepting (continuing) the appointment</td><td>Not applicable</td><td>Not applicable</td></tr>
<tr><td>Opinions in and reason for audit reports issued other than unqualified opinion in the last two years</td><td colspan="5">No such situation</td></tr>
<tr><td rowspan="6">Disagreement with the issuer</td><td rowspan="4">Yes</td><td>×</td><td colspan="3">Accounting principles or practices</td></tr>
<tr><td>×</td><td colspan="3">Disclosure of financial statements</td></tr>
<tr><td>×</td><td colspan="3">Audit scope or procedures</td></tr>
<tr><td>×</td><td colspan="3">Others</td></tr>
<tr><td>None</td><td colspan="4">ˇ</td></tr>
<tr><td colspan="5">Description: none</td></tr>
<tr><td>Other Disclosures
(Matters to be disclosed as required by Items 1-4 to 1-7, Paragraph 6, Article 10 of this Standard)</td><td colspan="5">None</td></tr>
</table>

(II). About the successor CPAs

CPA firm	Not applicable
CPA name	Not applicable
Date of appointment	Not applicable
Matters and results of consultation on the accounting treatment or accounting principles for specific transactions and on the possible issuance of financial statements prior to the appointment	Not applicable
Written opinion of the successor CPAs on matters on which the successor CPAs disagreed with the predecessor CPAs.	Not applicable

(III) The predecessor CPA's reply to Item 1 of Paragraph 6 of Article 10 and Item 3 of Item 2 of the regulation: no such situation.

VII. Any of The Company’s Chairperson, President, or managerial officers involved in financial or accounting affairs being employed by the auditor’s firm or any of its affiliates within the recent year; disclose their names, job titles, and the periods during which they were employed by the auditor’s firm or any of its affiliates: The Company has no such situation.

VIII. Changes in transfer and pledge of shares by directors, supervisors, managerial officers and shareholders with more than 10% shareholding in the most recent year up till the publication date of this annual report

1. Changes in shareholdings of directors, supervisors, managerial officers and major shareholders

Position	Name	2022		The current year up to April 15	
		Increase/decrease in the number of shares held	Increase/decrease in the number of shares pledged	Increase/decrease in the number of shares held	Increase/decrease in the number of shares pledged
Chairperson	KAN SHI INVESTMENT CO., LTD.	0	0	0	0
	Representative: Hsin-Nan Kan	0	0	0	0
Vice -Chairperson	Dong Yi Enterprise Management Co., Ltd.	194,000	560,000	0	0
	Representative: Peng-Huang Peng	0	(100,000)	0	0
Director	ZHEN CHUN INVESTMENT CO., LTD.	0	0	0	0
	Representative: Liang-Hsiung Peng (Note 1)	0	0	0	0
	Representative: Chien-Nian Chi (Note 1)	0	0	0	0
Director	KAN SHI INVESTMENT CO., LTD.	0	0	0	0
	Corporate Representative: Chih-Chiang Chu	0	0	0	0
Director (Note 2)	PROSPERITY DIELECTRICS CO., LTD.	(5,500,000)	0	0	0
	Corporate Representative: Chao-Kai Hong	0	0	0	0
Independent director	Chien-Liang Chen	0	0	0	0
Independent director	Hui-Chou Chen	0	0	0	0
Independent director (Note 3)	Kung-Chien Huang	0	0	0	0
Supervisor (Note 4)	Zi-Peng Chen	0	0	0	0
Supervisor (Note 4)	CHANG RUN INVESTMENT CO., LTD.	0	0	0	0
	Corporate Representative: Ya-Zhi Chang	0	0	0	0
Supervisor (Note 4)	Chien-Nian Chi	0	0	0	0
President	Peng-Huang Peng	0	0	0	0
Division Chief (Accounting Officer and Spokesperson)	Rui-Chen Hu	0	0	0	0

Note 1: On 2022/07/11, the representative of ZHEN CHUN INVESTMENT CO., LTD., Liang-Hsiung Peng, stepped down; on 2022/08/04, the representative was reassigned to Chien-Nien Chi.
Note 2: On 2022/04/18, the corporate director, PROSPERITY DIELECTRICS CO., LTD., and the representative resigned as a director.
Note 3: On 2022/06/16, Independent Director Kung-Chien Huang was newly elected.
Note 4. Stepped down on 2022/06/16.

2. Information on the related party who is counterparty of equity transfer: No such situation.

3. Information on the related party who is counterparty of equity pledge: No such situation.

IX. Information on the top ten shareholders who are related to each other as related parties, spouses or relatives within the second degree of kinship

April 15, 2023; Unit: Shares: %

Name	Shareholding by the individual		Shareholding by spouse and minor children		Shareholding in the name of others		The name of and relationship among the top 10 shareholders if anyone is a related party, a spouse or a relative within the second degree of kinship of another		Remarks
	Number of shares	Shareholdings %	Number of shares	Shareholdings %	Number of shares	Shareholdings %	Name	Relationship	
SHENG CHUN INVESTMENT CO., LTD.	11,186,786	9.54%	0	0.00%	0	0.00%	Hsin-Nan Kan	The individual's spouse is a director of the firm	None
SHENG CHUN INVESTMENT CO., LTD. Person in Charge: Wei-Chuan Wang	1,000,889	0.85%	0	0.00%	0	0.00%	None	None	None
KAN SHI INVESTMENT CO., LTD.	7,764,829	6.62%	0	0.00%	0	0.00%	Hsin-Nan Kan	Person in charge of the firm	None
KAN SHI INVESTMENT CO., LTD. Representative: Hsin-Nan Kan	3,607,843	3.08%	209,831	0.18%	0	0.00%	SHENG CHUN INVESTMENT CO., LTD. Chih-Chiang Chu	The individual's spouse is a director of the firm Relative by marriage within 2nd degree of kinship	None
KAN SHI INVESTMENT CO., LTD. Representative: Chih-Chiang Chu	338,429	0.29%	148,006	0.13%	0	0.00%	Hsin-Nan Kan	Relative by marriage within 2nd degree of kinship	None
Yuan Yang Enterprise Management Consulting Co., Ltd.	3,867,000	3.30%	0	0.00%	0	0.00%	Peng-Huang Peng Sheng-Yang Peng Sheng-Yen Peng	The individual's spouse is the person in charge of the firm The individual's mother is the person in charge of the firm The individual's mother is the person in charge of the firm	None
Yuan Yang Enterprise Management Consulting Co., Ltd. Person in charge: Li-Chih Chu	767,000	0.65%	2,384,000	2.03%	0	0.00%	Peng-Huang Peng Sheng-Yang Peng Sheng-Yen Peng	Spouses Mother and son Mother and son	None
Hsin-Nan Kan	3,608,843	3.08%	209,831	0.18%	0	0.00%	KAN SHI INVESTMENT CO., LTD. SHENG CHUN INVESTMENT CO., LTD. Chih-Chiang Chu	Person in charge of the firm The individual's spouse is a director of the firm Relative by marriage within 2nd degree of kinship	None
Pacific Star Investment Co., Ltd.	3,600,000	3.07%	0	0.00%	0	0.00%	None	None	None
Pacific Star Investment Co., Ltd. Person in Charge:Shth-Hung Wu	0	0.00%	0	0.00%	0	0.00%	None	None	None
ZHEN CHUN INVESTMENT CO., LTD.	3,243,458	2.77%	0	0.00%	0	0.00%	None	None	None
ZHEN CHUN INVESTMENT CO., LTD.	0	0.00%	0	0.00%	0	0.00%	None	None	None

Person in charge: Tsan-Yang Lin									
ZHEN CHUN INVESTMENT CO., LTD. Representative: Chien-Nian Chi	0	0.00%	0	0.00%	0	0.00%	None	None	None
Peng-Huang Peng	2,384,000	2.03%	767,000	0.65%	0	0.00%	Yuan Yang Enterprise Management Consulting Co., Ltd. Li-Chih Chu Sheng-Yang Peng Sheng-Yen Peng	The individual's spouse is the person in charge of the firm Spouses Father and son Father and son	None
Wo-Fu Lo	1,430,000	1.22%	0	0.00%	0	0.00%	None	None	None
Sheng-Yang Peng	1,400,000	1.19%	0	0.00%	0	0.00%	Yuan Yang Enterprise Management Consulting Co., Ltd. Peng-Huang Peng Li-Chih Chu Sheng-Yen Peng	The individual's mother is the person in charge of the firm Father and son Mother and son Brothers	None
Sheng-Yen Peng	1,400,000	1.19%	0	0.00%	0	0.00%	Yuan Yang Enterprise Management Consulting Co., Ltd. Peng-Huang Peng Li-Chih Chu Sheng-Yang Peng	The individual's mother is the person in charge of the firm Father and son Mother and son Brothers	None

X. The total number of shares and the consolidated shareholding percentage held in any single investee by the Company, its directors, supervisors, managerial officers or any companies controlled either directly or indirectly by the Company

December 31, 2022; Unit: Shares; %

Investee	Investment by the Company		Investment by directors, supervisors, managerial officers, and any companies controlled either directly or indirectly by the Company		Total investments	
	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage
SINGATRON INVESTMENT COMPANY	2,000,000	100.00%	0	0.00%	2,000,000	100.00%
SINGATRON(BVI)ENTERPRISE CO.,LTD	13,504,543	100.00%	0	0.00%	13,504,543	100.00%
GT Booster Inc.	2,420,000	17.74%	0	0.00%	2,420,000	17.74%
DEEPWATERS DIGITAL SUPPORT INC.	1,066,668	3.94%	0	0.00%	1,066,668	3.94%

Four. Capital Raising

I. Capital and shares:

(I). Source of capital

1. *Per capita* Formation

Year and month	Issue Price (NTD)	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of capital	Using property other than cash as payment for shares	Others
1976.08	10,000	360	3,600,000	135	1,350,000	Established by public raising	None	—
1978.01	10,000	500	5,000,000	500	5,000,000	Increased capital by cash of $3,650,000	None	—
1984.07	10,000	1,000	10,000,000	1,000	10,000,000	Increased capital by cash of $5,000,000	None	—
1986.12	10,000	2,000	20,000,000	2,000	20,000,000	Increased capital by cash of $10,000,000	None	—
1995.10	10,000	6,000	60,000,000	6,000	60,000,000	Increased capital by cash of $40,000,000	None	—
1998.11	10	12,000,000	120,000,000	12,000,000	120,000,000	Increased capital by cash of $60,000,000	None	Note 1
1999.12	10	35,000,000	350,000,000	19,000,000	190,000,000	Increased capital by cash and earnings of $70,000,000	None	Note 2
2000.07	10	35,000,000	350,000,000	30,000,000	300,000,000	Increased capital by cash and earnings of $110,000,000	None	Note 3
2001.07	10	45,000,000	450,000,000	37,750,000	377,500,000	Increased capital from earnings of $77,500,000	None	Note 4
2002.08	10	80,000,000	800,000,000	42,000,000	420,000,000	Increased capital from earnings of $42,500,000	None	Note 5
2003.09	10	80,000,000	800,000,000	45,000,000	450,000,000	Increased capital from earnings of $30,000,000	None	Note 6
2004.09	10	80,000,000	800,000,000	50,000,000	500,000,000	Increased capital from earnings of $50,000,000	None	Note 7
2005.04	10	80,000,000	800,000,000	48,000,000	480,000,000	Reduced capital by treasury stock of $20,000,000	None	Note 8
2005.08	10	80,000,000	800,000,000	50,700,000	507,000,000	Increased capital from earnings of $27,000,000	None	Note 9
2005.11	10	80,000,000	800,000,000	50,100,000	501,000,000	Reduced capital by treasury stock of $6,000,000	None	Note 10
2006.03	10	80,000,000	800,000,000	48,300,000	483,000,000	Reduced capital by treasury stock of $18,000,000	None	Note 11
2006.09	10	80,000,000	800,000,000	55,000,000	550,000,000	Increased capital from earnings of $67,000,000	None	Note 12
2007.01	10	80,000,000	800,000,000	56,323,574	563,235,740	Conversion of corporate bonds into shares of $13,235,740	None	Note 13
2007.05	10	80,000,000	800,000,000	58,047,152	580,471,520	Conversion of corporate bonds into shares of $17,235,780	None	Note 14
2007.07	10	80,000,000	800,000,000	59,242,650	592,426,500	Conversion of corporate bonds into shares of $11,954,980	None	Note 15
2007.09	10	150,000,000	1,500,000,000	69,380,193	693,801,930	Increased capital from earnings of $101,375,430	None	Note 16
2007.10	10	150,000,000	1,500,000,000	69,400,417	694,004,170	Conversion of corporate bonds into shares of $202,240	None	Note 17
2008.09	10	150,000,000	1,500,000,000	79,732,471	797,324,710	Increased capital from earnings and bonuses of $103,320,540	None	Note 18
2008.12	10	150,000,000	1,500,000,000	79,032,471	790,324,710	Reduced capital by treasury stock of $7,000,000	None	Note 19
2009.01	10	150,000,000	1,500,000,000	75,532,471	755,324,710	Reduced capital by treasury stock of $35,000,000	None	Note 20

2009.08	10	150,000,000	1,500,000,000	79,884,419	798,844,190	Increased capital from earnings of $43,519,480	None	Note 21
2010.08	10	150,000,000	1,500,000,000	95,261,302	952,613,020	Increased capital from earnings of $153,768,830	None	Note 22
2011.02	10	150,000,000	1,500,000,000	93,961,302	939,613,020	Reduced capital by treasury stock of $13,000,000	None	Note 23
2011.08	10	150,000,000	1,500,000,000	103,357,432	1,033,574,320	Increased capital from earnings and capital surplus of $93,961,300	None	Note 24
2012.08	10	150,000,000	1,500,000,000	113,693,175	1,136,931,750	Increased capital from earnings and capital surplus of $103,357,430	None	Note 25
2016.11	10	150,000,000	1,500,000,000	116,174,046	1,161,740,460	Conversion of corporate bonds into shares of $24,808,710	None	Note 26
2017.05	10	150,000,000	1,500,000,000	116,370,758	1,163,707,580	Conversion of corporate bonds into shares of $1,967,120	None	Note 27
2017.08	10	150,000,000	1,500,000,000	118,119,375	1,181,193,750	Conversion of corporate bonds into shares of $17,486,170	None	Note 28
2017.11	10	150,000,000	1,500,000,000	120,381,649	1,203,816,490	Conversion of corporate bonds into shares of $22,622,740	None	Note 29
2018.02	10	150,000,000	1,500,000,000	120,403,506	1,204,035,060	Conversion of corporate bonds into shares of $218,570	None	Note 30
2018.05	10	150,000,000	1,500,000,000	125,616,576	1,256,165,760	Conversion of corporate bonds into shares of $52,130,700	None	Note 31
2018.07	10	150,000,000	1,500,000,000	123,731,576	1,237,315,760	Reduced capital by treasury stock of $18,850,000	None	Note 32
2018.09	10	150,000,000	1,500,000,000	129,907,774	1,299,077,740	Increased capital from earnings of $42,745,590 Conversion of corporate bonds into shares of $19,016,390	None	Note 33
2018.12	10	150,000,000	1,500,000,000	136,650,426	1,366,504,260	Conversion of corporate bonds into shares of $67,426,520	None	Note 34
2019.02	10	150,000,000	1,500,000,000	135,896,348	1,358,963,480	Conversion of corporate bonds into shares of $42,459,220 Reduced capital by treasury stock of $50,000,000	None	Note 35
2019.05	10	150,000,000	1,500,000,000	135,927,587	1,359,275,870	Conversion of corporate bonds into shares of $31,902,390 Reduced capital by treasury stock of $31,590,000	None	Note 36
2020.02	10	200,000,000	2,000,000,000	131,839,587	1,318,395,870	Reduced capital by treasury stock of $40,880,000	None	Note 37
2020.05	10	200,000,000	2,000,000,000	126,839,587	1,268,395,870	Reduced capital by treasury stock of $50,000,000	None	Note 38
2021.11	10	200,000,000	2,000,000,000	122,762,587	1,227,625,870	Reduced capital by treasury stock of $40,770,000	None	Note 39
2022.09	10	200,000,000	2,000,000,000	119,762,587	1,197,625,870	Reduced capital by treasury stock of $30,000,000	None	Note 40
2022.11	10	200,000,000	2,000,000,000	117,265,587	1,172,655,870	Reduced capital by treasury stock of $24,970,000	None	Note 41

Item	Approval document
Note 1	Approved by the Ministry of Economic Affairs for a capital increase by cash of $60,000,000 with the letter Jin-(1998)-Shang-Zi No. 087138250 dated November 26, 1998.
Note 2	Approved by the Ministry of Securities and Futures Bureau, Financial Supervisory Commission for a capital increase by cash of $10,000,000 and from earnings of $60,000,000 with the letter (1999) Tai-Cai-Sheng-(I) No. 93636 dated November 1, 1999.
Note 3	Approved by the Ministry of Securities and Futures Bureau, Financial Supervisory Commission for a capital increase from earnings of $77,800,000 with the letter (2000) Tai-Cai-Sheng-(I) No. 55297 dated June 27, 2000, and for a capital increase by cash of $32,200,000 with the letter (2000) Tai-Cai-Sheng-(I) No. 58935 dated July 10, 2000.
Note 4	Approved by the Ministry of Securities and Futures Bureau, Financial Supervisory Commission for a capital increase from earnings of $77,500,000 with the letter (2001) Tai-Cai-Sheng-(I) No. 135331 dated June 6, 2001.
Note 5	Approved by the Ministry of Securities and Futures Bureau, Financial Supervisory Commission for a capital increase from earnings of $42,500,000 with the letter (2002) Tai-Cai-Sheng-(I) No. 0910136927 dated July 5, 2002.
Note 6	Approved by the Ministry of Securities and Futures Bureau, Financial Supervisory Commission for a capital increase from earnings of $30,000,000 with the letter (2003) Tai-Cai-Sheng-(I) No. 0920132697 dated July 21, 2003.
Note 7	Approved by the Ministry of Securities and Futures Bureau, Financial Supervisory Commission for a capital increase from earnings of $50,000,000 with the letter (2004) Tai-Cai-Sheng-(I) No. 0930128582 dated June 29, 2004, and by the Central Region Office, Ministry of Economic Affairs with the letter Jing-Shou-Zi No. 09301172770 dated September 13, 2004.
Note 8	Approved by the Central Region Office, Ministry of Economic Affairs with the letter Jing-Shou-Zhong-Zi No. 09431966940 dated April 18, 2005.
Note 9	Approved by the Financial Supervisory Commission, Executive Yuan with the letter Jin-Guan-Zheng-I No. 0940127499 dated July 7, 2005, and by the Central Region Office, Ministry of Economic Affairs with the letter Jing-Shou-Shang-Zi No. 0940117110 dated August 30, 2005.
Note 10	Approved by the Central Region Office, Ministry of Economic Affairs with the letter Jing-Shou-Shang-Zi No. 09401236940 dated November 28, 2005.
Note 11	Approved by the Central Region Office, Ministry of Economic Affairs with the letter Jing-Shou-Zhong-Zi No. 09531796780 dated March 8, 2006.
Note 12	Approved by the Financial Supervisory Commission, Executive Yuan with the letter Jin-Guan-Zheng-I No. 0950128177 dated July 4, 2006, and by the Department of Commerce, Ministry of Economic Affairs with the letter Jing-Shou-Shang-Zi No. 09501197280 dated September 1, 2006.
Note 13	Approved by the Department of Commerce, Ministry of Economic Affairs with the letter Jing-Shou-Shang-Zi No. 09601013680 dated January 18, 2007.
Note 14	Approved by the Department of Commerce, Ministry of Economic Affairs with the letter Jing-Shou-Shang-Zi No. 09601093910 dated May 2, 2007.
Note 15	Approved by the Department of Commerce, Ministry of Economic Affairs with the letter Jing-Shou-Shang-Zi No. 09601169980 dated July 30, 2007.
Note 16	Approved by the Financial Supervisory Commission, Executive Yuan with the letter Jin-Guan-Zheng-I-Zi No. 0960039533 dated July 26, 2007, and by the Department of Commerce, Ministry of Economic Affairs with the letter Jing-Shou-Shang-Zi No. 09601233890 dated September 26, 2007.
Note 17	Approved by the Department of Commerce, Ministry of Economic Affairs with the letter Jing-Shou-Shang-Zi No. 09601255250 dated October 19, 2007.

Note 18	Approved by the Financial Supervisory Commission, Executive Yuan with the letter Jin-Guan-Zheng-I-Zi No. 0970033543 dated July 4, 2008, and by the Department of Commerce, Ministry of Economic Affairs with the letter Jing-Shou-Shang-Zi No. 09701223680 dated September 5, 2008.
Note 19	Approved by the Department of Commerce, Ministry of Economic Affairs with the letter Jing-Shou-Shang-Zi No. 09701316720 dated December 17, 2008.
Note 20	Approved by the Department of Commerce, Ministry of Economic Affairs with the letter Jing-Shou-Shang-Zi No. 09801011220 dated January 17, 2009.
Note 21	Approved by the Department of Commerce, Ministry of Economic Affairs with the letter Jing-Shou-Shang-Zi No. 09801187690 dated August 18, 2009.
Note 22	Approved by the Department of Commerce, Ministry of Economic Affairs with the letter Jing-Shou-Shang-Zi No. 09901195740 dated August 30, 2010.
Note 23	Approved by the Department of Commerce, Ministry of Economic Affairs with the letter Jing-Shou-Shang-Zi No. 09901195740 dated February 15, 2011.
Note 24	Approved by the Department of Commerce, Ministry of Economic Affairs with the letter Jing-Shou-Shang-Zi No. 100001187570 dated August 16, 2011.
Note 25	Approved by the Department of Commerce, Ministry of Economic Affairs with the letter Jing-Shou-Shang-Zi No. 101011176390 dated August 28, 2012.
Note 26	Approved by the Department of Commerce, Ministry of Economic Affairs with the letter Jing-Shou-Shang-Zi No. 10501269440 dated November 21, 2016.
Note 27	Approved by the Department of Commerce, Ministry of Economic Affairs with the letter Jing-Shou-Shang-Zi No. 10601067850 dated May 25, 2017.
Note 28	Approved by the Department of Commerce, Ministry of Economic Affairs with the letter Jing-Shou-Shang-Zi No. 10601122760 dated August 31, 2017.
Note 29	Approved by the Department of Commerce, Ministry of Economic Affairs with the letter Jing-Shou-Shang-Zi No. 10601160130 dated November 23, 2017.
Note 30	Approved by the Department of Commerce, Ministry of Economic Affairs with the letter Jing-Shou-Shang-Zi No. 10701013720 dated February 2, 2018.
Note 31	Approved by the Department of Commerce, Ministry of Economic Affairs with the letter Jing-Shou-Shang-Zi No. 10701051770 dated May 25, 2018.
Note 32	Approved by the Department of Commerce, Ministry of Economic Affairs with the letter Jing-Shou-Shang-Zi No. 10701072520 dated July 6, 2018.
Note 33	Approved by the Department of Commerce, Ministry of Economic Affairs with the letter Jing-Shou-Shang-Zi No. 10701111690 dated September 5, 2018.
Note 34	Approved by the Department of Commerce, Ministry of Economic Affairs with the letter Jing-Shou-Shang-Zi No. 10701147700 dated December 5, 2018.
Note 35	Approved by the Department of Commerce, Ministry of Economic Affairs with the letter Jing-Shou-Shang-Zi No. 10801015860 dated February 21, 2019.
Note 36	Approved by the Department of Commerce, Ministry of Economic Affairs with the letter Jing-Shou-Shang-Zi No. 10801053400 dated May 7, 2019.
Note 37	Approved by the Department of Commerce, Ministry of Economic Affairs with the letter Jing-Shou-Shang-Zi No. 10901013780 dated February 17, 2020.
Note 38	Approved by the Department of Commerce, Ministry of Economic Affairs with the letter Jing-Shou-Shang-Zi No. 10901077720 dated May 19, 2020.
Note 39	Approved by the Department of Commerce, Ministry of Economic Affairs with the letter Jing-Shou-Shang-Zi No. 11001218710 dated November 24, 2022.
Note 40	Approved by the Department of Commerce, Ministry of Economic Affairs with the letter Jing-Shou-Shang-Zi No. 11101162950 dated September 12, 2022.
Note 41	Approved by the Department of Commerce, Ministry of Economic Affairs with the letter Jing-Shou-Shang-Zi No. 11101223740 dated November 21, 2022.

2. Type of shares issued

April 15, 2023 (the date for suspension of stock transfer) Unit: Shares

Type of shares	Authorized capital			Remarks
	Number of shares outstanding	Unissued shares	Total	
Common stock (Note 1)	117,265,587	82,734,413	200,000,000	None

Note 1: The Company was listed on Taipei Exchange on January 18, 2002.

1、 Shelf registration system for the issuance of marketable securities: Not applicable

(II) Shareholder structure

April 15, 2023 (the date for suspension of stock transfer); Unit: Shares

Shareholder structure / Quantitative measure	Government agency	Financial institution	Other legal entity	Individual	Foreign institution and individual	Total
Number of people	0	2	154	37,764	54	37,974
Number of shares held	0	291,000	31,906,303	81,624,053	3,444,231	117,265,587
Shareholdings percentage	0.00%	0.25%	27.21%	69.60%	2.94%	100.00%

(III) Distribution of shareholding (par value of $10 per share)

April 15, 2023 (the date for suspension of stock transfer) ; Unit: Shares

Shareholding range	Number of shareholders	Number of shares held	Shareholdings percentage (%)
1 to 999	28,143	645,292	0.55%
1,000 to 5,000	7,625	14,684,023	12.54%
5,001 to 10,000	1,052	8,363,496	7.13%
10,001 to 15,000	342	4,331,270	3.69%
15,001 to 20,000	228	4,165,585	3.55%
20,001 to 30,000	178	4,573,264	3.90%
30,001 to 40,000	99	3,468,208	2.96%
40,001 to 50,000	76	3,509,896	2.99%
50,001 to 100,000	118	8,163,732	6.96%
100,001 to 200,000	59	8,372,862	7.14%
200,001 to 400,000	33	9,020,734	7.69%
400,001 to 600,000	4	2,056,000	1.75%
600,001 to 800,000	3	2,108,957	1.80%
800,001 to 1,000,000	2	1,717,463	1.46%
More than 1,000,001	12	42,084,805	35.89%
Total	37,974	117,265,587	100.00%

Preferred shares: The Company has not issued any preferred shares.

(IV) List of major shareholders (shareholders with 5% ownership or more or top 10 shareholders)

April 15, 2023 (the date for suspension of stock transfer) Unit: Shares

Name of major shareholder \ Shares	Number of shares held	Shareholdings percentage (%)
SHENG CHUN INVESTMENT CO., LTD.	11,186,786	9.54%
KAN SHI INVESTMENT CO., LTD.	7,764,829	6.62%
Yuan Yang Enterprise Management Consulting Co., Ltd.	3,867,000	3.30%
Hsin-Nan Kan	3,607,843	3.08%
Pacific Star Investment Co., Ltd.	3,600,000	3.07%
ZHEN CHUN INVESTMENT CO., LTD.	3,243,458	2.77%
Peng-Huang Peng	2,384,000	2.03%
Wo-Fu Lo	1,430,000	1.22%
Sheng-Yang Peng	1,400,000	1.19%
Sheng-Yen Peng	1,400,000	1.19%

(V). Information on market price, net worth, earnings, dividends per share for the most recent two years

Unit: NTD

Item \ Year			2021	2022	The current year up to March 31
Market price per share (Note 1)	Highest		34.95	32.30	22.65
	Lowest		21.15	18.75	19.85
	Average		28.86	23.25	21.15
Net worth per share (Note 2)	Before distribution		12.61	12.97	Not applicable
	After distribution				
Earnings per share	Weighted average number of shares (in thousands)		125,500	120,300	
	Earnings per share (before adjustment)		1.97	1.85	
	Earnings per share (after adjustment) (Note 3)		1.97	(Note 9)	
Dividends per share	Cash dividends		1.30	1.20	
	Stock Dividends	Stock dividends from earnings	0.00	0.00	
		Stock dividends from capital surplus	0.00	0.00	
	Accumulated unpaid dividends (Note 4)		0	0	
Return on investment analysis	Price to earnings ratio (Note 5)		14.65	12.57	
	Price to dividends ratio (Note 6)		22.20	19.38	
	Cash dividends yield (Note 7)		0.045	0.052	

Note 1: The highest and lowest market prices of common stock each year are shown and the annual average market price is calculated according to the strike price and the trading volume in each year.

Note 2: Calculated based on the number of outstanding shares at year-end; amount of distribution resolved in next year's shareholders' meeting is presented in the table.

Note 3: If there is a retroactive adjustment due to circumstances such as stock dividend, etc., earnings per share before and after the adjustment should be shown.

Note 4: If equity securities are issued with terms that allow dividends to be accrued and accumulated until the year the

Company makes profit, the amount of cumulative undistributed dividends up till the current year is disclosed separately.

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

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

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

Note 8: Net worth per share and earnings per share should be presented with the data for the most recent quarter audited (reviewed) by CPAs as of the publication of the annual report; the remaining fields should be presented with the data for the current year as of the publication of the annual report.

Note 9: The distribution of earnings for 2022 was approved by the Board of Directors on 2023/04/26 and has not yet been adopted by the shareholders' meeting.

(VI) The company's dividend policies and implementation

1. Dividend policy as set forth in the Articles of Incorporation

In accordance with provisions of the Company's Articles of Incorporation, as amended by the shareholders' meeting held on June 12, 2019:

If the Company makes has net profit in a year as concluded by the annual final accounting close, it shall first make up for past losses and then set aside 10% of the profit as legal reserve and provide or reverse the special reserve in accordance with the law. If there is still surplus in the profit, the Board of Directors shall prepare an earnings distribution proposal with the surplus plus the undistributed earnings of the previous year. In accordance with Paragraph 5, Article 240 of the Company Act, “When the Company distributes dividends and bonuses in whole or in part in cash, the Board of Directors is authorized to approve the distribution by a resolution of a majority of the directors present, with at least two-thirds of the directors present, and to report the distribution to the shareholders’ meeting.” In addition, if the Company distributes all or part of the dividends and bonuses by issuance of new shares, the dividends shall be resolved by the shareholders’ meeting.

The Company’s dividends policy is formulated to support business expansion, based on operating strategies, investment plans, capital budget and changes in internal and external environment. The Company shall set aside at least 20% of the accumulated distributable earnings as dividends to shareholders, of which no less than 10% of the total dividends shall be in cash. Cash dividends less than $0.1 per share calculated in accordance with the above dividend policy shall not be distributed. . The Company shall not pay dividends or bonuses, if there is no surplus in earnings.

2. Dividends distribution proposed at the shareholders’ meeting:

In accordance with Article 20-1 of the Company’s Articles of Incorporation, “When the Company distributes dividends and bonuses in whole or in part in cash, the Board of Directors is authorized to approve the distribution by a resolution of a majority of the directors present, with at least two-thirds of the directors present, and to report the distribution to the shareholders’ meeting.” On 2023/4/26, the Board of Directors resolved to distribute cash dividends of NT$1.2 per share to shareholders, amounting to NT$140,718,704 in total, representing 60.44% of the distributable earnings for the period.

3. Expected significant changes in dividends: None.

(VII). The impact of the proposed stock dividends at the shareholders' meeting on the Company's operating performance and earnings per share:

No stock dividends were proposed at the 2022 shareholders' meeting so it is not applicable.

(VIII). Profit sharing remuneration for employees, directors and supervisors

1. The percentage or range of profit sharing remuneration for employees, directors and supervisors as set forth in the Articles of Incorporation:

If the Company makes a profit in a year, it shall make an appropriation of not less than one-thousandth of the profit as profit-sharing remuneration for employees and not more than three percent as profit sharing remuneration for directors and supervisors. However, if the Company has accumulated losses, it shall reserve in advance an amount to make up for them. The aforementioned remuneration for employees may be in the form of stock or cash and may be distributed to employees of the holding company or the subordinate companies who meet certain criteria, as otherwise determined by the Board of Directors.

2. The basis for estimating the amount of remuneration for employees, directors and supervisors for the current period, the basis for calculating the number of shares distributed as employee remuneration, and the accounting treatment if the actual amount of distribution differs from the estimated amount.

(1). Based on the Company's 2022 profitability, the profit sharing remuneration for employees and that for directors and supervisors were estimated at no less than 1% and no more than 3%, respectively, and the amount of profit sharing remuneration for employees and that for directors and supervisors were recognized as $2,000 thousand and $6,625 thousand, respectively, under salary expenses. On March 3, 2023, the Board of Directors resolved to distribute profit sharing remuneration for employees of $2,000 thousand and profit sharing remuneration for directors and supervisors of $6,500 thousand in cash. The difference from the profit sharing remuneration for employees of $2,000 thousand and profit sharing remuneration for directors and supervisors of $6,625 thousand recorded as expenses on the financial statements for 2022 were $0 thousand and $125 thousand, respectively, which were mainly due to the change in the estimate and are expected to be recorded as profit or loss for 2023.

(2) The Company has not proposed to distribute profit sharing remuneration in stock this year, so it is not applicable.

3. The distribution of profit sharing remuneration approved by the Board of Directors:

(1) On March 3, 2023, the Board of Directors resolved to distribute profit sharing remuneration for employees of $2,000 thousand and profit sharing remuneration for directors and supervisors of $6,500 thousand in cash. The difference from the recorded expenses on the financial statements for 2022 were $0 and $125 thousand, respectively, which are expected to be recorded as profit or loss for 2023.

(2) The amount of profit sharing remuneration for employees paid in stock and its percentage of net profit after tax and total profit sharing remuneration for employees in the standalone or parent company only financial statements for the period: the Company has not proposed to distribute profit sharing remuneration in stock this year, so it is not applicable.

4. The difference between the actual amount of profit sharing with employees, directors and supervisors in the previous year (including the number of shares distributed, the amount and the price of the shares) and the recognized amount of profits sharing with employees, directors and supervisors, the reasons for the difference and the treatment of the difference should be described: Based on the Company's 2021 profitability, the profit sharing remuneration for employees and that for directors and supervisors were estimated at no less than 1% and no more than 3%, respectively, and the amount of profit sharing remuneration for employees and that for directors and supervisors were recognized as $1,500 thousand and $7,700 thousand, respectively, under salary expenses. The

Company's Board of Directors resolved on March 14, 2022 to distribute profit sharing remuneration for employees and that for directors and supervisors in cash of $1,500 thousand and $7,700 thousand, respectively, which was not different from the amount recorded as expenses in the financial statements for 2021.

(9) The circumstances of repurchase of the Company's shares:

Repurchase term	14th	15th
Purpose of repurchase	To protect the creditworthiness of the Company and shareholders' equity	To protect the creditworthiness of the Company and shareholders' equity
Repurchase period:	2022/05/09–2022/06/23	2022/08/23–2022/10/07
Repurchase price range	20.60–24.55	22.30-24.20
Type and number of shares repurchased	Common stock of 3,000,000 shares	Common stock of 2,497,000
Amount of shares repurchased	NT$69,554,034	NT$58,936,205
Ratio of repurchased number to scheduled repurchase number (%)	100.00%	83.23%
Number of shares retired and transferred	3,000,000 shares	2,497,000 shares
Accumulated number of shares held by the Company	0 shares	0 shares
Ratio of accumulated number of shares held by the Company to the total number of issued shares (%)	0.00%	0.00%

II. Issuance of corporate bonds: none.

III. Issuance of preferred stock: none

IV. Issuance of global depository receipts: none.

V. Employee stock options: none

VI. Employee restricted stocks: none.

VII. Issuance of new shares in connection with mergers or acquisitions of shares of other companies:

1. For the most recent year and the current year as of the date of publication of the annual report, new shares issued in connection with mergers and acquisitions of shares of other companies: none.
2. For the most recent year and the current year as of the date of publication of the annual report, issuance of new shares approved by the Board of Directors in connection with mergers and acquisitions of shares of other companies: none.

VIII. The implementation status of capital utilization plan: None.

1. Previous issues or private placements of marketable securities that have not yet been completed or have been completed within the last three years and the benefits of the plans have not yet been realized: None.
2. Implementation status: not applicable.

Five. Operation Overview

I. Business Activities

(I). Business Scope:

1. The main activities of the business:

(1). Other Non-ferrous Metal Basic Industries

(2). Electrical Appliances and Audiovisual Electronic Products Manufacturing

(3). Electronics Components Manufacturing

(4). Computer and Peripheral Equipment Manufacturing

(5). Toys Manufacturing

(6). Mold and Die Manufacturing

(7). Wholesale of Hardware

(8). Wholesale of Molds

(9). Wholesale of Electronic Materials

(10). International Trade

(11). All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. The Group's current product lines and their sales percentage:

Amount Unit: Thousand NTD

Product type	2022	
	Sales amount	Sales percentage (%)
Electronic connectors	3,786,338	97.27%
Electronic module products	106,202	2.73%
Total	3,892,540	100.00%

3. New products under plan to be developed by the Group

The Company currently is engaged in the development, manufacturing and sale of various electronic connectors and electronic modules for various power supply, audio and video signal and electronic signal transmission connection devices. Our main product applications include notebook computers and peripherals, various consumer electronics applications, network communications applications, new energy applications, automotive electronics applications, and medical applications.

SINGATRON repositioned its market development strategy in 2021 to focus on four major industry sectors and core product lines. In addition to the original NB and Consumer applications, we have also shifted our focus in recent years to the new energy and automotive applications, and have strengthened the development of our core product series Waterproof connector products. In addition, we will strengthen the development of our core product series waterproof connectors for various applications to form the market development strategy of WECAN.

In addition to the development of light, thin, short and small connectors for notebook computers, personal mobile communication devices and IOT, we are also developing high frequency and high speed connectors for automotive electronics, car audio and video and network communication services. In terms of the future standard I/O connector USB Type-C, we have been developing it for the first time in the NB industry in the past few years and have expanded from the old SINGATRON solid board connector to the male plug for use with the cable. In addition, we have been gradually expanding our product applications to consumer electronics products in the past

two years. We have been receiving orders from customers in Europe and the United States for Type C automotive electronics products, as well as domestic and international demand for electric motorcycles, electric bicycles, solar inverters, energy storage connectors and module products.

(II). Industry Overview.

1. Current status and development of the industry

According to Bishop's statistics, the sales of the connector industry reached approximately US$84.1 billion in 2022, representing a 7.8% increase from the previous year. The rest of the world, including Latin America, South Africa and Russia, had the largest increase of 31.2%. For the rest of the world, they were followed by Europe, which grew by 26.8%, and Asia Pacific, which grew by 25.9%. China was the top region for electronic connector sales, with a 23.8% increase. After the slowdown of the COVID-19 pandemic, global connector production was worth $84.1 billion in 2022, up 24.3% from $78 billion in 2021. In 2022, all market segments, including the U.S. and Europe, grew by 14.6%, Europe by 7.1%, China by 6.1%, and Asia Pacific by 7.1%, except for Japan, which declined by -2.0%.

2022 Global Sales of Connectors			Unit: Million USD	
Location	2021	Change	2022	Change
North America	16.5	22.2%	18.8	14.6%
Europe	16.3	26.8%	17.3	6.4%
Japan	5.3	19.1%	5.2	-2.0%
China	25	23.8%	26.5	6.1%
Asia-Pacific	11.4	25.9%	12.2	7.1%
Other	3.5	31.2%	4.0	11.7%
Total	78.0	24.3%	84.1	7.8%

Source of Data: Bishop

Domestic connector manufacturers have been greatly relying on NB/PC and other 3C industries for a long time. With the weakness of NB/PC market in recent years, many vendors have been trying to gain a foothold by not only implementing automation to reduce cost, but also starting to diversify their business with cross-industry engagement in recent years. From the perspective of end-use applications, electric vehicles, network servers, industrial automation, medical, light electric vehicles, etc. can see the layout and efforts of Taiwan's manufacturers, but also Taiwan's manufacturers in related fields after several years of cultivation, has begun to have results, and gradually get rid of the dependence on the 3C industry.

2. The correlation among the upstream, midstream and downstream industries:

The structure of connector products is mainly composed of two parts: terminal and plastic casing. The main upstream raw materials are metal materials, plastic materials and electroplating materials, and the usage and characteristics of each raw material are described in the following:

A. Metal materials

The main usage of metal materials is for connector terminals. In order to meet the demand of high frequency transmission, the specifications of connector products are developing towards low height, high density and multiple pins, so that the terminals often need to undergo complicated bending processes, and

among the many metals, copper alloy has sufficient mechanical strength and good electrical conductivity.

B. Plastic materials

Plastic materials are usually used as the outer casing and insulation of connector products. As the products are developing towards fine pitch and SMT, the thin wall fluidity, strength, heat resistance and dimensional stability of plastic materials are their key considerations.

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C. Electroplating materials

The function of electroplating materials is related to the conductivity of connectors and the frequency of plugging. Generally speaking, copper will be used as the base material for electroplating, and a layer of pure tin or hard gold will be plated on it. At present, most of the domestic connector suppliers outsource the productions to professional third party manufacturers.

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In the manufacturing process, for both the terminals and the plastic shells, the high precision molds are produced first according to the design specifications, and metal materials are pressed and processed into terminals by the molds that have been made. Plastic materials are hot-melted and injected into the molds by injection equipment to form the required plastic shells and then the plastic shells are assembled with the electroplated terminals while the terminals are bent and processed. Depending on the specifications, finished connectors can be used in a variety of industrial applications, including the computer industry, the network communications industry, the consumer electronics industry, the automotive electronics industry, the new energy applications industry, medical equipment and aerospace applications.

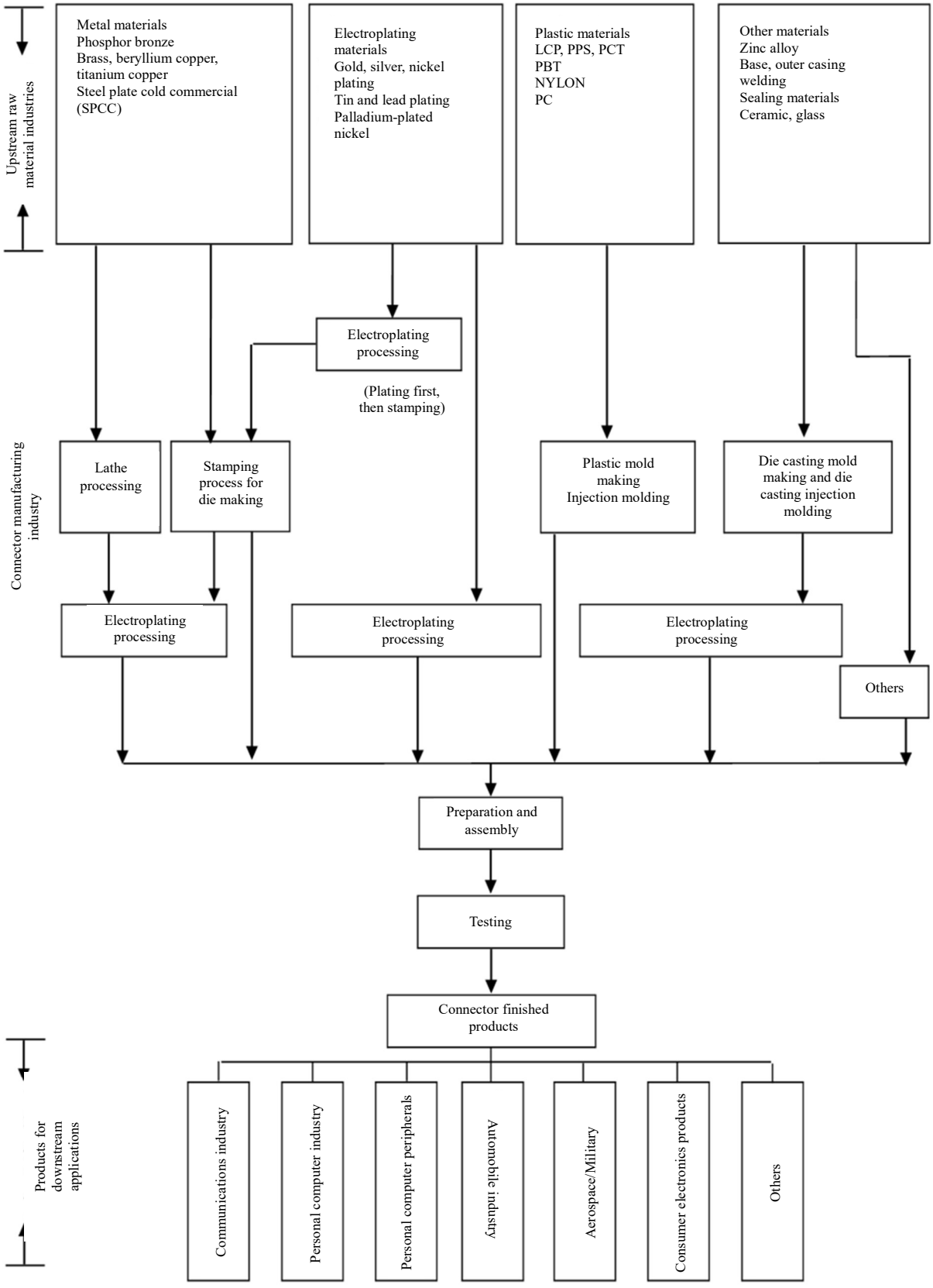
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Source: ITIS Project, ITRI Material and Chemical Research Laboratories

3. Trends of product development

a. Development towards collaborative design

In recent years, for the pursuit of breakthroughs in the design of emerging products, there are many innovative or development needs to break away from the convention, the traditional development method has been unable to meet the requirements for innovation in customer specifications and in a more customer-friendly way, the ODM approach allows engineering development personnel shall participate in design discussions in the early stages of product development to meet customer development needs in the customer co-development mode in order to achieve product breakthroughs and innovations.

b. Technology developing towards lightweight and small size

There are many types of connectors and new products are always being introduced. In recent years, as system products are developing towards lightweight, thin, short, small in size, high density and high transmission speed, with the USB4 type connector launched in 2019 by USB-IF being the most representative, the development of connector products is focused on "small pitch," "low back" and "high frequency." In addition to SINGATRON's original Board-side connectors, we have also crossed over to the paired wire-side connectors to expand the application scope.

c. Business opportunities in new energy and automotive electronics industries

In response to the demand for environmental protection and energy saving, in addition to the original connectors and wiring harnesses, we are also working with customers to develop modular products such as Power Button and USB charging for electric bicycles and we are also working with customers to develop connectors for inverters for energy storage applications and integrate energy storage modules to provide more complete services.

d. Communication and niche product development

In addition to the demand for miniaturized products for wearable devices, another trend is the applications of Internet of Things. The key connector product technologies (Pogo Pin, network connector, high power/high frequency connector, robot harness, RF connector .....) required for the networking system will be the direction for domestic manufacturers to plan early.

4. Product competition

The Company mainly focuses on the research and development, production and sales of traditional connector products for notebook computers and peripherals, consumer electronics, and network communications, as well as various waterproof connector products for automotive electronics and new energy products.

For traditional connector products, in recent years, we have been facing price competition in the NB and PC peripheral markets from the red supply chain and competitors in the industry, which leads to reduced profitability of traditional connectors. However, in the main battlefield of NB, we have accumulated a large number of product lines and a complete range of molds and other related resources over the years to quickly meet customer needs and we are striving for continuous process improvement, introducing modular and semi-automatic production modes in the manufacturing section to enhance price competitiveness. In addition, we provide

customized services to our strategic customers in order to seize the opportunity in advance by providing tailor-made services.

In terms of waterproof connector products, in recent years, we have been focusing on the development of solar energy, energy storage products, light electric motorcycles, electric bicycles, medical applications, and others in order to continue to steadily improve the added value of our products. In the past two years, we have been working with customers in the electric vehicle design and development gradually show results. In addition to the original connector and wiring harness products, also with customers to develop Power Button, USB charging and other modular products, energy storage applications with customers to develop special connectors for energy storage inverters, and integration of energy storage module products to provide customers with more complete services, the layout of new energy market applications more and more to enhance the breadth and depth of waterproof product applications.

(III). Technology and R&D Overview

(1). Technology Aspect and Research & Development

The Company is a specialized R&D and manufacturing company of NB power and audio connectors. In addition to developing customized products with customers to meet their needs, we also actively participate in the standard setting of various connector associations in USB, HDMI, NMEA and electric motorcycle convenience connector collaboration projects ....., in order to lead the market and ensure the quality and innovation of our R&D products.

In response to the new USB Type C specification and USB4 characteristics of high frequency, high speed and small size, we have invested a lot of resources to improve and refine the precision, ultra-thin, automatic, embedded injection technologies and simulation design for high frequency and high speed transmission, so that we can play a key role in the market of new generation connectors.

In addition, with the expansion of Type-C applications and the improvement of specifications, we continue to conduct research and development in the direction of high-speed (40Gbps), waterproof IP67 and high plugging requirements.

In addition, as the new energy industry and the automotive electronics industry are the main drivers of global economic growth, we are also actively investing in the development of connector products for related applications and the planning for promoting new products. The Company will gradually gear towards the development of modular integration of electronic parts and components and further expand its R&D capabilities in the area of modular integration of electronics and mechanical components.

(2). The Group's research and development plans are aimed at providing good products and enhancing customer satisfaction. R&D expenses as a percentage of operating revenue for the last two years as follows:

Unit: Thousands of NTD

Item/Year	2021	2022	As of 2023/3/31 (self-assessed)
R&D expenses	120,483	137,965	29,464
Consolidated net operating revenue	4,184,088	3,892,540	822,053
Percentage	2.88%	3.54%	3.58%

(3). R&D results and patents granted in the most recent year

R&D projects and achievements in 2022 are as follows:

Item	Industry	R&D project name	R&D project content	Progress
1	New energy [E]	Waterproof power connector for industrial appliances	Waterproof products for industrial appliances and high-current products	Sampling stage
2	Automotive electronics [A]	Battery connector for electric bicycle	Connectors for waterproof and multi-angle plugging and unplugging for electric bicycle battery.	Sampling stage
3	Automotive electronics [A]	PD3 + QC3.0 CHARGER	In line with QC3.0 and PD3 fast charging specifications for motorcycles.	Mass production stage
4	Consumer electronics [C]	Home appliance charging stand – Cutter pairing product	Waterproof grade – IPX4 requirement. Voltage/current – 30V/45A.	Design stage
5	Automotive electronics [A]	High power battery connector for electric bicycle	1440W power (48V@30A) design, where cutter type structure allows the battery pack to be inserted in multiple directions, with radial and axial integrated double waterproof structure and battery mechanism to achieve waterproof performance above IPX6. The dual-docking design of the inter-plugging and dual-conducting terminals enables the product to achieve lower temperature rise and stable and safe performance.	Mass production stage
6	Automotive electronics [A]	Electric bicycle battery charging and discharging plug and socket	Cutter type power (3PIN) + signal (9PIN) structure and we later can produce 3+6PIN or 2+5PIN and other combinations, which will become the standard components for customers in the future. Product power 960W (48V@20A), which supports 20° slant plugging, with plugging life of more than 3000 times, full spacing waterproof between all female terminals, while product single unit and assembly and inter-plugging meet IPX6 waterproof level.	Mass production stage
7	Consumer electronics [C]	Development of vacuum cleaner waterproof charging port	Product shape matching customer architecture, synchronous development with customer. When the	The prototype has been sent to the customer for verification.

			plug and socket are independent, it is necessary to meet the waterproof IPX4 when plugged in and powered up, because the vacuum cleaner needs to meet the safety needs when used in the environment with water. Current 45A, and the product must meet IEEE 1625, IEC 60950, UL2054, UL2595.	
8	Automotive electronics [A]	Development of waterproof high-current charging port for electric motorcycles	Product size to meet customer specified needs, plug and socket independent state to meet the waterproof, plug into the power also need to meet the waterproof IPX7, the use of current 120A, peak 150A 20S life 10000cycles.	Prototype fabrication and validation in progress
9	Automotive electronics [A]	Development of waterproof charging port for electric motorcycles	Product size to meet customer specified needs, plug and socket independent state to meet the waterproof, plug into the power also needs to meet the waterproof IP56, each plug socket, when the water is not allowed to find short-circuit phenomenon. Use current 25A / 30A, male head part of the destructive lifting weight 300N, the product must comply with UL1977 UL62 and complete certification.	Evaluation stage
10	Notebook computer [N]	16K Life Type-C PLUG Connector	The product must meet the customer's life 16K requirements, during the test according to the customer's number of times to stop and record the plugging and unplugging information and records to remove the measurement LLCR and then reverse the plugging and unplugging until after life and demand TID.	Prototype test phase
11	Notebook computer [N]	240W Type-C PLUG Connector	According to the customer's demand, it needs to meet 16AWG welding, voltage 48V, current 5A and all designs need to meet the association and demand TID certification.	Prototype test phase

Patents granted for R&D products in the most recent 2 years

Patents granted in 2021

Serial No.	Patent No.	Announcement date	Patent name
1	CN112164915A	2021-01-01	Connection terminals and connector components
2	M606597	2021-01-11	Charging connector structure and electronic equipment
3	M606546	2021-01-11	Power connector structure and electronic equipment
4	M606357	2021-01-11	Connection base snap-on structure
5	CN212380621U	2021-01-19	Power connectors
6	M607143	2021-02-01	Connectors
7	CN212517546U	2021-02-09	Cable connector structure
8	M607752	2021-02-11	Coaxial terminal structure and connectors
9	M607865	2021-02-21	Coaxial connectors
10	M608601	2021-03-01	Connector terminal structure
11	M608304	2021-03-01	Improvement of sliding cover connector structure
12	CN212648547U	2021-03-02	One type of connectors
13	CN212648548U	2021-03-02	One type of connector parts and components
14	M608797	2021-03-11	Improvement of connector terminal structure and connector structure
15	CN212695355U	2021-03-12	One type of power connector structure and electronic equipment
16	CN212784034U	2021-03-23	Coaxial connectors
17	CN212783974U	2021-03-23	Waterproof connectors
18	CN112600026A	2021-04-02	Waterproof battery interface for cutter type electric vehicles and other type electric vehicles
19	CN212908232U	2021-04-06	Connection base snap-on structure
20	CN212908187U	2021-04-06	Connector terminals and connector structure
21	CN212908171U	2021-04-06	Sliding cover connector structure
22	M610423	2021-04-11	DC power connector structure
23	CN306478750S	2021-04-20	Connectors
24	M610955	2021-04-21	In-line battery waterproof connectors
25	CN112713463A	2021-04-27	One type of electrical connectors and connection devices with temperature and humidity sensing function
26	M611359	2021-05-01	Quick plug outdoor waterproof connectors
27	M611177	2021-05-01	Coaxial connector assembly structure
28	CN213184676U	2021-05-11	One type of charging connector structure and electronic equipment
29	M612903	2021-06-01	Tensile reinforced battery connectors
30	M612900	2021-06-01	Waterproof connectors
31	M612865	2021-06-01	Cable connectors with separation mechanism
32	M612855	2021-06-01	Electrical connector sockets
33	D212058	2021-06-11	Parts of connectors
34	M613297	2021-06-11	Lift-cap USB interface charging modules
35	M613048	2021-06-11	Lift-cap rotary magnetic charging connectors
36	M613642	2021-06-21	Cable connectors
37	M613628	2021-06-21	Electrical connectors
38	M613885	2021-07-01	Blade type electric vehicles and waterproof battery interfaces
39	M616313	2021-09-01	USB female connectors
40	M616300	2021-09-01	Dustproof permeable structure
41	M616299	2021-09-01	Type C charging heads, chargers and electric vehicles
42	M616737	2021-09-11	Electrical connectors and connection devices with temperature and humidity sensing function
43	M617212	2021-09-21	Permeable plug structure
44	M618348	2021-10-11	Terminal sets and connector structure for raising current loading
45	M620283	2021-11-21	Type-C connectors
46	M620496	2021-12-01	Electrical connectors
47	M620469	2021-12-01	Charging connectors
48	I748896	2021-12-01	Self-locking miniature waterproof connectors

Patents granted in 2022

Serial No.	Patent No.	Announcement date	Patent name
1	M621850	2022-01-01	Type-C connector structure
2	M622610	2022-01-21	Accessory storage structure for electronic products
3	M622631	2022-01-21	Electrical connectors suitable for high current
4	CN215869949U	2022-02-18	One type of Type-C connector
5	M625142	2022-04-01	Peripheral component storage structure for electronic devices
6	CN215869949U	2022-07-08	One type of new two-in-one connector
7	CN113285308B	2022-07-12	One type of headset connector
8	M629750	2022-07-21	Abrasion resistant connectors
9	M629812	2022-07-21	Metal injection molded connectors
10	M629925	2022-07-21	Electrical connection devices with switch function
11	M630422	2022-08-01	Wire-to-board connector structure
12	M630796	2022-08-11	Wire-end connector structure
13	CN217334513U	2022-08-30	One type of in-line waterproof connectors
14	CN217363559U	2022-09-02	One type of accessory storage structure for electronic products
15	CN217361943U	2022-09-02	One type of connection terminal component, connector and electronic products
16	CN217405846U	2022-09-09	Electrical connection devices with switch function
17	M631824	2022-09-11	Connectors with metal injection molded casing
18	CN217443798U	2022-09-16	Peripheral component storage structure for electronic devices
19	CN2174444709U	2022-09-16	One type of space-saving connectors and mounting structure
20	CN217468937U	2022-09-20	Waterproof connector structure
21	M632147	2022-09-21	Waterproof connector structure
22	CN217485860U	2022-09-23	One type of electrical connector components
23	CN217507757U	2022-09-27	Metal injection molded connectors
24	CN112821125B	2022-10-04	One type of self-locking miniature waterproof connectors
25	CN217641895U	2022-10-21	One type of connectors for blood glucose meter
26	CN217641855U	2022-10-21	Battery connectors with reinforced lead terminal
27	CN217691857U	2022-10-28	One type of waterproof connectors
28	M633619	2022-11-01	Snap-edge connectors and the snap spring arm
29	M633790	2022-11-01	Battery connectors with reinforced lead terminal
30	CN217720183U	2022-11-01	One type of electrical connector structure
31	CN217740875U	2022-11-04	One type of charging interface
32	M634121	2022-11-11	Waterproof connector module and its waterproof connector
33	CN217788949U	2022-11-11	One type of anti-interference connectors
34	CN112952469B	2022-12-02	One type of USB connectors
35	CN218070358U	2022-12-16	Waterproof connector module and its waterproof connector
36	CN218070298U	2022-12-16	One type of connectors with metal injection molded casing
37	CN218070322U	2022-12-16	Wire-end connector structure
38	CN218070237U	2022-12-16	Wire-to-board connector structure
39	CN218070239U	2022-12-16	Snap-edge connectors and the snap structure

(4). Commendations received by Group companies in technological research and development and product innovation

The Group's subsidiary, Singatron Electronic (China) Co., Ltd., on November 30, 2021 obtained the high-tech certificate No. GR202132005219 jointly issued by Jiangsu Provincial Department of Science and Technology, Jiangsu Provincial Department of Finance, Jiangsu Provincial State Taxation Bureau, and Jiangsu Provincial Local Taxation Bureau. Enterprise certificate. The subsidiary, Suzhou Singatron Auto Co., Ltd., on November 30, 2021 obtained the high-tech certificate No. GR202132009996 jointly issued by Jiangsu Provincial Department of Science and Technology, Jiangsu Provincial Department of Finance, Jiangsu Provincial State Taxation Bureau and Jiangsu Provincial Local Taxation Bureau. Enterprise certificate. The subsidiary, Singatron Electronic (Zhongshan) Co., Ltd., on December 20, 2021 obtained the high-tech certificate No. GR202144007840 jointly issued by Guangdong Provincial Department of Science and Technology, Guangdong Provincial Department of Finance, Provincial State Taxation Bureau, and Guangdong Provincial Taxation Bureau. In December 2020, the Company became the first manufacturer in the world to obtain the USB4 Type-C Receptacle 40Gbps (USB4 Gens) connector certification and by the end of 2022, the Company ranked among the top ones of the USB4 Type-C Receptacle 40Gbps (USB4 Gens) connector certification. We continue to achieve significant results in product innovation.

(IV). Long-term and short-term business development plans

(1). Short-term plans

1. Restart the production lines in Taiwan to be closer to customers and provide product services and design integration solutions by close contact to prepare for future transformation and upgrade.
2. Enhance customer relationship in the existing NB industry, cooperate with customers in the development of new generation innovative products, and expand product breadth.
3. OEM customized connectors

   Expand scale and reduce cost by taking the business for design, development and production of products outsourced by international companies with our existing product technology advantage.
4. Continue to build corporate image by participating in exhibitions, optimizing company website, updating product catalogs and shooting company/factory videos to increase company awareness in new markets and industries.
5. In response to the fast-changing nature of the NB industry, develop the concept of production modularization to reduce automation input costs, improve production efficiency, shorten delivery time, and reduce costs to enhance competitiveness.
6. Type-C series connectors

USB Type-C connectors have become the future standard interface because of their miniaturization, support for high-speed transmission, charging power of 100W, and the ability to transmit data, video and power, etc. With the new USB4 specification launched by the USB Association in 2019, the transmission speed of Type-C has been raised to 40Gbps. We have passed product field test for TBT4/USB4, and was one of the first manufacturers in the world to achieve USB4 Type-C Receptacle 40Gbps (USB4 Gens) connector certification in December 2020. We will continue to develop connector models to meet various needs and will continue to differentiate our products and diversify applications.

7. Waterproof series connectors

LEV (Light Electric Vehicle) connectors: we have developed a new series of waterproof connectors for instrumentation, sensors, and controllers for electric bicycles, expanding the LEV product line from the early LEV motor harness to battery and charger connectors, and extending to instrumentation connectors and harnesses to provide a more complete solution for LEVs. High Power Energy Storage Connector: newly developed waterproof connector for high current and high voltage energy storage, applied to energy storage equipment, providing high current and high voltage series and parallel power transmission application for lithium batteries in energy storage cabinets.

(2). Long-term plans

1. We will expand and enter the markets of industrial, medical, new energy, light electric two-wheelers, automobiles and other applications that are suitable for long-term development by taking advantage of the wide range of applications and special features of waterproof connectors. We will integrate our existing stamping and injection process capabilities to develop upwards to become an integrated supplier of modular components.

2. The connector industry for automotive applications continues to drive the overall industry production performance due to the large demand for diversified electronic components for new energy vehicles. In the automotive market, the Company has been involved in the automotive related industry since 2014 and obtained the latest certification of 1TAF-16949 in 2018. At present, we shall continue to serve our existing customers, enhance our technical capabilities, and seek strategic partners to accelerate the expansion of our share in the automotive application industry.

3. Explore the European, American and Japanese markets. In addition to continuing to work with agents in the U.S. and Japan to expand the local market, we are also developing brand visibility and overseas potential customers through overseas exhibitions and targeting specific brand customers with a dedicated team to work on a long-term basis, providing tailor-made product services close to the customer and synchronizing development with brand customers to increase the success rate of cases and capture market share.

4. With the increasing competition in the connector industry, the Company will pursue vertical integration with upstream and downstream industries, move beyond the limitation of the mere single product of connectors, enter the field of research and development of electronic components, and provide modular services by combining wire processing and electronic components to improve product unit price and customer dependency to explore another blue ocean business opportunity.

5. Enhance cooperation with customers and jointly participate in developing new markets for electronic applications including IOT applications, 5G smart poles, energy storage connectors, solar inverter connectors, light electric vehicle industry and other related new applications to provide more professional integration services to our customers. In the future, SINGATRON shall no longer be just a single part supplier but a full range of electronic product solutions provider.

II. Market, Production and Sales Overview:

(I). Market Analysis

1. Major product sales regions

The Group's main products were originally connectors for information computers and their peripherals as well as communication devices, which were mainly sold to customers for information computer applications, communication applications and consumer electronics applications. In recent years, we have continued to develop outdoor waterproof connector applications such as medical, new energy, automotive electronics, light electric two-wheelers and other industrial applications and will continue to increase its share of revenue from new energy applications and automotive electronics applications.

Unit: Thousands of NTD

Year / Sold to (by region)	2021		2022	
	Amount	%	Amount	%
Mainland China	2,857,186	68.29	2,429,865	62.43
Taiwan	650,224	15.54	824,557	21.18
Others	676,678	16.17	638,118	16.39
Total net sales	4,184,088	100.00	3,892,540	100.00

2、 Product market share

Connectors are used in a wide range of applications, including automotive, computer, communications, industrial, military, aerospace, transportation and medical industries. In terms of application, automotive is the largest application area of connector products, with 22%, communication 21%, and ranking second; computer 16%, industry 12%, rail transportation 6%, and other applications mainly include military, consumer electronics and other industries, with 23%.

Among them, the market for desktop computers is stable and lacks growth momentum, while 98% of notebook computer (NB) assemblies are conducted by Taiwanese OEMs and the Company has a place in the connector products for NB applications. In the past two years, NB benefited from the economic impact of the pandemic so did the growth of the Company. However, after the pandemic subsided, the growth of NB returned to the normal cycle of slow growth. The downstream applications of connectors in emerging industries such as electric vehicles, light electric two-wheelers, Internet of Things, AI applications and other electronic products are developing rapidly, which is expected to drive the rapid growth of the connector industry.

Equipment Sector	2021 Percent Change	2022 Percent Change	2023 Percent Change	2024 Percent Change	2025 Percent Change	2026 Percent Change	2021/2026 CAGR
Computers & Peripherals	22.1%	4.4%	2.5%	4.8%	5.7%	5.0%	4.5%
Business/Office Equipment	21.4%	4.4%	1.3%	3.4%	4.5%	4.2%	3.6%
Instrumentation	24.6%	5.1%	2.2%	4.5%	5.7%	5.2%	4.5%
Medical	25.4%	4.8%	2.4%	4.5%	5.9%	5.3%	4.6%
Industrial	29.9%	6.0%	2.6%	5.3%	7.5%	7.2%	5.7%
Automotive	21.1%	5.2%	3.5%	5.5%	7.3%	6.9%	5.7%
Transportation	26.2%	5.1%	2.8%	4.6%	7.0%	5.9%	5.1%
Military/Aerospace	18.2%	4.4%	2.1%	3.4%	4.6%	4.9%	3.9%
Telecom/Datacom	26.2%	7.2%	3.4%	6.8%	8.7%	7.4%	6.7%
Consumer	23.7%	4.8%	2.1%	5.2%	7.0%	6.6%	5.1%
Other Equipment	22.6%	4.4%	1.8%	3.4%	6.2%	5.8%	4.3%
Total World	**24.1%**	**5.5%**	**2.9%**	**5.3%**	**7.1%**	**6.5%**	**5.5%**

The growth rate of connectors in various applications in the next five years from 2022 to 2026; Source: Bishop 2021.

3. Future market supply and demand and growth

Connectors are key components of end-use products in the electronics industry. In recent years, the global connector market has continued to grow due to the continued development of the automotive electronics, new energy application industry, 5G communication industry, computer peripheral and server industry, consumer electronics and other downstream industries. According to Bishop and Associates, the global market size for connectors is estimated to grow from 2020 to 2026 with a compound annual growth rate of 5.5%, with connectors for automotive electronics, 5G communications, computer peripherals and servers, and industrial applications accounting for a larger share of the global connector market. In the future, under the global trend of environmental sustainability, it is expected that the automotive electronics and new energy industries will be the industries with rapid growth of market demand in the future. The Company's market development strategy is closely related to the global trend of application development of electronic industry and connector products, and there is ample room for future growth.

With the AIot trend taking shape, 3C high-frequency products are being introduced, and Type-C is now the mainstream of the market. As NBs are moving toward slimmer and lighter slots and reducing the number of slot ports, the demand for docking peripheral extensions has skyrocketed, thus requiring Type-C to be simpler and lighter, smaller and easier to operate; The global economic impact of the pandemic has also driven the demand for NBs and tablets, making the penetration rate of the new generation of Type-C soaring because it can transfer more data faster and more widely used, in addition to faster data transfer and the ability to output audio and video signals and more power support. In recent years, Type-C has become one of our main products and we will continue to strive to capture the market share in the future.

4. Competitive advantage

a. The Company has a wide customer base, with the major customers being the world's top professional electronics contract manufacturers, among others. With the gradual expansion of our customers into

different industrial fields, we follow them to develop new products, enhance the diversity and multiplicity of our products and at the same time, accumulate product experiences in various new fields to meet the needs of various product conversions.

b. Complete product lines and customization capability

The Company currently has thousands of products with a wide range of applications. In addition to the PC and NB industries, our products are also indispensable parts for consumer electronics. In addition, we are able to provide more than 10 categories of waterproof products to meet the needs of industrial, solar, automotive, marine, outdoor LED, communication equipment and other industries. We also have the capability to develop and design molds and mechanism parts and can provide customized services of Total Solution to our customers.

c. Proficient in the key manufacturing process and independent development and design capability

In the manufacturing aspect, we are the expert in two key processes of stamping terminals and plastic injection molding for connectors. We specialize in the basic mold design, development and production, so we can quickly and flexibly respond to customer needs, effectively reduce product development time and cost and enhance product competitiveness. In addition, we have spared no effort in the integration of modular process, which not only can reduce part of the cost of manual assembly, but also can significantly reduce the amount of investment in automated equipment and shorten the development time of process equipment.

5. Favorable and unfavorable factors of development prospect and countermeasures

Favorable factors

a. The Company has accumulated more than 10 years of experience in the development and application of waterproof connector products. With the wide range of applications and diversification of waterproof products, the Company is gradually accumulating practical experience in industries suitable for long-term development, such as industrial, medical, new energy, and light electric two-wheelers. This will be beneficial to the long-term development of the Company.

b. The Company has a complete and competitive product lines with thousands of SKUs and comprehensive specifications for a wide range of applications. With our original stamping and injection process capabilities, we will be able to provide more comprehensive integration capabilities for the development of new customers in new markets in the future.

c. Refinement of product quality system

In addition to ISO9001 and 14001, which are system requirements for general product quality and reliability, we have also obtained IATF16946 certification for the automotive industry and NMEA2000 for the shipbuilding industry. In addition, we have obtained OHSAS, QC080000, ISO14064, and EICC5.0 certifications in the fields of green environment and corporate social responsibility, which gives us an additional advantage in securing orders for production and manufacturing for international brands.

d. With the rapid development of 5G, Internet of Things, AI and smart driving, the market has come up with new demands for connector technology. In terms of communication equipment, connectors are responsible for data connectivity between terminals, and 5G development will drive the demand for wireless connectors. For automotive applications, with the continuous advancement of automotive intelligence, there is a growing demand

for connectors for more advanced in-vehicle entertainment systems and intelligent driving systems, in addition to the original engine management systems and other devices that require connectors for data connectivity. Industrial connectors demand stronger reliability and performance, and with the construction of industrial Internet, more reliable connectors are needed between industrial equipment and network. Therefore, more and more emerging areas are driving the demand for connector products.

Unfavorable factors

a. The fierce competition in the industry affects profitability as 3C customers are taking advantage of high order volume and are bringing in the red supply chain, which mainly competes on price, resulting in price decline and profitability compression.

Countermeasures:

Reduce the cost of product development by taking advantage of the number of molds accumulated by the Company over a long period of time. Reduce risks by leveraging external resources for certain high investment and low value product development, and increase customer dependence through customized services. In addition, we are actively developing foreign markets and new industries such as industrial, medical, solar, and light electric vehicles through our diversified product lines and in the future, we will integrate our connector products with wire processing into modular products by introducing electronic components to create the new blue ocean.

b. Rising labor costs in Mainland China

Countermeasures:

Combine our original mold development capabilities for modularization and automation with product development and increase the added value of the manufacturing section for customers in industrial and medical special applications; and seek strategic partners.

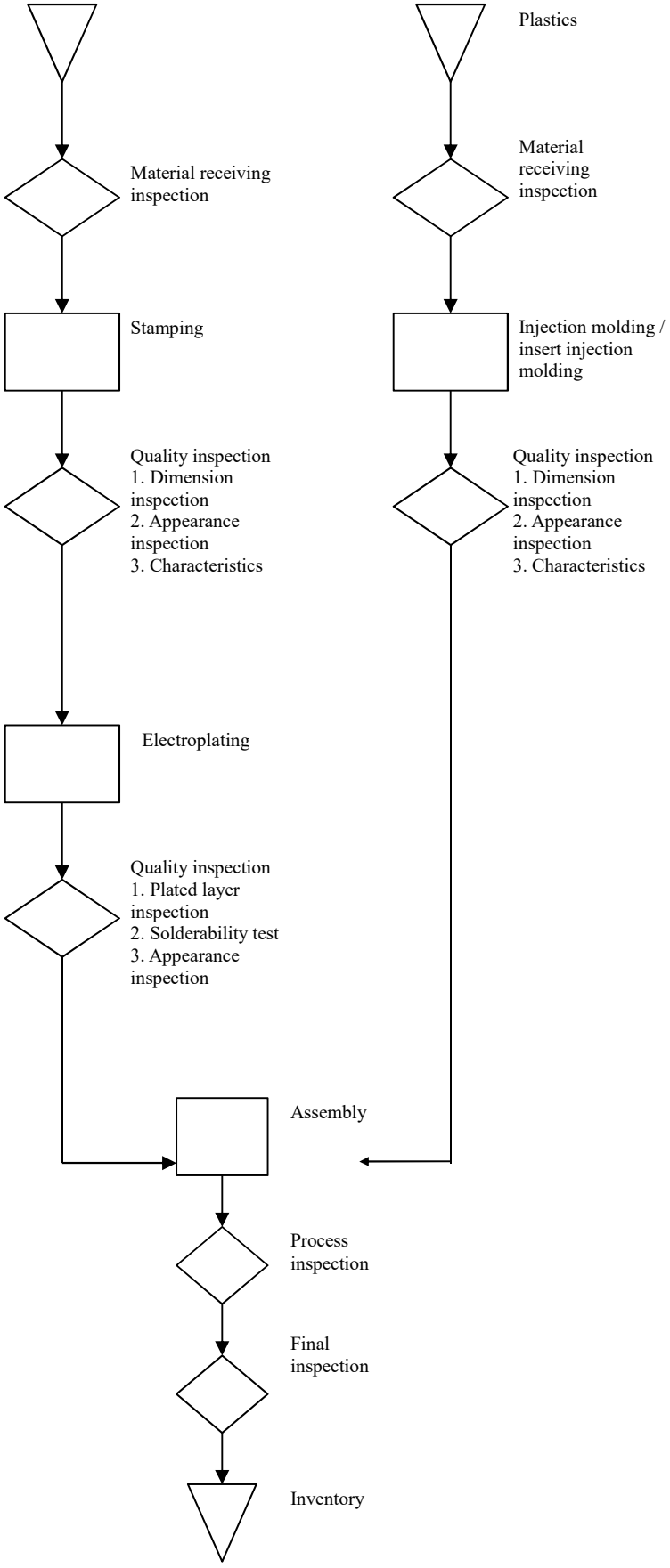
Continue to pursue improvement in modularization and automation for the manufacturing section to maintain competitiveness in terms of cost; seek strategic partners who can integrate upstream and downstream can create a win-win situation in terms of market or cost synergies.

(II). Important applications and production process of main products

1. Applications of main products

Connectors are used in a wide range of applications, including information computers, telecommunications, data transmission, consumer electronics, industrial electronics, commercial avionics, medical equipment, and automotive electronics. Currently, domestic connector manufacturers mainly produce and sell connectors for computer and peripheral applications, accounting for approximately 82% of the total connectors in Taiwan. For computer connectors alone, there are many different types of connectors and the connectors produced by each manufacturer are different. We have been in the market for more than 40 years and our products are well recognized by Quanta, Compal, Inventec, Pegatron, Wistron and other major manufacturers.

2. Production process of products



(III). Supply status of main raw materials

Main raw materials	Major suppliers	Supply status
Components, stampings, copper	Himage, Weiao, SHYH SHIUN, HAN ELECTRONIC, Hangzhou Jinchao	Stable with good quality

(IV). The names of suppliers and customers who accounted for more than 10% of the total purchases (sales) in any of the most recent 2 years, their purchases (sales) amount and proportion and the reasons for the increase or decrease

1. In order to diversify the risk of concentration of purchases, the Group does not have any single supplier from whom the purchases account for more than 10% of the total consolidated purchases in 2021 and 2022.

2. Information on the major customers in the most recent 2 years

	2021				2022			
Item	Name	Amount	As a percentage of net sales for the whole year	Relationship with the issuer	Name	Amount	As a percentage of net sales for the whole year	Relationship with the issuer
Electronic connectors	Company A (Note 1)	742,619	17.75%	None	Company A (Note 1)	627,347	16.12%	None
Electronic connectors	Others	3,441,469	82.25%		Others	3,265,193	83.88%	
	Net sales	4,184,088	100.00%		Net sales	3,892,540	100.00%	

Note 1: Code names can be used instead if any contract prohibits the Company from disclosing the supplier's name, or if the counterparty is a non-related party.

The decrease in sales amount and percentage of customer A in 2022 compared to 2021 was due to the decrease in customer market demand.

(V). Production volume and value for the most recent two years

Unit: Thousands of NTD

Year / Production volume and value / Main products	2021			2022		
	Production capacity	Production volume	Production value	Production capacity	Production volume	Production value
Connectors (KPCS)	521,261	487,379	2,558,271	435,821	348,657	2,142,332
Total	521,261	487,379	2,558,271	435,821	348,657	2,142,332

(VI). Sales volume and value for the most recent two years

Unit: Thousand of NTD

Year / Sales Volume and value / Main products	2021				2022			
	Domestic		Export		Domestic		Export	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Connectors (KPCS)	45,046	581,586	509,360	3,519,896	44,374	748,296	401,843	3,038,042
Electronic modular products (KPCS)	4,809	68,638	1,278	13,968	4,474	76,261	1,374	29,941
Total	49,855	650,224	510,638	3,533,864	48,848	824,557	403,217	3,067,983

III. Information on employees for the last two years and for the current year as of the date of publication of the annual report

Year		2021	2022	Up to March 31, 2023
Number of employees	Management personnel	146	135	133
	Administrative personnel	294	307	304
	Operators	748	731	687
	Total	1,188	1,173	1,124
Average age		33.94	37.12	37.17
Average years of service		5.69	5.68	6.63
Education Distribution %	Doctorate	0.00%	0.00%	0.00%
	Master	1.35%	1.53%	1.78%
	University or college	33.67%	33.08%	34.52%
	Senior high school	22.64%	20.55%	20.46%
	Below senior high school	42.34%	44.84%	43.24%

IV. Information on environmental protection expenditure

(I). For the most recent year and for the current year up to the date of publication of the annual report, the amount of loss due to environmental pollution (including remuneration and environmental protection audit results of violations of environmental protection laws and regulations, the penalty date, the penalty number, the provisions of the regulation violated, the content of the regulation violated and the penalty content should be stated): None.

(II). The estimated amount of current and potential future losses and countermeasures: not applicable.

V. Labor Relations

(I). The Company's human resources management policy is to establish an innovative talent pool, to train, develop and accumulate internal human resources employees' self-fulfillment, etc. The related welfares are described as follows

1. Salary policy

At SINGATRON, the salary system is closely related to the Company's operating performance and employees' personal performance. Our salary scale is determined by position, ability, education, work experience and expertise, regardless of gender, religion, politics, marital status, etc. We also regularly review our remuneration package and compare with market levels and adjust it as needed. In 2011, SINGATRON established a remuneration committee to ensure that the Company's remuneration arrangements are in compliance with the relevant laws and regulations and are sufficient to attract talents

2. Other employee welfares

In accordance with the “Employee Welfare Fund Act,” SINGATRON provides employee welfares for employees based in its headquarters in Taiwan, including appropriating welfare funds and organizing an Employee Welfare Committee to administer employee welfares, and our employees are entitled to various welfares in accordance with the provisions of the Employee Welfare Committee. Including:

Employee bonus and three festivals gift coupons/money (including Dragon Boat Festival, Mid-Autumn Festival and year-end bonus)

National health insurance, labor insurance, group insurance, etc.

Wedding and funeral gift money and birthday gift money

Sports and leisure facilities

Travel subsidies

Annual dinner party

Free parking

Employee stock ownership trust

3. Pension system and its implementation

The Company provides retirement benefits in accordance with the regulations of the local governments. In Taiwan, SINGATRON established the Supervisory Committee of Labor Retirement Reserve in 1987, and has established employee retirement management regulations. Since July 2005, Taiwan has implemented the new labor retirement system, and the Company has made monthly contributions of 6% of insured wages to individual labor retirement accounts of the new system at the Bureau of Labor Insurance, Ministry of Labor, in accordance with the law.

Employees who choose to remain with the old system pension plan can retain their years of service in the old system and the Company makes monthly appropriations in the appropriate amount as retirement reserve in accordance with the Labor Standards act to an account with the Bank of Taiwan.

4. Employee management

In order to provide certain standards for employee behavior and daily administration, the Company has established clear management rules and regulations, including the appointment, promotion, appraisal, attendance, leave, termination, rewards and punishments and the approval authority of each level of employees, etc. Employees act in accordance with the relevant management rules and regulations to exclude human subjective consciousness and create an open and fair corporate culture.

5. Employee personal safety protection measures

SINGATRON strives to create a healthy workplace. In order to provide employees with an excellent working environment and leisure and fitness facilities, our corporate headquarters has not only employee cafeteria, but also will have an indoor billiard courts, fitness equipment and other facilities under plan to encourage employees to exercise before and after work to maintain the best physical and mental health, and we also provide and arrange employee health checkups.

6. Talent coaching and training:

Talents are the cornerstone of business success. We believe that if every employee can learn and grow and maximize his or her potentials in his or her position, we will be able to achieve the vision of "sustainable corporate growth." Therefore, at the end of each year, we plan and analyze the management and professional competences required for each level of personnel, and establish an annual training program to develop our employees so that the organization can grow and flourish.

Statistics on education and training for 2022:

Item	Course name	Total training hours	Total number of trainees	Average training hours per person
1	Management and corporate governance courses	4,077	1,098	3.71
2	Sales courses	0	0	0.00
3	Technical courses	2,905	1,540	1.89
4	New employees courses	263	203	1.30

Total hours	Total number of trainees	Average training hours per person	Total course costs
7,245	2,841	2.55	491,050

Statistics on education and training for 1Q2023:

Item	Course name	Total training hours	Total number of trainees	Average training hours per person
1	Management and corporate governance courses	1,518	649	2.34
2	Sales courses	0	0	0.00
3	Technical courses	1,081	535	2.02
4	New employees courses	842	178	4.73

Total hours	Total number of trainees	Average training hours per person	Total course costs
3,441	1,362	2.53	33,200

(II). For the most recent year and for the current year up to the date of publication of the annual report, the amount of loss due to labor disputes (including labor inspection results of violations of the labor standards act, the penalty date, the penalty number, the provisions of the regulation violated, the content of the regulation violated and the penalty content should be stated) and the estimated amount of current and potential future losses and countermeasures should be disclosed and if the amount cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be stated.

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The Company handles all affairs related to labor relations in accordance with the relevant laws and regulations and overall condition is good. The Company holds regular meetings between the Welfare Committee and the management to discuss and address the opinions of all parties in a timely manner, so the labor relations are harmonious and no disputes occur.

VI. Cybersecurity management

(I). Risk management framework, policy, specific management plan and resources invested for cybersecurity, management

1. Organizational structure

To strengthen information security management and ensure the security of information systems, networks and data, the Company has established an information security management organization. The organization is led by a dedicated information security leader responsible for planning and execution, and an information security specialist who performs information security operations. Duties of the information security leader:

(1). Responsible for the integration of information resources and planning for information security operation.

(2). Responsible for the evaluation of the implementation of information security management

(3). Arbitrate the priority of information security projects.

(4). Communicate and coordinate across departments to promote the implementation of information security projects.

(5). Control the progress of project execution and supervise the information security personnel to achieve information security objectives.

Duties of the information security specialist:

(1). Build information security system and network management according to the plan.

(2). Perform the tasks of various information security operations.

(3). Responsible for collecting data related to existing information security and operation discussion.

(4). Test the information security environment and make suggestions for improvement based on practical experience.

(5). Assist company personnel to troubleshoot information security issues and raise information security awareness.

2. Information Security Policies

Information security policy vision.

(1). Conform to the requirements of laws and regulations.

(2). Strengthen personnel risk awareness.

(3). Avoid leakage of confidential information.

(4). Implement daily business maintenance and operations.

(5). Ensure the availability of information services.

Information Security Objectives:

(1). Comply with the requirements of laws and regulations, orders of competent authorities and customer contracts.

(2). Enhance employees' awareness of information security risks and strengthen their knowledge of related responsibilities.

(3). Protect the Company's business activity information from unauthorized access or modification and ensure its accuracy and integrity.

(4). Conduct regular audits to ensure that relevant operations are implemented.

(5). Ensure that the Company maintains a certain level of system availability for its critical core systems.

3. Specific management plan

In order to implement information security management, the Company actively plans information security measures to improve the information security environment and reduce information security risks. We have deployed a network firewall, established a highly available core switch, introduced a mail security and backup system, updated anti-virus software, updated network information security equipment, internal audit processes, and other management measures to respond to information security risks and continuously strengthen information security.

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Management Items

(1). Firewall

(2). Anti-virus software

(3). Endpoint security protection

(4). System updates

(5). Permission control

(6). Email protection

(7). Network and leased line management

(8). Server virtualization

(9). Data backup mechanism

4. Resources invested for cybersecurity management

In order to strengthen information security, the Company has set aside appropriate budgets to strengthen information technology and information security protection this year and will continue to set aside appropriate budgets to continuously improve the information security environment each year. In addition to firewall control and anti-virus system update, the Company has strengthened server and user endpoint protection, email attack protection and spam filtering, and implemented data backup mechanism to back up important information system data offsite.

5. Information security protection measures

(1). Firewall strategic control
(2). Anti-virus deployment and policy management
(3). Client-side computer security protection
(4). System updates to prevent vulnerability attacks
(5). Permission control on user account and password
(6). Spam filtering and email attack protection
(7). Network usage policy
(8). Virtualization to achieve high availability
(9). Offsite backup of critical information system data

(II). For the most recent year and for the current year as of the publication of the annual report, the amount of loss and possible impacts from significant cybersecurity incidents and countermeasures:

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1. The Company had no significant cybersecurity incidents in recent years and in the current year as of the date of publication of the annual report.
2. The amount of loss and possible impacts from significant cybersecurity incidents and countermeasures: when an information security incident occurs, the user unit must immediately notify the information security specialist, handle the information security incident immediately and leave a record of the handling.

VII. Important contracts

Nature of contract	Party involved	Contract start and end ate	Main contents	Restriction clauses
Patent license contract	Non-disclosure in accordance with the contract	From 2018/10/01	Production patent license	None
Bank credit contract	CTBC Bank	2022/08/05-2023/08/04	Operating capital	Total credit facility in USD $4,000 thousand
Bank credit contract	Taipei Fubon Bank	2022/11/03-2023/11/02	Operating capital	Total credit facility in USD $6,000 thousand
Bank credit contract	Yuanta Commercial Bank	2022/06/17-2023/06/16	Short-term credit loan Short-term secured loan	Total credit facility of NT$111,500 thousand
Bank credit contract	Chang Hwa Commercial Bank	2022/10/30-2027/01/31	Medium and long-term secured loan	Total credit facility of NT$3,000,000 thousand .

Six. Financial positions

I. Balance sheets and income statements for the last five years

(I). Balance Sheets

1. Consolidated Condensed Balance Sheets (IFRS)

Unit: Thousand NTD

Year / Item		Financial information for the last five years (Note 1)				
		2018	2019	2020	2021	2022
Current assets		2,157,768	2,350,368	2,961,971	2,944,234	3,108,002
Property, plant and equipment		912,749	856,482	911,659	912,150	864,719
Intangible assets		13,794	9,681	10,096	9,670	15,079
Other assets		203,705	230,075	224,875	198,432	264,976
Total assets		3,286,016	3,446,606	4,108,601	4,064,486	4,252,776
Current liabilities	Before distribution	1,347,474	1,352,870	1,633,858	1,626,261	1,696,320
	After distribution	1,388,252	1,441,658	1,811,434	1,785,853	(Note 2)
Non-current liabilities		263,897	405,287	472,051	443,196	507,394
Total amount	Before distribution	1,611,371	1,758,157	2,105,909	2,069,457	2,203,714
	After distribution	1,652,149	1,846,945	2,283,485	2,229,049	(Note 2)
Equity attributable to owners of the parent company		1,461,042	1,453,109	1,588,600	1,547,558	1,520,538
Share capital		1,408,964	1,359,276	1,268,396	1,227,626	1,172,656
Capital surplus		687	24	14,552	14,217	14,217
Retained earnings	Before distribution	195,212	309,505	454,555	466,010	459,203
	After distribution	154,434	220,717	276,979	306,418	(Note 2)
Other equity		-104,958	-162,704	-148,903	-160,295	-125,538
Treasury stock		-38,865	-52,992	0	0	0
Non-controlling interests		215,603	235,340	414,092	447,471	528,524
Equity Total amount	Before distribution	1,676,645	1,688,449	2,002,692	1,995,029	2,049,062
	After distribution	1,635,867	1,599,661	1,825,116	1,835,437	(Note 2)

Note 1: The above financial information for the most recent year has been audited and attested by certified public accountants.

Note 2: The distribution of earnings for 2022 has not yet been approved by the shareholders' meeting.

2. Standalone Condensed Balance Sheets (IFRS)

Unit: Thousand NTD

Item \ Year		Financial information for the last five years (Note 1)				
		2018	2019	2020	2021	2022
Current assets		80,989	76,134	32,235	59,567	59,552
Property, plant and equipment		221,949	213,420	216,606	219,086	220,103
Intangible assets		0	103	1,643	1,566	673
Other assets		1,683,735	1,842,603	2,110,263	2,119,501	2,499,404
Total assets		1,986,673	2,132,260	2,360,747	2,399,720	2,779,732
Current liabilities.	Before distribution	264,101	276,282	332,531	436,597	763,481
	After distribution	304,879	365,070	510,107	596,189	(Note 2)
Non-current liabilities		261,530	402,869	439,616	415,565	495,713
Total amount.	Before distribution	525,631	679,151	772,147	852,162	1,259,194
	After distribution	566,409	767,939	949,723	1,011,754	(Note 2)
Equity attributable to owners of the parent company		1,461,042	1,453,939	1,588,600	1,547,558	1,520,538
Share capital		1,408,964	1,359,276	1,268,396	1,227,626	1,172,656
Capital surplus		687	24	14,552	14,217	14,217
Retained earnings.	Before distribution	195,212	309,505	454,555	466,010	459,203
	After distribution	154,434	220,717	276,979	306,418	(Note 2)
Other equity		-104,958	-162,704	-148,903	-160,295	-125,538
Treasury stock		-38,863	-52,992	0	0	0
Non-controlling interests		0	0	0	0	0
Equity Total amount	Before distribution	1,461,042	1,453,109	1,586,600	1,547,558	1,520,538
	After distribution	1,420,264	1,364,321	1,409,024	1,387,966	(Note 2)

Note 1: The above financial information for the most recent year has been audited and attested by certified public accountants.

Note 2: The distribution of earnings for 2022 has not yet been approved by the shareholders' meeting.

(II) Income Statements

1. Consolidated Statements of Comprehensive Income (IFRS)

Unit: Thousands of NTD

Year / Item	Financial information for the last five years (Note 1)				
	2018	2019	2020	2021	2022
Operating revenue	3,028,874	3,315,294	3,798,939	4,184,088	3,892,540
Operating gross profit	751,790	881,203	1,154,960	1,133,528	1,014,996
Operating profit or loss	148,040	232,984	473,694	432,272	339,728
Non-operating income and expenses	2,868	33,617	-32,233	12,621	62,179
Net profit before tax	150,908	266,601	441,461	444,893	401,907
Net profit from continuing operations for the period	77,629	197,894	322,720	329,366	295,955
Loss from discontinued operations	0	0	0	0	0
Net profit (loss) for the period	77,629	197,894	322,720	329,366	295,955
Other comprehensive income for the period (net after tax)	-25,114	-69,716	21,096	-15,903	46,160
Total comprehensive income for the period	52,515	128,178	343,816	313,463	342,115
Net profit attributable to owners of the parent company	52,614	165,410	258,500	246,754	222,508
Net profit attributable to non-controlling interests	25,015	32,484	64,220	82,612	73,447
Total comprehensive income attributable to owners of the parent company	32,011	105,660	271,659	235,997	261,062
Total comprehensive income attributable to non-controlling interests	20,504	22,518	72,157	77,466	81,053
Earnings per share	0.41	1.22	2.02	1.97	1.85

Note 1: The above financial information for the most recent year has been audited and attested by certified public accountants.

2. Standalone Condensed Statements of Comprehensive Income (IFRS)

Unit: Thousands of NTD

Year / Item	Financial information for the last five years (Note 1)				
	2018	2019	2020	2021	2022
Operating revenue	90,971	42,341	52,883	82,606	106,202
Operating gross profit	12,645	10,346	14,059	20,312	20,329
Operating profit or loss	-48,120	-49,944	-47,112	-40,099	-43,629
Non-operating income and expenses	152,414	252,766	371,158	352,376	325,434
Net profit before tax	104,294	202,822	324,046	312,277	281,805
Net profit from continuing operations for the period	52,614	165,410	258,500	246,754	222,508
Loss from discontinued operations	0	0	0	0	0
Net profit (loss) for the period	52,614	165,410	258,500	246,754	222,508
Other comprehensive income for the period (net after tax)	-20,603	-59,750	13,159	-10,757	38,554
Total comprehensive income for the period	32,011	105,660	271,659	235,997	261,062
Net profit attributable to owners of the parent company	52,614	165,410	258,500	246,754	222,508
Total comprehensive income attributable to owners of the parent company	32,011	105,660	271,659	235,997	261,062
Earnings per share	0.41	1.22	2.02	1.97	1.85

Note 1: The above financial information for the most recent year has been audited and attested by certified public accountants.

(III) Names and audit opinions of the attesting CPAs for the last five years

Year	CPA firm	Name of attesting CPA	Audit opinions
2018	Ernst and Young	Mao-Yi Hung, Ching-Biao Cheng	Unqualified opinion
2019	Ernst and Young	Mao-Yi Hung, Ching-Biao Cheng	Unqualified opinion
2020	Ernst and Young	Mao-Yi Hung, Ching-Biao Cheng	Unqualified opinion
2021	Ernst and Young	Mao-Yi Hung, Chi-Ming Chang	Unqualified opinion
2022	Ernst and Young	Chi-Ming Chang, Mao-Yi Hung	Unqualified opinion

II. Financial analysis for the last five years

1. Consolidated Financial Analysis (IFRS)

Analysis item	Year	Financial information for the last five years (Note 1)				
		2018	2019	2020	2021	2022
Capital structure (%)	Debt to assets ratio	49.01	51.01	51.26	50.92	51.82
	Long-term capital to property, plant, and equipment ratio	196.37	214.85	235.25	232.28	260.36
Solvency (%)	Current ratio (%)	160.13	173.37	181.29	181.04	183.22
	Quick ratio (%)	123.17	141.68	141.23	139.52	156.74
	Interests coverage multiplier	10.93	23.70	66.88	78.16	45.20
Operating performance	Accounts receivable turnover rate (times)	2.74	2.87	2.84	2.86	2.90
	Average collection days	133	127	129	128	126
	Inventory turnover rate (times)	4.77	5.21	4.92	4.65	4.93
	Accounts payable turnover rate (times)	4.45	4.61	3.97	3.95	4.10
	Average sales days	77	70	74	79	74
	Property, plant and equipment turnover rate (times)	2.95	3.38	3.75	3.98	3.83
	Total assets turnover rate (times)	0.93	0.98	1.01	1.02	0.94
Profitability	Return on assets (%)	1.96	5.17	6.98	6.14	5.51
	Return on equity (%)	3.76	11.35	17.00	15.74	14.50
	Net profit before tax to paid-in capital ratio (%)	11.04	19.61	34.80	36.24	34.27
	Net profit margin	1.74	4.99	6.80	5.90	5.72
	Earnings per share (NTD) – Before retrospective adjustment	0.41	1.22	2.02	1.97	1.85
	Earnings per share (NTD) – After retrospective adjustment	0.41	1.22	2.02	1.97	(Note 2)
Cash	Cash flow ratio (%)	11.30	41.70	16.65	34.31	46.56
	Cash flow adequacy ratio (%)	141.92	173.19	123.55	116.00	137.35
	Cash reinvestment ratio (%)	3.07	13.92	3.92	7.81	13.80
Leverage	Operating leverage	13.47	9.00	5.20	6.27	7.25
	Financial leverage	1.11	1.05	1.01	1.01	1.03

Explanation for items with 20% increase or decrease for the most recent 2 years (exempted if the change is less than 20%)

1. Interest coverage multiplier: Mainly due to the increase in bank loan in 2022 and the effect of changes in interest expense compared to 2021.
2. Cash flow ratio and cash reinvestment ratio: Mainly due to the effect of the significant decrease in accounts receivable and inventory balance on December 31, 2022 compared to December 31, 2021 and the significant increase in net cash inflow from operating activities on December 31, 2022 compared to December 31, 2021.

Note 1: The above financial information for the most recent year has been audited and attested by certified public accountants.

Note 2: The distribution of earnings for 2022 has not yet been approved by the shareholders' meeting.

2. Standalone Financial Analysis (IFRS)

Analysis item	Year	Financial information for the last five years (Note 1)				
		2018	2019	2020	2021	2022
Capital structure (%)	Debt to assets ratio	26.46	31.85	32.71	35.51	45.30
	Long-term capital to property, plant, and equipment ratio	700.20	770.42	832.37	798.91	818.55
Solvency (%)	Current ratio (%)	30.67	27.56	9.69	13.64	7.80
	Quick ratio (%)	28.77	25.84	8.25	11.39	6.51
	Interests coverage multiplier	20.80	47.81	61.30	67.98	37.73
Operating performance .	Accounts receivable turnover rate (times)	3.61	2.99	3.61	3.53	3.61
	Average collection days	101	122	101	103	101
	Inventory turnover rate (times)	6.06	4.53	6.54	9.04	9.07
	Accounts payable turnover rate (times)	4.13	2.95	3.02	3.58	3.99
	Average sales days	60	81	56	40	40
	Property, plant and equipment turnover rate (times)	0.34	0.17	0.22	0.34	0.43
	Total assets turnover rate (times)	0.05	0.02	0.02	0.03	0.04
Profitability .	Return on assets (%)	2.92	8.20	11.70	10.52	8.83
	Return on equity (%)	3.76	11.35	17.00	15.74	14.50
	Net profit before tax to paid-in capital ratio (%)	7.63	14.92	25.55	25.44	24.03
	Net profit margin	57.84	390.66	488.81	298.71	209.51
	Earnings per share (NTD) Before retrospective adjustment	0.41	1.22	2.02	1.97	1.85
	Earnings per share (NTD) After retrospective adjustment	0.41	1.22	2.02	1.97	(Note 2)
Cash .	Cash flow ratio (%)	0.00	0.00	21.97	53.20	0.00
	Cash flow adequacy ratio (%)	49.01	0.00	33.49	77.52	55.53
	Cash reinvestment ratio (%)	-2.42	-2.17	-0.77	2.71	-7.68
Leverage .	Operating leverage	-0.35	-0.13	-0.28	-0.42	-0.39
	Financial leverage	0.90	0.92	0.90	0.90	0.85

Explanation for items with 20% increase or decrease for the most recent 2 years (exempted if the change is less than 20%)

1. Debt to assets ratio, current ratio, quick ratio, and interest coverage multiplier: Mainly due to changes in bank loans as a result of cash dividends paid and treasury stock repurchases.
   .
2. Property, plant and equipment turnover rate and total asset turnover rate: Mainly due to the increase in standalone revenue in Taiwan in 2022 compared to 2021.
3. Net profit margin: Mainly due to the effect of the change in standalone revenue in Taiwan in 2022 compared to 2021.
4. Cash flow ratio, cash flow adequacy ratio, and cash reinvestment ratio: Mainly due to no repatriation of the earnings of the subsidiaries in China and the increase of standalone bank loans in Taiwan in 2022.

Note 1: The above financial information for the most recent year has been audited and attested by certified public accountants.

Note 2: The distribution of earnings for 2022 has not yet been approved by the shareholders' meeting.

The formulae for calculating the financial analysis ratios are as follows:

1. Capital structure

(1) Debts to assets ratio = total liabilities/total assets

(2) Long-term capital to property, plant, and equipment ratio = (total equity + non-current liabilities)/net property, plant, and equipment

2. Solvency

(1) Current ratio = current assets/current liabilities

(2) Quick ratio = (current assets - inventory - prepaid expenses)/current liabilities

(3) Interests coverage multiplier = net profit before tax and interest expense/interest expense for the period

3. Operating performance

(1) Receivables (including accounts receivable and notes receivable from business operations) turnover rate = net sales / balance of average accounts receivable for various periods (including accounts receivable and notes receivable from business operations).

(2) Average collection days = 365/accounts receivable turnover rate

(3) Inventory turnover rate = costs of goods sold/average inventory

(4) Payables (including accounts payable and notes payable from business operations) turnover rate = costs of goods sold / balance of average accounts payable for various periods (including accounts payable and notes payable from business operations).

(5) Average sales days = 365/inventory turnover rate

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

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

4. Profitability

(1) Return on assets = [net profit after tax + interest expense x (1 - tax rate)]/average total assets

(2) Return on equity = net profit after tax/average total equity

(3) Net profit margin = net profit after tax/net sales

(4) Earnings per share = (net profit attributable to shareholders of the parent - preferred stock dividend)/weighted average number of shares outstanding

5. Cash flow

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

(2) Net cash flow adequacy ratio = sum of net cash flow from operating activities for the most recent 5 years / sum of capital expenditures, inventory additions, and cash dividend for the most recent 5 years.

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

6. Leverage:

(1) Operating leverage = (net operating revenue - variable operating costs and expenses) / operating profit.

(2) Financial leverage = operating profit / (operating profit - interest expense).

III. Audit Committee's review report for the most recent annual financial statements

SINGATRON ENTERPRISE CO., LTD.

Audit Committee's Review Report

The Company's Board of Directors have prepared the 2022 business report, standalone financial statements, consolidated financial statements, etc., among which the standalone financial statements and consolidated financial statements have been audited by Ernst and Young, Chi-Ming Chang and Mao-Yi Hung, Certified Public Accountants and an audit report thereon has been issued. The above business report, financial statements and earnings distribution proposal and have been reviewed and determined to be accurate by the Audit Committee. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report for your review.

SINGATRON ENTERPRISE CO., LTD.

Convener of the Audit Committee: Hui-Chou Chen

March 3, 2023

SINGATRON ENTERPRISE CO., LTD.

Audit Committee's Review Report

The Board of Directors has prepared the 2022 earnings distribution proposal, which has been reviewed and determined to be accurate by the Audit Committee. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report for your review.

SINGATRON ENTERPRISE CO., LTD.

Convener of the Audit Committee: Hui-Chou Chen

April 26, 2023

IV. If the Company or its affiliates have experienced financial difficulties in 2021 or during the current year up to the date of publication of the annual report and their effects on the Company's financial positions: None.

Seven. Review and analysis of financial positions and financial performance and risks

I. Financial positions

(I). Comparative Analysis of Financial Position

Unit: Thousands of NTD

Item \ Year	2022	2021	Difference		Explanation:
			Amount	%	
Current assets	3,108,002	2,944,234	163,768	5.56	-
Property, plant and equipment	864,719	912,150	-47,431	-5.20	-
Intangible assets	15,079	9,670	5,409	55.94	-
Other assets	264,976	198,432	66,544	33.53	Note 1
Total assets	4,252,776	4,064,486	188,290	4.63	-
Current liabilities	1,696,320	1,626,261	70,059	4.31	-
Non-current liabilities	507,394	443,196	64,198	14.49	-
Total Liabilities	2,203,714	2,069,457	134,257	6.49	-
Stock capital	1,172,656	1,227,626	-54,970	-4.48	-
Capital surplus	14,217	14,217	0	0.00	-
Retained earnings	459,203	466,010	-6,807	-1.46	-
Other equity	-125,538	-160,295	34,757	-21.68	Note 2
Treasury stock	0	0	0	0.00	-
Non-controlling interests	528,524	447,471	81,053	18.11	-
Total equity	2,049,062	1,995,029	54,033	2.71	-
Analysis basis Explanation for significant changes in assets, liabilities and shareholders' equity of 20% or more in the last two years, with changes of at least NT$10 million: Note 1: Mainly due to the increase in financial assets at fair value through other comprehensive income in non-current assets during 2022. Note 2: Mainly due to the increase in translation differences on the financial statements of foreign operations in 2022.					

(II). Effect of changes in financial positions: No significant effect.

(III). Future response plans: Not applicable.

II. Financial performance

(I). Financial Performance Analysis

Unit: Thousands of NTD

Year / Item	2022	2021	Difference		Explanation:
			Amount	%	
Operating revenue	3,892,540	4,184,088	-291,548	-6.97	-
Operating costs	-2,877,544	-3,050,560	173,016	-5.67	-
Operating gross profit	1,014,996	1,133,528	-118,532	-10.46	-
Operating expenses	-675,268	-701,256	25,988	-3.71	-
Net operating profit	339,728	432,272	-92,544	-21.41	Note 1
Non-operating income and expenses	62,179	12,621	49,558	392.66	Note 2
Net profit before tax	401,907	444,893	-42,986	-9.66	
Income tax expense	-105,952	-115,527	9,575	-8.29	
Net profit for the period	295,955	329,366	-33,411	-10.14	
Other comprehensive income for the period	46,160	-15,903	62,063	-390.26	Note 3
Total comprehensive income for the period	342,115	313,463	28,652	9.14	-
Analysis basis: Explanation for changes of 20% or more in the last two years Note 1: Mainly due to the decrease in revenue and gross profit in 2022. Note 2: Mainly due to the increase in net foreign currency exchange gain or loss in 2022. Note 3: Mainly due to the increase in translation differences on the financial statements of foreign operations in 2022.					

(II). Estimated sales quantity in the coming year and its basis, possible impact on the Company's future finance and business matters and countermeasures:

The estimated sales target of 432,800 kpcs in 2023 is based on the estimated orders from customers in 2023 and the Company's new product projections. Due to product transformation, sales volume is expected to decrease but unit sales price is expected to increase. The Group's overall businesses are expected to continue to grow steadily in the future. In addition, we will review the Group's corporate strategies and global business development, and carefully evaluate the introduction of new products in new industries in the coming years. The Group's organization will be optimized and management authority and responsibilities will be clarified to enhance management efficiency. In terms of finance, we will maintain good interaction with banks and optimize our capital structure to provide a good funding environment for our developing business.

III. Cash flow

(I). Liquidity analysis for the last two years

Item \ Year	2022	2021	Increase or decrease percentage	Explanation:
Cash flow ratio (%)	46.56%	34.31%	35.70%	Note 1
Cash flow adequacy ratio (%)	137.35%	116.00%	18.41%	
Cash reinvestment ratio (%)	13.80%	7.81%	76.70%	Note 1

Explanation for the increase or decrease percentage:
Note 1: Mainly due to the effect of the significant decrease in accounts receivable and inventory balance on December 31, 2022 compared to December 31, 2021 and the significant increase in net cash inflow from operating activities on December 31, 2022 compared to December 31, 2021.

(II). Improvement plan for liquidity shortage: None.

(III). Cash liquidity analysis for the coming year

Unit: Thousands of NTD

Cash balance at the beginning of the period (1)	Estimated net cash flow from operating activities for the whole year (2)	Estimated cash outflow for the whole year (3)	Estimated cash surplus (shortage) (1) + (2) - (3)	Remedies for cash shortage	
				Investing plan	Financing plan
1,191,908	448,232	(423,852)	1,216,288	Not applicable	Not applicable

1. Cash liquidity analysis for the coming year (2023)

(1) Operating activities: This represents the estimated cash inflows from earnings and depreciation amortization for 2023.

(2) Investing activities: Cash outflows from capital expenditures for the acquisition of production equipment, information equipment and information software.

(3) Financing activities: Cash outflows from distribution of cash dividends, etc.

2. Remedies for estimated cash shortage and liquidity analysis: Not applicable.

IV. Significant capital expenditures in the most recent year and the impact on finance and business matters:

(I). Utilization of capital expenditures in recent years and sources of funds and nature of capital expenditures to be invested in the coming years: None.

(II). Estimated benefits: None.

V. Investee policy for the most recent year, the main reasons for profit or loss, improvement plan and investee plan for the coming year.

(I) Overview of investees

Unit: Thousands of NTD

Investor	Investee	Location	Main business	Carrying amount
SINGATRON ENTERPRISE CO., LTD.	SINGATRON INVESTMENT COMPANY LIMITED	Hong Kong	General investments	6,544
SINGATRON ENTERPRISE CO., LTD.	SINGATRON (B.V.I.) ENTERPRISE CO., LTD.	The British Virgin Islands	General investments	2,430,633
SINGATRON (B.V.I.) ENTERPRISE CO., LTD.	SINGATRON (HONG KONG) INTERNATIONAL HOLDING LIMITED	Hong Kong	Investment holding company	2,509,114
SINGATRON (HONG KONG) INTERNATIONAL HOLDING LIMITED	SINGATRON Electronics (China) Co. Ltd.	Mainland China	R&D, manufacturing and sales of connector products	2,035,505
SINGATRON Electronics (China) Co. Ltd.	Singatron Electronic (Zhongshan) Co., Ltd.	Mainland China	R&D, manufacturing and sales of connector products	365,987
SINGATRON Electronics (China) Co. Ltd.	Singatron Technology (HongKong) Co., Ltd	Hong Kong	Sales of connector products	104,525
SINGATRON Electronics (China) Co. Ltd.	Suzhou Singatron Connector Co., Ltd.	Mainland China	Manufacturing and contract manufacturing of connectors	114,488
Singatron Electronic (Zhongshan) Co., Ltd.	Chung Shan Singatron Connector Co., Ltd.	Mainland China	Manufacturing and contract manufacturing of connectors	-7,786
SINGATRON Electronics (China) Co. Ltd.	Singatron San Jose Connection Co., Ltd.	USA	Market development and customer services in USA	1,568
SINGATRON Electronics (China) Co. Ltd.	Suzhou Singatron Auto Co., Ltd.	Mainland China	R&D, manufacturing and sales of connector products	219,258

(II) Investee policy

The Company's investee policy follows the Company's management policy and development strategy to seek complementary resources and strengthen core competencies in order to consolidate and extend the existing core business, and to accelerate the development of new products in new markets in order to achieve the Company's vision.

(III). Main reasons for profit or loss and improvement plan :

1. Profitability:

In 2022, the Company recognized profits from the following investees.

Unit: Thousands of NTD

Company	Amount	Main reasons for profitability
SINGATRON Electronics (China) Co. Ltd.	199,389	Management results were substantiated.
Singatron Electronic (Zhongshan) Co., Ltd.	35,316	Management results were substantiated.
Suzhou Singatron Connector Co., Ltd.	2,076	Contract manufacturing revenue
Suzhou Singatron Auto Co., Ltd.	97,341	Customer orders grew, while profitability grew with them.
Singatron Technology (HongKong) Co., Ltd	40,937	Management results were substantiated.
Singatron San Jose Connection Co., Ltd.	38	Service income

2. Losses

In 2022, the Company recognized losses from the following investees.

Unit: Thousands of NTD

Company	Amount	Main reasons for the losses	Improvement plan
Chung Shan Singatron Connector Co., Ltd.	-2,080	Low capacity utilization for the contract manufacturing plant	(1) Flexible adjustment of plant cost according to order booking (2) Introduce waterproof connector products with longer product life cycle to diversify customers and product lines, and transform into connector products for new energy and automotive electronics applications.

(IV) Investee plan for the coming year:

Due to the rapid changes in the external environment, the Company is conservative and has no major investment plans for the time being, but will adjust the Group's investment plans in response to the changes in the internal and external environment on a rolling basis.

VI. Risk analysis and assessment (for the most recent year and for the current year as of the date of publication of the annual report)

A. The Company's risk management organizational structure

Organization name	Scope of authorities and responsibilities
Board of Directors	1. Establish risk management policy and structure 2. Ensure the effectiveness of risk management mechanism
Senior management	1. Executive Board's risk management decisions 2. Conduct communication and coordination for cross-departmental risk management
Headquarter leaders	1. Consolidate the results of risk management execution 2. Determine the type of risk and the proposed method of commitment depending on changes in the environment 3. Conduct performance measurement and coordination after risk adjustment
Divisions of subsidiaries	1. Perform daily risk management activities 2. Conduct self-assessment of risk activities

B. Possible risk events and countermeasures:

(I). The impact of change in interest rate, exchange rate change and inflation on the Company's profit and loss and future countermeasures:

Impact on the Company's profit and loss

Item	2022 <Thousands of NTD/%>
Net interest income and expenses	497
Interest income and expense as a percentage of consolidated operating revenue	0.01%
Interest income and expense as a percentage of consolidated operating profit	0.12%
Net exchange gain or loss	75,007
Exchange gain or loss as a percentage of consolidated operating revenue	1.93%
Exchange gain or loss as a percentage of consolidated operating profit	18.66%

1. Change in the interest rate

Bank loans expose the Company to interest rate risk. The Company's floating or fixed interest rates are close to market rates. The range of interest rates for unsecured bank loans in 2022 was 0.82%-2.08%, and the range of interest rates for secured bank loans was 0.80%-1.60%

The impact of change in interest rate on the Company's interest income and expenses is small as a percentage of the Company's consolidated operating revenue or consolidated net profit before tax and manageable

The Company's major capital expenditures or fundraising activities are financed by its own funds or medium- to long-term bank loans. For daily operations, the Company uses its own funds or short-term bank loans as the key way cash management. In the future, we will continue to maintain good interaction with banks in order to obtain more favorable terms.

2. Change in the exchange rate

The Company's sales are primarily denominated in USD, with a small portion of its purchases denominated in USD. In addition to the natural offsetting effect of foreign currency on purchases and sales, the Company uses derivative financial instruments of a hedging nature to reduce its exposure to exchange rate fluctuations. The Company's senior management and finance unit will consider the Company's foreign currency exposure and exchange rate fluctuations from

time to time and use derivative financial instruments such as forward exchange transactions to hedge the risk.

The net foreign currency exchange gain or loss for 2022 and 2021 were $75,007 thousand and $37,114 thousand, respectively, representing 1.93% and 0.89% of the consolidated operating revenue for the periods. However, the gain (loss) on valuation of financial assets/liabilities at fair value arising from the operations of hedging financial instruments amounted to -$22,945 thousand and -$20,498 thousand in 2022 and 2021, respectively, with a hedging benefit from the net foreign currency exchange gain or loss for the year.

As a result, though the international economic situation has changed dramatically in recent years, and the exchange rates of major global trading currencies have become more volatile, the Company's exchange rate risk is manageable after timely hedging.

3. Inflation

With the rise in the prices of global raw materials this year, inflation is expected to show a significant increase in the future. The Company will continue to keep an eye on inflation, and will adjust its product prices in a timely manner, in addition to absorbing the increased costs with internal production efficiency.

(II). Policies on high-risk, high-leverage investments, lending funds others, endorsement and guarantee, and derivatives transactions, main reasons for gain or loss, and future countermeasures:

1. The Company focuses on research and development, manufacturing and sales, and does not engage in high-risk, high-leverage investments.

   The Company's foreign currency-denominated assets and liabilities are exposed to exchange rate fluctuations and the net foreign currency exposure after offsetting the assets and liabilities is hedged by derivative financial instruments such as forward exchange transactions. Therefore, the exchange gains and losses arising from exchange rate fluctuations are well under the Company's control.

2. The Company has established "Operating Procedures for Acquisition or Disposal of Assets," "Operating Procedures for Endorsements and Guarantees" and "Operating Procedures for Lending Funds to Others," which are approved by the shareholders' meeting and serve as the basis for the implementation of the relevant policies. The Group's lending of funds to others and endorsement and guarantee activities are carried out for the Group's affiliates, and the related risks are under the control of the Company.

(III). Future R&D plans and estimated R&D expenses to be invested:

1. In view of the demand for miniaturization of computers and high speed of frequency in the industrial market, the Company continues to develop related products such as standard and custom-made products.

2. For 2023, the Group expects to invest approximately NT$145,347 thousand in research and development.

(IV). The impact of important domestic and foreign policy and legal changes on the Company's finance and business and countermeasures

The Company's financial and legal personnel keep abreast of important information and legal changes in domestic and overseas markets and consult with CPAs, lawyers and securities dealers in a timely manner to propose measures in response to important domestic and overseas policy and legal changes.

(V). The impact of important changes in technology or industry on the Company's finance and business and countermeasures:

1. The Company is always on the lookout for the possible impact of technological changes and industry changes on the Company's industry, and the R&D unit continues to develop products in line with market trends to keep abreast of market

development in order to stabilize profit sources. In recent years, the global technology and industry development has been changing, including AI artificial intelligence, automobile intelligence, new energy vehicles, environmental protection energy storage and other market development trends, all of which enable the Company to expand greater business opportunities, and the Company's market development strategy is consistent with this future industry development trend.

2. In order to implement information security management, the Company actively plans information security measures to improve the information security environment and reduce information security risks. We have deployed a network firewall, established a highly available core switch, introduced a mail security and backup system, updated anti-virus software, updated network information security equipment, internal audit processes, and other management measures to respond to information security risks and continuously strengthen information security.

(VI). The impact of change in corporate image on corporate crisis management and countermeasures: None

(VII). Expected benefits and possible risks of mergers and acquisitions and countermeasures: None.

(VIII). Expected benefits and possible risks of plant expansion and countermeasures: None.

(IX). Risks of concentrations of purchases or sales and countermeasures: None

(X). The impact on the Company and risks of the massive transfer or change of shares by directors, supervisors or major shareholders with 10% stake or more and countermeasures:

PROSPERITY DIELECTRICS CO., LTD. (hereinafter referred to as PROSPERITY DIELECTRICS), a corporate director, declared the sale of 2,700,000 and 2,800,000 shares of the Company from their holdings in 2021/12 and 2022/03, respectively, for the purposes of capital utilization.

As of 2022/4/18, the legal representative of the corporate director, PROSPERITY DIELECTRICS, was unable to attend due to personal busy schedule and did not appoint other director to attend on its behalf either and on 2022/4/18, PROSPERITY DIELECTRICS resigned as a director of the Company and abstained from appointing a director for that position.

For the re-election of directors at the shareholders' meeting on 2022/6/16, the Company did not receive any information on the nomination of directors by PROSPERITY DIELECTRICS during the period when the nominations for directors were being accepted and the Company sought a reply from PROSPERITY DIELECTRICS, which said it had no intention to do so. In the most recent year and the current year up to the date of publication of the Annual Report, the Company had a stable management team and was committed to the improvement of the Company's operating performance and the creation of shareholders' equity. The impact of the equity sale by PROSPERITY DIELECTRICS in 2022 on the Company was only one fewer director on the Board of Directors from 2022/4/18 to 2022/6/16 and had no significant impact on the Company's decision making and operations as a whole.

(XI). The impact on the Company and risks of change in management rights and countermeasures: none

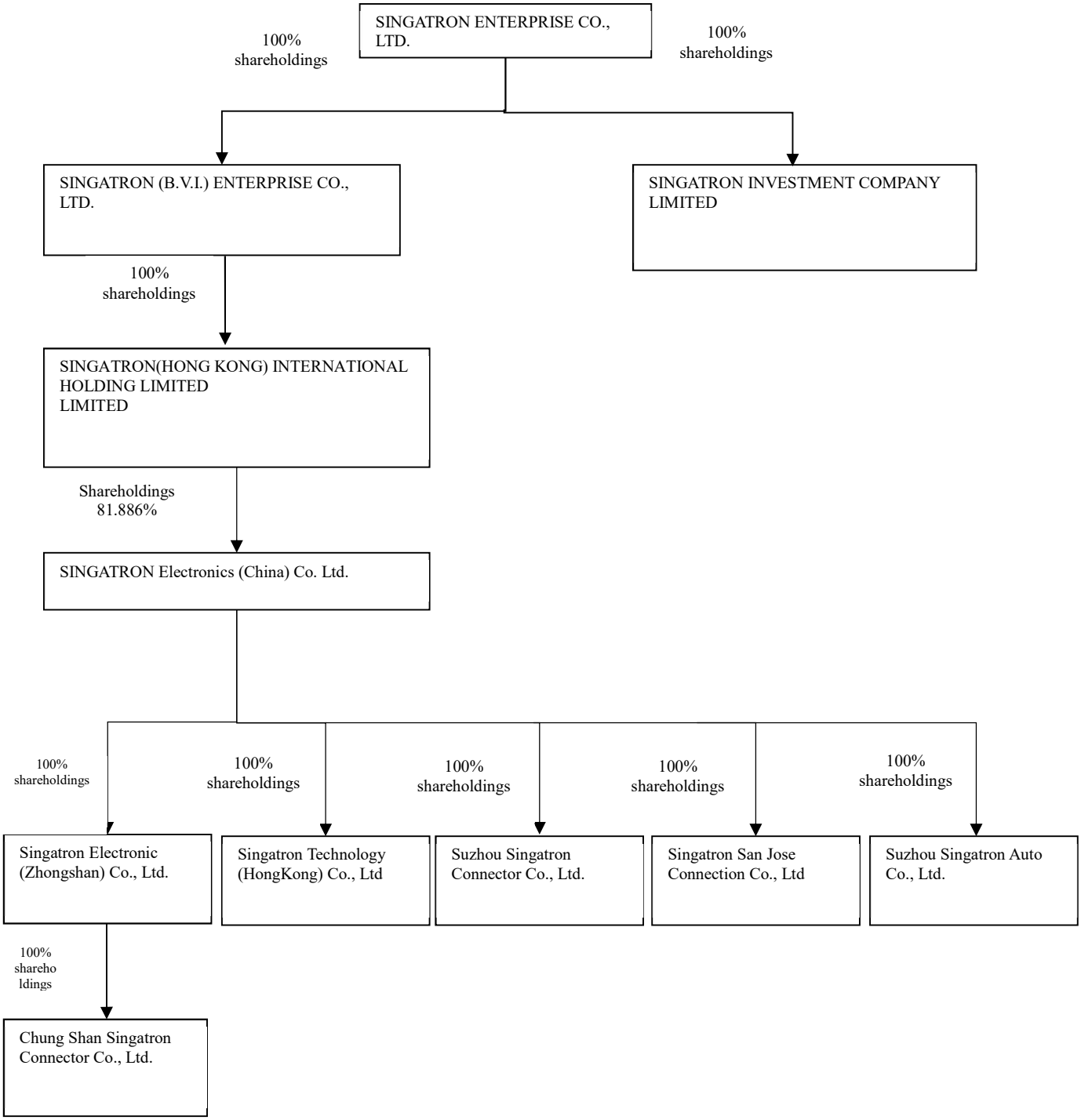
(XII). For litigious and non-litigious matters, please list major litigious, non-litigious or administrative disputes that have been resolved or are still proceeding involving the Company and/or any director, supervisor, the President, any person with actual responsibility for the firm and any major shareholder holding a more than 10% of the shares, and the affiliated companies. Moreover, where such a dispute could materially affect shareholders' equity or the prices of the securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute and the status of the dispute as of the publication date of the annual report: No such situation.

(XIII). Other major risks and countermeasures: none.

VII. Other important matters: none.

Eight. Special Matters

I. Information on affiliates (Information as of 2022/12/31)



(II). Information on affiliates (2022/12/31)

Unit: Thousands of NTD or foreign currency

Enterprise name	Date of establishment	Address	Paid-in capital	Main business or production items
SINGATRON ENTERPRISE CO., LTD.	August 1976	Note 1	NT$1,172,656	Development, trial production and sale of electronic modular products / Distribution and sale of connector products
SINGATRON INVESTMENT COMPANY LIMITED	December 1998	Note 2	HK$2,000	General investments
SINGATRON (BVI) ENTERPRISE CO.,LTD	August 1998	Note 3	US$18,700	General investments
SINGATRON（HONG KONG) INTERNATIONAL HOLDING LIMITED	January 2008	Note 4	US$19,200	Investment holding company
Singatron Electronic (China) Co., Ltd.	November 2001	Note 5	RMB$127,200	R&D, manufacturing and sales of connector products
Singatron Electronic (Zhongshan) Co., Ltd.	March 2000	Note 6	RMB$23,240	R&D, manufacturing and sales of connector products
Singatron Technology (HongKong) Co., Ltd	October 2008	Note 7	US$100	Sales of connector products
Suzhou Singatron Connector Co., Ltd.	September 2011	Note 8	RMB$19,000	Manufacturing and contract manufacturing of connectors
Chung Shan Singatron Connector Co., Ltd.	September 2011	Note 9	RMB$6,000	Manufacturing and contract manufacturing of connectors
Singatron San Jose Connection Co., Ltd.	March 2013	Note 10	US$30	Market development and customer services in USA
Suzhou Singatron Auto Co., Ltd.	August 2017	Note 11	RMB$9,000	R&D, manufacturing and sales of connector products

Note 1: No. 209, Section 2, Zhongzheng Road, Hukou Township, Hsinchu County

Note 2: 12th Floor, Willie Commercial Building, 8 Thomson Road, Wanchai, Hong Kong.

Note 3: Wickhams Cay Π,Road Town,Tortola,VG1110,British Virgin Islands.

Note 4: 12th Floor, Willie Commercial Building, 8 Thomson Road, Wanchai, Hong Kong. .

Note 5: No. 509, Xinfeng Road, Xujiang Industrial Park, Xukou Town, Wuzhong District, Suzhou City.

Note 6: Silicon Valley Power, No. 17 Fuze Road, Gaoping Industrial Zone, Sanjiao Town, Zhongshan City, Guangdong Province. 1F and 2F, Building A3, Shenzhen-China High-tech Industry Demonstration Base.

Note 7: Room 2702-03, Integration Center, 302-8 Hennessy Road, Wanchai, Hong Kong.

Note 8: 3-4F, Building 6, No. 509, Xinfeng Road, Xujiang Industrial Park, Xukou Town, Wuzhong District, Suzhou City. .

Note 9: Silicon Valley Power, No. 17 Fuze Road, Gaoping Industrial Zone, Sanjiao Town, Zhongshan City, Guangdong Province. 3F, Building A3, Shenzhen-China High-tech Industry Demonstration Base.

Note 10: Room 403, No. 46560, Fremont Avenue, Freemont, California, USA

Note 11: 5F, Building 6, No. 509, Xinfeng Road, Xujiang Industrial Park, Xukou Town, Wuzhong District, Suzhou City.

(III). Presumed to be in a controlling and subordinate relationship: none.

(IV). The industries covered by the businesses of all affiliates:

Company name	Controlling (subordinate) company	Controlling (subordinate) relationship	Businesses of affiliates and the division of work among them
SINGATRON INVESTMENT COMPANY LIMITED	SINGATRON ENTERPRISE CO., LTD.	Subordinate	General investments
SINGATRON(BVI)ENTERPRISE CO.,LTD.	SINGATRON ENTERPRISE CO., LTD.	Subordinate	General investments
SINGATRON(HONG KONG) INTERNATIONAL HOLDING LIMITED	SINGATRON(BVI)ENTERPRISE CO.,LTD.	Subordinate	Investment holding company
SINGATRON Electronics (China) Co. Ltd.	SINGATRON(HONG KONG) INTERNATIONAL HOLDING LIMITED	Subordinate	R&D, manufacturing and sales of connector products
Singatron Electronic (Zhongshan) Co., Ltd.	SINGATRON Electronics (China) Co. Ltd.	Subordinate	R&D, manufacturing and sales of connector products
Singatron Technology (HongKong) Co., Ltd	SINGATRON Electronics (China) Co. Ltd.	Subordinate	Sales of connector products
Suzhou Singatron Connector Co., Ltd.	SINGATRON Electronics (China) Co. Ltd.	Subordinate	Manufacturing and contract manufacturing of connectors
Singatron San Jose Connection Co., Ltd	SINGATRON Electronics (China) Co. Ltd.	Subordinate	Market development and customer services in USA
Suzhou Singatron Auto Co., Ltd.	SINGATRON Electronics (China) Co. Ltd.	Subordinate	R&D, manufacturing and sales of connector products
Chung Shan Singatron Connector Co., Ltd.	Singatron Electronic (Zhongshan) Co., Ltd.	Subordinate	Manufacturing and contract manufacturing of connectors

(V). Information on the directors, supervisors and managerial officers of affiliates: (Information as of 2022/12/31)

Enterprise name	Position	Name or representative	Investment amount (Thousand of NTD)	Shareholdings percentage (%)
SINGATRON ENTERPRISE CO., LTD.	Chairperson	Representative of KAN SHI INVESTMENT CO., LTD.: Hsin-Nan Kan	77,648	6.62
	Vice - Chairperson	Representative of Dong Yi Enterprise Management Co., Ltd.: Peng-Huang Peng	12,000	1.02
	Director	Representative of ZHEN CHUN INVESTMENT CO., LTD.: Chien-Nian Chi	32,435	2.77
	Director	Representative of KAN SHI INVESTMENT CO., LTD.: Chih-Chiang Chu	77,648	6.62
	Independent director	Chien-Liang Chen	0	0.00
	Independent director	Hui-Chou Chen	0	0.00
	Independent director	Kung-Chien Huang	0	0.00
	President	Peng-Huang Peng	23,840	2.03
SINGATRON INVESTMENT COMPANY LIMITED	Director	Representative of SINGATRON ENTERPRISE CO., LTD.: Hsin-Nan Kan	8,550	100.00
SINGATRON(BVI)ENTERPRISE CO.,LTD.	Director	Representative of SINGATRON ENTERPRISE CO., LTD.: Hsin-Nan Kan	439,042	100.00
SINGATRON(HONG KONG) INTERNATIONAL HOLDING LIMITED	Director	Representative of SINGATRON(BVI)ENTERPRISE CO.,LTD.: Hsin-Nan Kan	411,514	100.00
SINGATRON Electronics (China) Co. Ltd.	Chairperson	Representative of SINGATRON(HONG KONG)INTERNATIONAL HOLDING LIMITED: Cheng-Gang Yang	241,074	81.886
	Director	Representative of SINGATRON(HONG KONG)INTERNATIONAL HOLDING LIMITED: Hsin-Nan Kan	241,074	81.886
	Director	Representative of SINGATRON(HONG KONG)INTERNATIONAL HOLDING LIMITED: Peng-Huang Peng	241,074	81.886
	Director	Representative of SINGATRON(HONG KONG)INTERNATIONAL HOLDING LIMITED: Chih-Chiang Chu	241,074	81.886
	Director	Representative of SINGATRON(HONG KONG)INTERNATIONAL HOLDING LIMITED: Mao-Hsien Lin	241,074	81.886
	Independent director	Yan-Bo Yang	0	0.00
	Independent director	Yung-Ming Liang	0	0.00
	Independent director	Hsiao-Peng Chang	0	0.00
	Supervisor	Representative of SINGATRON(HONG KONG)INTERNATIONAL HOLDING LIMITED: Chao-Jia Wu	241,074	81.886
	Supervisor	Representative of SINGATRON(HONG KONG)INTERNATIONAL HOLDING LIMITED: Chien-Nian Chi	241,074	81.886
	Supervisor	Employee representative of SINGATRON Electronics (China) Co. Ltd.: Fang Tian	0	0.00
	President	Mao-Hsien Lin	0	0.00
Singatron Electronic (Zhongshan) Co., Ltd.	Chairperson	Representative of SINGATRON Electronics (China) Co. Ltd.: Cheng-Gang Yang	76,775	100.00
	Director	Representative of SINGATRON Electronics (China) Co. Ltd.: Hsin-Nan Kan	76,775	100.00
	Director	Representative of SINGATRON Electronics (China) Co. Ltd.: Peng-Huang Peng	76,775	100.00
	Supervisor	Representative, SINGATRON Electronics (China) Co. Ltd.: Rui-Chen Hu	76,775	100.00
Suzhou Singatron Connector Co., Ltd.	Executive	Representative of SINGATRON Electronics (China) Co. Ltd.: Cheng-Gang Yang	83,779	100.00

	Director			
	Supervisor	Representative, SINGATRON Electronics (China) Co. Ltd.: Rui-Chen Hu	83,779	100.00
Chung Shan Singatron Connector Co., Ltd.	Executive Director	Representative of Singatron Electronic (Zhongshan) Co., Ltd.: Cheng-Gang Yang	26,457	100.00
	Supervisor	Representative, Singatron Electronic (Zhongshan) Co., Ltd.: Rui-Chen Hu	26,457	100.00
Singatron Technology (HongKong) Co., Ltd	Director	Representative of SINGATRON Electronics (China) Co. Ltd.: Cheng-Gang Yang	3,012	100.00
	Director	Representative of SINGATRON Electronics (China) Co. Ltd.: Hsin-Nan Kan	3,012	100.00
	Director	Representative of SINGATRON Electronics (China) Co. Ltd.: Peng-Huang Peng	3,012	100.00
	Director	Representative of SINGATRON Electronics (China) Co. Ltd.: Mao-Hsien Lin	3,012	100.00
Singatron San Jose Connection Co., Ltd	Chairperson	Representative of SINGATRON Electronics (China) Co. Ltd.: Cheng-Gang Yang	921	100.00
Suzhou Singatron Auto Co., Ltd.	Chairperson	Representative of SINGATRON Electronics (China) Co. Ltd.: Cheng-Gang Yang	39,685	100.00
	Director	Representative of SINGATRON Electronics (China) Co. Ltd.: Hsin-Nan Kan	39,685	100.00
	Director	Representative of SINGATRON Electronics (China) Co. Ltd.: Peng-Huang Peng	39,685	100.00
	Director	Representative of SINGATRON Electronics (China) Co. Ltd.: Mao-Hsien Lin	39,685	100.00
	Director	Representative of SINGATRON Electronics (China) Co. Ltd.: JIan-Hui Guo	39,685	100.00
	Supervisor	Representative, SINGATRON Electronics (China) Co. Ltd.: Rui-Chen Hu	39,685	100.00

(VI). Operating reports of affiliates (Information as of 2022/12/31)

Thousands of NTD

Enterprise name	Paid-in capital	Total assets	Total Liabilities	Net worth	Operating revenue	Operating profit	Profit or loss for the period (After tax)	Earnings per share (NTD) (After tax)
SINGATRON INVESTMENT COMPANY LIMITED	8,550	6,560	16	6,544	0	-253	-249	-0.12
SINGATRON(BVI)ENTERPRISE CO.,LTD.	439,042	2,513,512	40,505	2,473,007	0	3,153	329,889	24.43
SINGATRON(HONG KONG) INTERNATIONAL HOLDING LIMITED	589,632	2,512,329	3,215	2,509,114	0	-7,628	325,277	NA
SINGATRON Electronics (China) Co. Ltd.	465,257	3,530,106	590,019	2,940,087	1,946,672	167,778	405,488	3.19
Singatron Electronic (Zhongshan) Co., Ltd.	92,130	543,278	132,301	410,977	638,571	18,553	40,587	NA
Singatron Technology (HongKong) Co., Ltd	3,012	1,326,381	1,221,856	104,525	2,587,485	46,191	40,937	NA
Suzhou Singatron Connector Co., Ltd.	83,779	224,666	84,854	139,812	328,763	4,302	2,535	NA
Chung Shan Singatron Connector Co., Ltd.	26,457	13,095	22,604	-9,509	93,766	-2,037	-2,541	NA
Singatron San Jose Connection Co., Ltd	921	1,699	131	1,568	4,290	204	38	NA
Suzhou Singatron Auto Co., Ltd.	39,685	385,972	118,215	267,757	585,087	116,059	118,873	NA

Note 1: Based on historical exchange rates.

For foreign affiliates, the relevant figures are calculated based on the exchange rate at the date of the financial reports.

USD1=NTD30.71、HKD1=NTD3.938、RMB1=NTD4.409

(VII). Affiliation Report

We hereby declare that we have confirmed the companies which shall be included in the consolidated financial statements of the affiliates and the ones which shall be included in the consolidated financial statements in accordance with IFRS 7 are identical; the related information has been disclosed in consolidated financial statements and will hence not be included in consolidated financial statements of the affiliates in accordance with "Criteria Governing Preparation of Affiliation Reports" and "Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises."

(Please refer to Appendix 1 for the Statement)

II. Private placement of marketable securities in the most recent year and the current year up till the publication date of this annual report: none.

III. Holding or disposal of the Company’s shares by its subsidiaries in the most recent year and the current year up to the date of publication of this annual report: none

IV. Other matters that require additional explanation: none

Nine. Any of the situations listed in Article 36, Paragraph3, Subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholder equity or the price of the Company's securities, which has occurred during the most recent year or during the current year up to the date of publication of the annual report: none.

Appendix 1. 2022 Consolidated Financial Statements and Independent Auditor's Report

Stock Code on TPEx: 6126

SINGATRON ENTERPRISE CO., LTD. and subsidiaries

Consolidated Financial Statements and Independent Auditor's Report

2022 and 2021

Company Address: No. 209, Section 2, Zhongzheng Road, Hukou Township, Hsinchu County
Company TEL: (03)599-2862

This English version is prepared based on the Chinese version and is for reference only. If there is any discrepancy between the English version and the Chinese version, the Chinese version shall prevail.

Statement

We hereby declare that we have confirmed the companies which shall be included in the consolidated financial statements of the affiliates and the ones which shall be included in the consolidated financial statements in accordance with IFRS 10 are identical; the related information has been disclosed in consolidated financial statements and will hence not be included in consolidated financial statements of the affiliates for 2022, (January 1-December 31, 2022) in accordance with "Criteria Governing Preparation of Affiliation Reports" and "Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises."

Declared by

Company name: SINGATRON ENTERPRISE CO., LTD.

Person in Charge: Hsin-Nan Kan

March 3, 2023

Independent Auditors' Report

To the Board of Directors and shareholders of SINGATRON ENTERPRISE CO., LTD.:

Audit opinions

We have audited the accompanying consolidated balance sheets of SINGATRON ENTERPRISE CO., LTD. and its subsidiaries as of December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, consolidated statements of changes in equity, consolidated statements of cash flows, and notes to the consolidated financial statements (including summary of significant accounting policies) for the years then ended.

In our opinion, based on our audits, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of SINGATRON ENTERPRISE CO., LTD. and its subsidiaries as of December 31, 2022 and 2021, and its consolidated financial performance and cash flows for the years then ended, in conformity with the requirements of regulations governing the preparation of financial statements by securities issuers and International Financial Reporting Standards, International Accounting Standards, and Interpretations endorsed and issued into effect by the Financial Supervisory Commission.

Basis for Opinion

We conducted our audits in accordance with the Regulation Governing Auditing and Certification of Financial Statements by Certified Public Accountants and auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. The auditors of the firm, subject to the independence regulations, have maintained independence from SINGATRON ENTERPRISE CO., LTD. and its subsidiaries in accordance with the Code of Ethics and perform other obligations of such Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of SINGATRON ENTERPRISE CO., LTD. and its subsidiaries for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

For 2022, SINGATRON ENTERPRISE CO., LTD. and its subsidiaries recognized an operating revenue of $3,892,540 thousand. The Company and its subsidiaries have agreements with their major customers to store inventory at the designated shipping warehouses of these sales customers. The Company and its subsidiaries have to judge and determine the performance obligations and the timing of satisfaction based on customer orders or shipping documents, which involves significant risk of ownership of inventory and complexity of the point of transfer of remuneration, resulting in significant risk in the recognition of operating revenue. Therefore, we decided that revenue recognition is a key audit matter. Our audit procedures included, but were not limited to, evaluating the appropriateness of accounting policies for revenue recognition, evaluating and testing the effectiveness of internal control over the sales cycle in determining revenue amounts, performing sales revenue cutoff tests on a sample of transactions for a period of time before and after the balance sheet date and reviewing whether the terms of the transactions and the timing of revenue recognition are consistent with the performance obligations and the timing of satisfaction, performing itemized tests on a sample of transactions and reviewing the material terms and conditions of the contracts. We also considered the appropriateness of the disclosure of operating revenue in Notes 4 and 6 to the Consolidated Financial Statements.

Allowance for losses on accounts receivable

The carrying amounts of the consolidated accounts receivable and allowance for losses of SINGATRON ENTERPRISE CO., LTD. and its subsidiaries as of December 31, 2022 were NT$1,226,401 thousand and NT$4,558 thousand, respectively. The net accounts receivable accounted for 29% of the consolidated total assets, which is significant for SINGATRON ENTERPRISE CO., LTD. and its subsidiaries. Since the allowance for losses on accounts receivable is measured based on the expected credit losses over the duration of continuation, the measurement process requires appropriate groupings of accounts receivable and judgmental and analysis of the application of assumptions related to the measurement process and the measurement result affects the net accounts receivable and, therefore, we consider it to be a critical audit. Our audit procedures included, but were not limited to, analyzing the appropriateness of management's grouping of accounts receivable to determine whether customers with significantly different loss profiles (based on similar risk characteristics) were appropriately grouped (e.g. based on historical experience); testing the reserve matrix used by SINGATRON ENTERPRISE CO., LTD. and its subsidiaries including assessing the reasonableness of the determination of the ageing range of each group of accounts receivable and checking the correctness of the original certificates against the underlying information; reviewing the collection status of accounts receivable in the subsequent period to assess the collectability of accounts receivable; analyzing the changes in the long-term trend of credit losses and the turnover rate of accounts receivable, and confirming whether any impairment occurred at the end of the period. We also considered the appropriateness of the disclosure of accounts receivable and related risks in Notes 5 and 6 to the Consolidated Financial Statements.

Responsibilities of Management Level and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the R.O.C., and for necessary internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is also responsible for assessing the ability of SINGATRON ENTERPRISE CO., LTD. and its subsidiaries 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 SINGATRON ENTERPRISE CO., LTD. and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, Including the Audit Committee, are responsible for overseeing the financial reporting process of SINGATRON ENTERPRISE CO., LTD. and its subsidiaries.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. The term of "reasonable assurance" refers to high level of assurance. Nevertheless, the audit performed according to the Auditing Standards cannot guarantee the discovery of material misstatement in the consolidated financial statements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

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

1. Identify and assess the risk of material misstatement of the consolidated financial statements due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidence in order to be used as the basis for the opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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 internal control of SINGATRON ENTERPRISE CO., LTD. and its subsidiaries.

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

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 ability of SINGATRON ENTERPRISE CO., LTD. and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause SINGATRON ENTERPRISE CO., LTD. and its subsidiaries to cease to continue as a going concern.

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

6. Obtain sufficient and appropriate audit evidence for the financial information of individual entities of the Group and provide opinion on the consolidated financial statements. We handle the guidance, supervision and execution of the audit on the Group and are responsible for preparing the opinion for the Group.

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

We also provide the governance units with statements that we have complied with relevant matters that may reasonably be thought to bear on our independence, and we have also communicated with the governance units on all relationships and other matters (including relevant protective measures) that may be considered to affect the independence of auditors.

From the matters communicated with those charged with governance, we determine those matters that were of most significant in the audit of the 2022 consolidated financial statements of SINGATRON ENTERPRISE CO., LTD. and its subsidiaries and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Others

SINGATRON ENTERPRISE CO., LTD. has prepared the Parent Company Only Financial Statements for 2022 and 2021, to which we have also issued an independent auditor's report with unqualified opinion along with the section on other matters and provided for reference.

Ernst & Young
Approved by the competent authorities for the processing of financial statements of public companies.
Audit and attestation document number: (2002) Tai-Cai-Zheng (6) No. 144183
(1998) Tai-Cai-Zheng (6) Zi No. 65315

Chi-Ming Chang

Certified Public Accountant:

Mao-Yi Hung

March 3, 2023

Notice to Readers

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

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

SINGATRON ENTERPRISE CO., LTD. and subsidiaries

Consolidated Balance Sheets

December 31, 2022 and 2021

(Amounts are in thousands of NTD)

Assets			December 31, 2022		December 31, 2021	
Code	Accounting item	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4 and 6.1	$1,191,908	28	$770,744	19
1110	Financial assets at fair value through profit or loss	4 and 6.2	-	-	19,961	1
1136	Financial assets at amortized cost	4 and 6.4	176,377	4	-	-
1150	Notes receivable, net	4 and 6.5	21,476	-	7,247	-
1170	Accounts receivable, net	4 and 6.6	1,153,581	27	1,390,742	34
1180	Accounts receivable - related parties	4, 6.6and 7	68,262	2	39,987	1
1200	Other receivables		4,249	-	39,679	1
1220	Current income tax assets	4 and 6.24	2,588	-	564	-
130x	Net inventories	4 and 6.7	412,002	10	619,988	15
1419	Other prepaid expenses		32,551	1	44,534	1
1421	Prepayment for purchases		4,655	-	10,685	-
1470	Other current assets		40,353	1	103	-
11xx	Total current assets		3,108,002	73	2,944,234	72
	Non-current assets					
1517	Financial assets at fair value through other comprehensive income	4 and 6.3	6,410	-	6,410	-
1535	Financial assets at amortized cost	4 and 6.4	88,189	2	-	-
1600	Property, plant and equipment	4, 6.8and 8	864,719	20	912,150	23
1755	Right-of-use assets	4 and 6.20	57,744	2	73,889	2
1760	Investment properties	4, 6.9 and 8	59,447	2	63,638	2
1780	Intangible assets	4 and 6.10	15,079	-	9,670	-
1840	Deferred tax income assets	4 and 6.24	47,599	1	48,963	1
1920	Refundable deposits		5,587	-	5,532	-
15xx	Total non-current assets		1,144,774	27	1,120,252	28
1xxx	Total assets		$4,252,776	100	$4,064,486	100

(Please refer to Notes to Consolidated Financial Statements)

Chairperson: Hsin-Nan Kan Managerial Officer: Peng-Huang Peng Accounting Officer: Rui-Chen Hu

SINGATRON ENTERPRISE CO., LTD. and subsidiaries

Consolidated Balance Sheets (Continued)

December 31, 2022 and 2021

(Amounts are in thousands of NTD)

Liabilities and equity			December 31, 2022		December 31, 2021	
Code	Accounting item	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	6.11and 8	$587,833	14	$295,000	7
2120	Financial liabilities at fair value through profit or loss	6.12	2,576	-	-	-
2130	Contract liabilities	4 and 6.18	22,384	-	16,964	-
2150	Notes payable		-	-	75	-
2170	Accounts payable		629,229	15	774,390	19
2200	Other payables	6.14 and 9.1	378,699	9	458,107	11
2230	Current tax liabilities	4 and 6.24	26,506	1	30,383	1
2280	Lease liabilities	4 and 6.20	15,593	-	17,753	1
2300	Other current liabilities		167	-	256	-
2322	Long-term loans due within one year	4, 6.13 and 8	33,333	1	33,333	1
21xx	Total current liabilities		1,696,320	40	1,626,261	40
	Non-current liabilities					
2540	Long-term loans	4, 6.13 and 8	75,000	2	58,333	1
2570	Deferred income tax liabilities	4 and 6.24	401,353	9	336,733	8
2580	Lease liabilities	4 and 6.20	7,545	-	21,790	1
2600	Other non-current liabilities	6.15 and 6.16	23,496	1	26,340	1
25xx	Total non-current liabilities		507,394	12	443,196	11
2xxx	Total Liabilities		2,203,714	52	2,069,457	51
31xx	Equity attributable to owners of the parent company					
3100	Share capital	6.17				
3110	Common share capital		1,172,656	28	1,227,626	30
3200	Capital surplus	6.17	14,217	-	14,217	-
3300	Retained earnings	6.17				
3310	Legal reserve		85,554	2	66,651	2
3320	Special reserve		160,295	4	148,903	4
3350	Unappropriated earnings		213,354	5	250,456	6
3400	Other equity		(125,538)	(3)	(160,295)	(4)
3500	Treasury stock	6.17	-	-	-	-
36xx	Non-controlling interests	6.17 and 6.26	528,524	12	447,471	11
3xxx	Total equity		2,049,062	48	1,995,029	49
3x2x	Total liabilities and equities		$4,252,776	100	$4,064,486	100

(Please refer to Notes to Consolidated Financial Statements)

Chairperson: Hsin-Nan Kan Managerial Officer: Peng-Huang Peng Accounting Off

SINGATRON ENTERPRISE CO., LTD. and subsidiaries

Consolidated Statements of Comprehensive Income

January 1 to December 31, 2022

and January 1 to December 31, 2021

(Amounts in thousands of NTD, except for earnings per share)

Code	Accounting item	Notes	2022		2021	
			Amount	%	Amount	%
4000	Operating revenue	4, 6.18and 7	$3,892,540	100	$4,184,088	100
5000	Operating costs	7	(2,877,544)	(74)	(3,050,560)	(73)
5900	Operating gross profit		1,014,996	26	1,133,528	27
6000	Operating expenses					
6100	Selling expenses	7 and 9.1	(277,620)	(7)	(307,907)	(7)
6200	Administrative expenses		(255,302)	(7)	(273,058)	(7)
6300	Research and development expenses		(137,965)	(3)	(120,483)	(3)
6450	Expected credit impairment (losses) gains	4 and 6.19	(4,381)	-	192	-
	Total operating expenses		(675,268)	(17)	(701,256)	(17)
6900	Net operating profit		339,728	9	432,272	10
7000	Non-operating income and expenses					
7010	Other income	6.22	34,583	1	18,205	1
7020	Other gains or losses	6.22	36,688	1	182	-
7050	Financial costs	4 and 6.22	(9,092)	-	(5,766)	-
	Total non-operating income and expenses		62,179	2	12,621	1
7900	Net profit before tax		401,907	11	444,893	11
7950	Income tax expense	4 and 6.24	(105,952)	(3)	(115,527)	(3)
8200	Net profit for the period		295,955	8	329,366	8
8300	Other comprehensive income	6.23				
8310	Items not reclassified subsequently to profit or loss					
8311	Remeasurement of defined benefit plans		3,797	-	635	-
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translation of the financial statements of foreign operations		51,052	1	(19,386)	(1)
8399	Items that may be reclassified to profit or loss: Related income tax		(8,689)	-	2,848	-
8300	Other comprehensive income for the period (net of tax)		46,160	1	(15,903)	(1)
8500	Total comprehensive income for the period		$342,115	9	$313,463	7
8600	Net profit attributable to:					
8610	Owners of the parent company		$222,508	6	$246,754	6
8620	Non-controlling interests		73,447	2	82,612	2
			$295,955	8	$329,366	8
8700	Total comprehensive income attributable to:					
8710	Owners of the parent company		$261,062	7	$235,997	5
8720	Non-controlling interests		81,053	2	77,466	2
			$342,115	9	$313,463	7
9750	Basic earnings per share (NTD)	6.25	$1.85		$1.97	
9850	Diluted earnings per share (NTD)	6.25	$1.85		$1.97	

(Please refer to Notes to Consolidated Financial Statements)

Chairperson: Hsin-Nan Kan Managerial Officer: Peng-Huang Peng Accounting Officer: Rui-Chen Hu

SINGATRON ENTERPRISE CO., LTD. and subsidiaries

Consolidated Statement of Changes in Equity

January 1 to December 31, 2022

and January 1 to December 31, 2021

(Amounts are in thousands of NTD)

		Equity attributable to owners of the parent company										
				Retained earnings			Other items of equity					
Code	Item	Share capital	Capital surplus	Legal reserve	Special reserve	Undistributed earnings	Exchange differences on translation of the financial statements of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury stock	Total	-controlling inte	Total equity
		3100	3200	3310	3320	3350	3410	3420	3500	31XX	36XX	3XXX
A1	Balance as of January 31, 2021	$1,268,396	$14,552	$43,268	$162,704	$248,583	$(115,389)	$(33,514)	$-	$1,588,600	$414,092	$2,002,692
	2020 earnings appropriation and distribution											
B1	Provision of legal reserve			23,383		(23,383)				-		-
B17	Reversal of special reserve				(13,801)	13,801				-		-
B5	Cash dividends on common stock					(177,576)				(177,576)		(177,576)
D1	Net profit for 2021					246,754				246,754	82,612	329,366
D3	Other comprehensive income for 2021					635	(11,392)			(10,757)	(5,146)	(15,903)
D5	period	-	-	-	-	247,389	(11,392)	-	-	235,997	77,466	313,463
O1	Increase or decrease in non-controlling interests										(44,013)	(44,013)
L1	Purchase of treasury stock								(99,128)	(99,128)		(99,128)
L3	Retirement of treasury stock	(40,770)				(58,358)			99,128	-		-
M7	Change in ownership interests in subsidiaries		(335)							(335)	(74)	(409)
Z1	Balance as of December 31, 2021	1,227,626	14,217	66,651	148,903	250,456	(126,781)	(33,514)	-	1,547,558	447,471	1,995,029
	2021 earnings appropriation and distribution											
B1	Provision of legal reserve			18,903		(18,903)				-		-
B3	Provision of special reserve				11,392	(11,392)				-		-
B5	Cash dividends on common stock					(159,592)				(159,592)		(159,592)
D1	Net profit for 2022					222,508				222,508	73,447	295,955
D3	Other comprehensive income for 2022					3,797	34,757			38,554	7,606	46,160
D5	period	-	-	-	-	226,305	34,757	-	-	261,062	81,053	342,115
L1	Purchase of treasury stock								(128,490)	(128,490)		(128,490)
L3	Retirement of treasury stock	(54,970)				(73,520)			128,490	-		-
Z1	Balance as of December 31, 2022	$1,172,656	$14,217	$85,554	$160,295	$213,354	$(92,024)	$(33,514)	$-	$1,520,538	$528,524	$2,049,062

(Please refer to Notes to Consolidated Financial Statements)

Chairperson: Hsin-Nan Kan Managerial Officer: Peng-Huang Peng Accounting Officer: Rui-Chen Hu

SINGATRON ENTERPRISE CO., LTD. and subsidiaries

Consolidated Statements of Cash Flows

January 1 to December 31, 2022

and January 1 to December 31, 2021

(Amounts are in thousands of NTD)

Code	Item	2022	2021	Code	Item	2022	2021
AAA	Cash flows from operating activities			BBBB	Cash flows from investing activities:		
A10000	Income before income tax	$401,907	$444,893	B00040	Acquisition of financial assets at amortized cost	(264,566)	-
A20000	Adjustments:			B00050	Disposal of financial assets at amortized cost	-	153
A20010	Income and expenses:			B02700	Acquisition of property, plant and equipment	(134,366)	(215,160)
A20100	Depreciation expenses (including investment property and right-of-use assets)	201,199	196,429	B02800	Disposal of property, plant and equipment	1,475	1,499
A20200	Amortization expenses	4,932	6,106	B03800	Decrease (increase) in refundable deposits	(55)	(1,632)
A20300	Expected credit impairment losses (gains)	4,381	(192)	B04500	Increase in intangible assets	(9,760)	(5,810)
A20400	Financial assets at fair value through profit or loss	22,945	20,498	BBBB	Net cash inflows (outflows) from investing activities	(407,272)	(220,950)
	Valuation(gain)loss						
A20900	Interest expenses	9,092	5,766	CCCC	Cash flows from financing activities:		
A21200	Interest income	(9,589)	(4,252)	C00100	Borrowing (repayment) of short-term loans	292,833	45,000
A22500	Loss (gain) on disposal of property, plant and equipment	11,201	10,822	C01600	Borrowing of long-term loans	50,000	-
A29900	Gain on lease modification	(13)	-	C01700	Repayment of long-term loans	(33,333)	(8,334)
A30000	Changes in assets/liabilities related to operating activities:			C03100	Increase (decrease) in deposits received	1,096	(6,658)
A31130	Decrease (increase) in notes receivable	(14,229)	(4,137)	C04020	Repayment of lease principal	(19,537)	(16,488)
A31150	Decrease (increase) in accounts receivable	234,986	(16,923)	C04500	Distribution of cash dividends	(159,592)	(221,589)
A31160	Decrease (increase) in accounts receivable - related parties	(28,275)	69,894	C04900	Cost of treasury stock repurchase	(128,490)	(99,128)
A31180	Decrease (increase) in other receivables	3,840	(16,651)	CCCC	Net cash inflows (outflows) from financing activities	2,977	(307,197)
A31200	Decrease (increase) in inventories	207,986	(25,250)				
A31230	Decrease (increase) in prepayments	9,194	4,648	DDDD	Effect of exchange rate changes on cash and cash equivalents	35,736	(14,628)
A31240	Decrease (increase) in other non-current assets	(47)	1,347				
A32125	Increase (decrease) in contract liabilities	5,420	444	EEEE	Increase (decrease) in cash and cash equivalents for the period	421,164	15,211
A32130	Increase (decrease) in notes payable	(75)	-	E00100	Cash and cash equivalents at the beginning of the year	770,744	755,533
A32150	Increase (decrease) in accounts payable	(145,161)	3,513	E00200	Cash and cash equivalents at the end of the year	$1,191,908	$770,744
A32180	Increase (decrease) in other payables	(75,268)	(76,634)				
A32230	Increase (decrease) in other non-current liabilities	(89)	(1,387)				
A32240	Increase (decrease) in net defined benefit liabilities	(143)	(193)				
A33000	Cash inflows (outflows) from operating activities	844,194	618,741				
A33100	Interest received	7,469	4,237				
A33300	Interest paid	(7,187)	(4,747)				
A33500	Income tax paid	(54,753)	(60,245)				
AAAA	Net cash inflows (outflows) from operating activities	789,723	557,986				

(Please refer to Notes to Consolidated Financial Statements)

Chairperson: Hsin-Nan Kan Managerial Officer: Peng-Huang Peng Accounting Officer: Rui-Chen Hu

I. Company History

SINGATRON ENTERPRISE CO., LTD. (hereinafter referred to as the Company) was established in July 1976 and started its business in October 1976.

The Company's main business is the development, manufacturing and sale of electronic connectors and electronic modules for various power supply, audio and video signal and electronic signal transmission devices. The products' main applications include notebook computers and peripherals, tablet computers, various consumer electronics, automotive electronics, and network communications.

The Company's shares have been listed on TPEx for trading since January 18, 2002, and its principal place of operations is located at No. 209, Section 2, Zhongzheng Road, Hukou Township, Hsinchu County.

II. Date and Procedures for Approval of Financial Statements

The consolidated financial statements of the Company and its subsidiaries (the "Group") for 2022 and 2021 were approved for publication by the Board of Directors on March 3, 2023.

III. Application of New Standards, Amendments and Interpretations

1. Changes in accounting policies resulting from the first-time adoption of IFRS

The Group has adopted IFRS, IAS, IFR interpretations or interpretation pronouncements endorsed by the Financial Supervisory Commission ("FSC") and are applicable for fiscal years beginning after January 1, 2022, and the first-time application of the new standards and amendments has no material impact on the Group.

2. As of the date of publication of the financial statements, the Group has not applied the following new, revised and amended standards or interpretations, which have been issued by the IASB and endorsed by the FSC.

Item	New, Revised or Amended Standards and Interpretations	Effective date of IASB publication
1	Disclosure Initiative - Accounting Policies (Amendment to IAS 1)	January 1, 2023
2	Definition of Accounting Estimates (Amendment to IAS 8)	January 1, 2023
3	Deferred income tax: related to assets and liabilities incurred due to single transaction (Amendment to IAS 12)	January 1, 2023

(1) Disclosure Initiative - Accounting Policies (Amendment to IAS 1)

This amendment is to improve the disclosure of accounting policies to provide more useful information to investors and other key users of financial statements.

(2) Definition of Accounting Estimates (Amendment to IAS 8)

This amendment directly defines accounting estimates and makes other revisions to IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors," to help entities distinguish between changes in accounting policies and changes in accounting estimates.

(3) Deferred income tax: related to assets and liabilities incurred due to single transaction (Amendment to IAS 12)

This amendment limits the scope of the exemption from recognition of deferred income tax under sections 15 and 24 of IAS 12, "Income Taxes", so that the exemption does not apply to taxable transactions of the same amount at the time of original recognition and deductible temporary differences.

The above are the newly issued, amended and revised standards or interpretations issued by the IASB and endorsed by the FSC and are applicable for fiscal years beginning after January 1, 2023. The Group assesses that the aforementioned newly issued or amended standards, or interpretations have no material impact on the Group.

3. As of the date of publication of the financial statements, the Group has not applied the following new, revised and amended standards or interpretations, which have been issued by the IASB but not yet endorsed by the FSC.

Item	New, Revised or Amended Standards and Interpretations	Effective date of IASB publication
1	Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Affiliated Enterprises and Joint Ventures" - Sale or Contribution of Assets between an Investor and its Affiliated Enterprises or Joint Ventures	To be decided by IASB
2	IFRS 17 "Insurance Contracts"	January 1, 2023
3	Classification of liabilities as current or non-current (Amendment to IAS 1)	January 1, 2024
4	Lease liabilities under sale and leaseback (amendments to IFRS 16)	January 1, 2024
5	Non-current Liabilities in Contracts (Amendments to IAS 1)	January 1, 2024

(1) Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Affiliated Enterprises and Joint Ventures" - Sale or Contribution of Assets between an Investor and its Affiliated Enterprises or Joint Ventures

The plan is to address the inconsistency between IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Affiliated Enterprises and Joint Ventures" regarding the loss of control over an investment in an affiliate or joint venture using a subsidiary as the consideration. IAS 28 requires that when a non-monetary asset is invested in exchange for an interest in an affiliate or joint venture, the share of the resulting gain or loss should be eliminated in accordance with the treatment of a downstream transaction; IFRS 10 requires that the full amount of the gain or loss should be recognized when control over the subsidiary is lost. The amendment restricts the aforementioned requirements of IAS 28 so that when an asset that constitutes a business is sold or contributed as defined in IFRS 3, the resulting gain or loss should be recognized in full.

The amendment also revises IFRS 10 so that a gain or loss arising from the sale or investment of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its affiliate or joint venture is recognized only to the extent that it is not the investor's share.

(2)IFRS 17 "Insurance Contracts"

The standard provides a comprehensive model of insurance contracts that includes all relevant components of accounting (recognition, measurement, presentation and disclosure principles). The core of the standard is a general model under which a group of insurance contracts is measured at the sum of contractual cash flows and contract service margin on initial recognition; the carrying amount at the end of each reporting period is the sum of the remaining coverage liability and the incurred claims liability.

In addition to the general model, specific applicable methods are also available for contracts with direct participation characteristics (variable fee method); and a simplified method for short-term contracts (premium sharing method).

This standard was issued in May 2017 and amended in 2020 and 2021. In addition to extending the effective date in the transitional provisions by two years (i.e., from January 1, 2021 to January 1, 2023) and providing additional exemptions, the amendment reduces the cost of adopting the standard by simplifying some of the requirements and modifying some of the requirements to make some situations easier to interpret. This standard will supersede the transitional standard (i.e. IFRS 4 'Insurance contracts') when it becomes effective.

(3) Classification of liabilities as current or non-current (Amendment to IAS 1)

This amendment is to revise the classification of liabilities as current or non-current in paragraphs 69 to 76 of IAS 1, "Presentation of Financial Statements".

(4) Lease liabilities under sale and leaseback (amendments to IFRS 16)

This is to add the additional accounting treatment to IFRS 16 "Leases" for sellers and lessees in sale and leaseback transactions to improve the consistent application of the standards.

(5) Non-current Liabilities in Contracts (Amendments to IAS 1)

The amendments are to improve the information provided by companies on long-term debt contracts. It is to clarify that contractual obligations that are subject to 12 months after the reporting period do not affect the classification of these liabilities as current or noncurrent at the end of the reporting period.

The actual application dates of the above standards or interpretations issued by the IASB but not yet endorsed by the FSC are subject to the FSC's regulations. The Group assesses that the aforementioned newly issued or amended standards or interpretations have no material impact on the Group.

IV. Summary of Significant Accounting Policies

1. Compliance Statement

The Group’s consolidated financial statements for 2022 and 2021 are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFR interpretations or interpretation pronouncements approved and published by the FSC.

2. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis, except for financial instruments at fair value. The consolidated financial statements are presented in thousands of NTD unless otherwise stated.

3. Consolidation Overview

Principles for preparing consolidated financial statements

Control is achieved when the Company is exposed to variable remuneration from participation in an investee or has rights to such variable remuneration and has the ability to affect such remuneration through its power over the investee. In particular, the Company controls an investee only when the Company has the following three elements of control:

(1) power over the investee (i.e., an existing right that gives it the present ability to direct the relevant activities)
(2) the exposure or right to variable remuneration from the participation in the Investee, and
(3) the ability to use its power over the investee to affect the amount of the investor's remuneration

When the Company holds, directly or indirectly, less than a majority of the voting rights or similar rights of an investee, the Company considers all relevant facts and circumstances to assess whether it has power over the investee, including:

(1) contractual agreements with other holders of the voting rights of the investee
(2) rights arising from other contractual agreements

(3) voting rights and potential voting rights

The Company reassesses whether it still controls the investee when facts and circumstances indicate that one or more of the three elements of control have changed.

Subsidiaries are included in the consolidated financial statements in their entirety from the date of acquisition (i.e., the date on which the Group obtains control) until the date on which control over the subsidiary is lost. The accounting periods and accounting policies of subsidiaries' financial statements are consistent with those of the parent company. All intra-group account balances, transactions, unrealized internal profits and losses and dividends arising from intra-group transactions are eliminated in full.

Changes in shareholdings in subsidiaries are accounted for as equity transactions if control over the subsidiaries is not lost.

The total comprehensive incomes of subsidiaries are attributed to owners of the parent company and non-controlling interests, and the same applies even if the non-controlling interest has a loss balance as a result.

If the Company loses control of a subsidiary, then

(1) derecognize the assets (including goodwill) and liabilities of the subsidiary;
(2) derecognize the carrying amount of any non-controlling interests;
(3) recognize the fair value of the consideration acquired;
(4) recognize the fair value of any investment retained;
(5) recognize any gain or loss as profit or loss for the period.
(6) reclassify the amount previously recognized in other comprehensive income by the parent company as profit or loss for the period.

Entities covered by the consolidated financial statements are as follows:

Name of investor	Name of subsidiary	Main business	Shareholding percentage: 2022.12.31	Shareholding percentage: 2021.12.31
The Company	SINGATRON INVESTMENT COMPANY LIMITED	General investments	100%	100%
The Company	SINGATRON (B.V.I.) ENTERPRISE CO., LTD.	General investments	100%	100%
SINGATRON (B.V.I.) ENTERPRISE CO., LTD.	SINGATRON(HONG KONG) INTERNATIONAL HOLDING LIMITED	Investment	100%	100%
SINGATRON(HONG KONG) INTERNATIONAL HOLDING LIMITED	SINGATRON ELECTRONICS (CHINA) CO. LTD.	Manufacturing and sale of connectors	81.8868%	81.8868%
SINGATRON ELECTRONICS (CHINA) CO. LTD.	SINGATRON ELECTRONIC (ZHONGSHAN) CO., LTD.	Manufacturing and sale of connectors	100%	100%
SINGATRON ELECTRONICS (CHINA) CO. LTD.	SINGATRON TECHNOLOGY (HONGKONG) CO., LTD	Trading of connectors and import and export related business	100%	100%
SINGATRON ELECTRONIC (ZHONGSHAN) CO., LTD.	ZHONGSHAN SINGATRON CONNECTOR CO., LTD.	Manufacturing and sale of connectors	100%	100%
SINGATRON ELECTRONICS (CHINA) CO. LTD.	SUZHOU SINGATRON CONNECTOR CO., LTD.	Manufacturing and sale of connectors	100%	100%
SINGATRON ELECTRONICS (CHINA) CO. LTD.	SINGATRON SAN JOSE CONNECTION CO., LTD.	Marketing and sales and customer services	100%	100%
SINGATRON ELECTRONICS (CHINA) CO. LTD.	SUZHOU SINGATRON AUTO CO., LTD.	Manufacturing and sale of connectors	100%	100%

4. Foreign Currency Transactions

The Group's consolidated financial statements were expressed in New Taiwan Dollars, which is the parent company's functional currency. Each entity within the Group determines its own functional currency and measures its financial statements in that functional currency.

The foreign-currency transactions of the entities within the Group are recorded in their functional currency using the exchange rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the closing rate on that date; non-monetary items denominated in foreign currencies that are measured at fair value are translated at the exchange rate at the date of the fair value measurement; non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the exchange rate at the date of the original transaction.

Exchange differences arising from settlement or translation of monetary items other than those described below are recognized as profit or loss in the period in which they occur.

(1) Exchange differences arising on foreign-currency borrowings to acquire qualifying assets that are treated as adjustments to interest costs are capitalized as part of the cost of the borrowings and are recognized as the cost of the assets.

(2)Foreign-currency items under IFRS 9, "Financial Instruments," are accounted for in accordance with the accounting policy for financial instruments.

(3)For monetary items that form part of a reporting entity's net investment in a foreign operation, the resulting exchange differences are recognized in other comprehensive income and are reclassified from equity to profit or loss upon disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

5. Translation of financial statements in foreign currency

In preparing the consolidated financial statements, the assets and liabilities of foreign operations are translated into NTD at the closing rate on the balance sheet date, and income and expense items are translated at the average exchange rate for the period. Exchange differences arising from translation are recognized in other comprehensive income. Upon disposal of the foreign operation, the cumulative exchange differences previously recognized in other comprehensive income and accumulated in a separate component of equity are reclassified from equity to profit or loss upon recognition of the gain or loss on disposal. A partial disposal involving a loss of control over a subsidiary that includes a foreign operation and a partial disposal of an interest in an affiliate or joint agreement that includes a foreign operation in which the retained interest is a financial asset that includes a foreign operation are also treated as disposal.

Upon partial disposal of a subsidiary that includes a foreign operation without loss of control, the cumulative translation differences recognized in other comprehensive income are reattributed to the non-controlling interest in the foreign operation on a pro rata basis and are not recognized in profit or loss; upon partial disposal of an affiliate or joint agreement that includes a foreign operation without loss of significant influence or joint control, the cumulative translation differences are reclassified to profit or loss on a pro rata basis.

Goodwill arising from the acquisition of a foreign operation and fair value adjustments to the carrying amounts of its assets and liabilities are treated as assets and liabilities of the foreign operation and reported in its functional currency.

6. Classification of Current and Non-current Assets and Liabilities

Assets are classified as current assets if one of the following conditions is met while assets not classified as current assets are classified as non-current assets.

(1) The asset is expected to be realized in the normal course of business, or is intended to be sold or consumed.

(2) The asset is held primarily for the purpose of trading.
(3) The asset is expected to be realized within 12 months after the balance sheet date.
(4) Cash or cash equivalents, except for those that are exchanged or restricted for the settlement of liabilities at least 12 months after the balance sheet date.

Liabilities are classified as current liabilities if one of the following conditions is met while liabilities not classified as current liabilities are classified as non-current liabilities:

(1) The liability is expected to be settled in the normal course of business.
(2) The liability is held primarily for the purpose of trading.
(3) The liability is expected to be settled upon maturity within 12 months after the balance sheet date.
(4) The liability for which the settlement date cannot be extended unconditionally to more than 12 months after the reporting period. The fact that the terms of the liabilities may allow settlement by issuing equity instruments at the option of the trading partners does not affect the classification.

7. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, demand deposits and short-term highly liquid time deposits or investments (including time deposits of contract period within three months) that are readily convertible into fixed amounts of cash and subject to an insignificant risk of changes in value.

8. Financial instruments

Financial assets and liabilities shall be recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities that are within the scope of IFRS 9, "Financial Instruments", are measured at fair value on initial recognition. Transaction costs directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than those classified as at fair value through profit or loss) are added to or deducted from the fair value of those financial assets and financial liabilities.

(1) Recognition and Measurement of Financial Assets

The Group uses trade date accounting for the recognition and derecognition of all customarily traded financial assets.

The Group classifies financial assets as financial assets subsequently measured at amortized cost, measured at fair value through other comprehensive income or measured at fair value through profit or loss on the following two bases:

A. operating model for managing financial assets
B. contractual cash flow characteristics of financial assets

Financial assets at amortized cost

Financial assets that meet both of the following two criteria are measured at amortized cost and reported in the balance sheet as notes receivable, accounts receivable, financial assets measured at amortized cost and other receivables.

A. Operating model for managing financial assets: Holding financial assets to collect contractual cash flows
B. Contractual cash flow characteristics of financial assets: Cash flows consist solely of payments of principal and interest on the principal amount outstanding

These financial assets (excluding those involved in hedging relationships) are subsequently measured at amortized cost [the amount measured at original recognition, less principal repaid, plus or minus the cumulative amortization of the difference between that original amount and the maturity amount (using the effective interest method), and adjusted for allowance for losses]. An impairment gain or loss is recognized in profit or loss when it is derecognized, through the amortization process, or when an impairment gain or loss is recognized.

Interest calculated using the effective interest method (by multiplying the effective interest rate by the total carrying amount of the financial asset) or the following is recognized in profit or loss:

A. For credit-impaired financial assets acquired or created, the effective interest rate after credit adjustment is multiplied by the amortized cost of the financial assets
B. If the financial asset is not impaired, but subsequently becomes impaired, the effective interest rate is multiplied by the amortized cost of the financial asset.

Financial assets at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income are reported in the balance sheet as financial assets measured at fair value through other comprehensive income if both of the following conditions are met:

A. Operating model for managing financial assets: Collect contractual cash flows and sell financial assets
B. Contractual cash flow characteristics of financial assets: Cash flows consist solely of payments of principal and interest on the principal amount outstanding

The recognition of gain and loss related to this type of financial assets is described as follows:

A. Before derecognition or reclassification, gains or losses are recognized in other comprehensive income, except for impairment gains or losses and foreign currency exchange gains or losses, which are recognized in profit or loss.

B. Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

C. Interest calculated using the effective interest method (by multiplying the effective interest rate by the total carrying amount of the financial asset) or the following is recognized in profit or loss:

(a) For credit-impaired financial assets acquired or created, the effective interest rate after credit adjustment is multiplied by the amortized cost of the financial assets
(b) If the financial asset is not impaired, but subsequently becomes impaired, the effective interest rate is multiplied by the amortized cost of the financial asset

In addition, for equity instruments that are within the scope of application of IFRS 9 and that are neither held-for-trading nor contingent consideration recognized by the acquirer in a business combination to which IFRS 3 applies, subsequent changes in fair value are selectively (irrevocably) reported in other comprehensive income upon initial recognition. Amounts reported in other comprehensive income are not subsequently transferred to profit or loss (upon disposal of such equity instruments, the cumulative amounts included in other equity items are transferred directly to retained earnings), and financial assets measured at fair value through other comprehensive income are reported in the balance sheet. Dividends from investments are recognized in profit or loss unless it is clear that the dividends represent a partial recovery of the cost of the investment.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss, except when they meet certain criteria and are measured at amortized cost or at fair value through other comprehensive income, as described above, and are reported in the balance sheet as financial assets measured at fair value through profit or loss.

The gain or loss arising from the remeasurement of such financial assets measured at fair value is recognized in profit or loss, and the gain or loss recognized in profit or loss includes any dividends or interest received on the financial assets.

(2) Impairment of financial assets

The Group recognizes and measures the allowance for losses on investments in debt instruments measured at fair value through other comprehensive income and financial assets measured at amortized cost using expected credit losses. Investments in debt instruments measured at fair value through other comprehensive income or loss are recognized as an allowance for losses in other comprehensive income or loss and do not reduce the carrying amount of the investments.

The Group measures expected credit losses in a manner that reflects the following:

A. Unbiased, probability-weighted amounts determined by evaluating various possible outcomes
B. Time value of money
C. Information relating to past events, current conditions and projections of future economic conditions that is reasonable and supportable (available at the balance sheet date without excessive costs or inputs)

The method of measuring the allowance for losses is described as follows:

A. Measured by the amount of expected credit losses over 12 months: including financial assets with no significant increase in credit risk since original recognition or those with low credit risk as of the balance sheet date. In addition, it also includes the allowance for losses measured at the amount of expected credit losses during the prior reporting period, but at the balance sheet date no longer meets the condition that the credit risk has increased significantly since the original recognition.

B. Measurement of the amount of expected credit losses over the duration of existence: including financial assets with no significant increase in credit risk since original recognition or credit impaired financial assets that are acquired or created.

C. For accounts receivable or contract assets arising from transactions within the scope of IFRS 15, the Group measures the allowance for losses using the expected credit loss amount over the life of the transaction.

D. For lease receivables arising from transactions within the scope of IFRS 16, the Group measures the allowance for losses using the expected credit loss amount over the life of the transaction.

The Group assesses at each balance sheet date whether the credit risk of a financial instrument has increased significantly since original recognition by comparing the change in default risk of the financial instrument at the balance sheet date with that at the original recognition date. For information related to credit risk, please refer to Note 12.

(3) Derecognition of financial assets

Financial assets held by the Group are derecognized when one of the following conditions is met:

A. The contractual rights from the cash flows of the financial assets are terminated.
B. The financial asset is transferred and substantially all the risks and rewards of ownership of the asset are transferred to others.
C. Neither transferred nor retained substantially all the risks and rewards of ownership of the asset, but transferred control of the asset.

When a financial asset is derecognized in its entirety, the difference between its carrying amount and the sum of the consideration received or receivable and any cumulative gain or loss recognized in other comprehensive income is recognized in profit or loss.

(4) Financial liabilities and equity instruments

Classification of liabilities or equity

The liabilities and equity instruments issued by the Group are classified as financial liabilities or equity based on the substance of the contractual agreements and the definitions of financial liabilities and equity instruments.

Equity instruments

An equity instrument is any contract that recognizes the Group's remaining interest in assets less all liabilities. The equity instruments issued by the Group are recognized at the acquisition price less direct issue costs.

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Financial liabilities that meet the applicable scope of IFRS 9 are classified as financial liabilities measured at fair value through profit or loss or at amortized cost on initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss.

A financial liability is classified as held-for-trading when one of the following conditions is met:

A. It is acquired primarily for the purpose of selling in the short term.
B. It is part of a portfolio of identifiable financial instruments that are managed on initial recognition and for which there is recent evidence of a short-term profitable operating pattern; or
C. A derivative (other than a derivative on a financial guarantee contract or a designated and effective hedging instrument).

For contracts that contain one or more embedded derivatives, the overall hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; designated at fair value through profit or loss on initial recognition when one of the following factors is met that provides more relevant information:

A. The designation eliminates or materially reduces measurement or recognition inconsistencies; or
B. A group of financial liabilities or a group of financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis in accordance with a written risk management or investment strategy, and the information on that portfolio provided internally to management of the Consolidated Company is also on a fair value basis.

Gains or losses arising from the remeasurement of such financial liabilities are recognized in profit or loss, and such gains or losses recognized in profit or loss include any interest paid on financial liabilities.

Financial liabilities measured at amortized cost

Financial liabilities measured at amortized cost, including payables and borrowings, are subsequently measured using the effective interest method after initial recognition. When financial liabilities are derecognized and amortized through the effective interest method, the related gain or loss and amortization are recognized in profit or loss.

Amortized cost is calculated by taking into account the discount or premium on acquisition and transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation is discharged, cancelled or expired.

When a debt instrument with materially different terms is exchanged between the Group and its creditors, or when all or part of the terms of an existing financial liability are significantly modified (whether or not due to financial difficulties), the difference between the carrying amount of the financial liability and the total consideration paid or payable (including non-cash assets transferred or liabilities assumed) is recognized in profit or loss. The difference between the carrying amount and the consideration paid or payable (including non-cash assets transferred or liabilities assumed) is recognized in earnings.

(5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet only when there is a legally enforceable right to offset the recognized amount and there is an intention to settle the asset and the liability on a net basis or to realize the asset and settle the liability simultaneously.

9. Fair Value Measurements

Fair value is the price that would be paid to sell an asset or to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements assume that the sale of an asset or transfer of a liability occurs in one of the following markets.

(1) the principal market for the asset or liability, or
(2) if there is no principal market, the most advantageous market for the asset or liability

The principal or most advantageous market must be accessible to the Group for the purpose of trading.

The fair value of an asset or liability is measured using assumptions that market participants would use in pricing the asset or liability, assuming that those market participants act in their economic best interests.

Fair value measurements of nonfinancial assets consider the ability of a market participant to generate economic benefits by using the asset for its maximum and best use or by selling the asset to another market participant that would use the asset for its maximum and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient information is available to measure fair value and maximize the use of observable inputs and minimize the use of unobservable inputs.

10. Inventories

Inventories are valued at the lower of cost or net realizable value on a item-by-item basis.

Cost is the cost incurred to bring inventories to a saleable or production-ready condition and location:

Raw materials - at actual incoming cost, using the weighted-average method.
Finished goods and work in process - includes direct raw materials, labor and fixed manufacturing costs allocated to normal production capacity, but does not include borrowing costs.

Net realizable value is the estimated selling price less costs and selling expenses to completion under normal circumstances.
The provision of service is accounted for in accordance with IFRS 15 and is not part of inventories.

11. Property, plant and equipment

Property, plant and equipment are stated at acquisition cost, less accumulated depreciation and accumulated impairment. The aforementioned costs include the costs of dismantling, removing and restoring property, plant and equipment to their original locations and the necessary interest expenses incurred for uncompleted construction. Depreciation is provided separately for each component of property, plant and equipment that is significant. When a significant component of property, plant and equipment is required to be replaced periodically, the Group recognizes the item as an individual asset with a specific useful life and depreciation method, respectively. The carrying amounts of these replaced components are derecognized in accordance with the derecognition provisions of IAS 16, "Property, Plant and Equipment". Major maintenance costs are recognized as part of the carrying amount of plant and equipment if they meet the criteria for recognition, and other repair and maintenance expenses are recognized in profit or loss.

Depreciation is provided on a straight-line basis over the estimated useful lives of the following assets:

Buildings: 5 to 55 years (20 to 55 years for the main body of buildings and construction and 5 to 15 years for ancillary equipment)
Machinery and equipment: 1 to 10 years
Transportation equipment: 5 years
Office equipment: 1 to 10 years
Leasehold Improvements: 25 years
Other equipment: 1 to 10 years

Items or significant components of property, plant and equipment are derecognized and recognized in profit or loss when they are disposed of or no future economic benefits are expected from their use or disposal after initial recognition.

The residual value, useful life and depreciation method of property, plant and equipment are evaluated at the end of each financial year. If the expected value differs from the previous estimate, the change is regarded as a change in the accounting estimate.

12. Investment properties

Investment properties owned by the Group are measured at original cost and includes the transaction cost of acquiring the asset. The carrying amount of investment property includes the cost of repairing or adding to existing investment property when the cost is recognized, but maintenance costs incurred on a regular basis are not included as part of the cost. After initial recognition, investment property is measured at cost in accordance with IAS 16, "Property, Plant and Equipment", except when it is classified as held for sale (or included in a subgroup classified as held for sale) in accordance with IFRS 5, "Non-current Assets and Discontinued Operations", except when it is held by a lessee as a right-of-use asset and is accounted for in accordance with IFRS 16. However, if the property is held by a lessee as a right-of-use asset and is not held for sale under IFRS 5, it is accounted for in accordance with IFRS 16.
Depreciation is provided on a straight-line basis over the estimated useful lives of the following assets:

Buildings: 20~55 years

Investment properties are derecognized and gains or losses are recognized when it is disposed of, or permanently ceased to be used, and no future economic benefits are expected to be derived from its disposal.

The Group decides to transfer in or out of investment property depending on the actual use of the assets.

The Group reclassifies real estate as investment property or transfers out of investment property when the real estate meets or no longer meets the definition of investment property and there is evidence of a change in use.

13. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is (or contains) a lease if it transfers control over the use of an identified asset for a period of time in exchange for consideration. In order to assess whether a contract transfers control over the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, it has both of the following:

(1) the right to obtain substantially all the economic benefits from the use of the identified assets; and
(2) the right to control the use of the identified assets.

For contracts that are (or contain) leases, the Group treats each lease component of the contract as a separate lease and treats it separately from the non-lease components of the contract. Where a contract contains a lease component and one or more additional leases or non-lease components, the Group apportions the consideration in the contract to the lease component on the basis of the relative individual prices of each lease component and the aggregated individual prices of the non-lease components. The relative individual prices of lease and non-lease components are determined on the basis of the prices charged by the lessor (or similar supplier) for that component (or similar component) respectively. If an observable separate price is not readily available, the Group maximizes the use of observable information to estimate that separate price.

The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases when the Group is the lessee of the lease contract, except for leases that qualify as short-term leases or leases with low-value underlying assets.

The Group measures the lease liability at the commencement date at the present value of the lease payments outstanding at that date. The lease payments are discounted using the interest rate in a lease if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the incremental borrowing rate. Lease payments included in the lease liability at the commencement date include the following payments relating to the right to use the subject asset during the lease period and outstanding at that date:

(1) fixed payments (including material fixed payments), net of any lease incentives that may be received;
(2) variable lease payments that depend on an index or rate (measured using the original index or rate as of the commencement date);
(3) the amount expected to be paid by the lessee under the residual value guarantee;
(4) the exercise price of the purchase option if the Group can be reasonably certain that it will exercise the option; and
(5) the penalty to be paid for lease termination if the lease period reflects that the lessee will exercise the option to terminate the lease.

Subsequent to the commencement date, the Group measures the lease liability on an amortized cost basis, increasing the carrying amount of the lease liability by the effective interest method to reflect interest on the lease liability; payments of lease benefits reduce the carrying amount of the lease liability.

The Group measures right-of-use assets at cost at the commencement date, and the cost of right-of-use assets consists of:

(1) the original measurement amount of the lease liability;
(2) any lease payments made on or before the commencement date, less any lease incentives received;
(3) any original direct costs incurred by the lessee; and
(4) the estimated cost to the lessee of disassembling, removing and restoring the subject asset to its location, or restoring the subject asset to the condition required by the terms and conditions of the lease.

Subsequent measurement of right-of-use assets is stated at cost less accumulated depreciation and accumulated impairment losses, i.e., the right-of-use asset is measured using the cost model.

Right-of-use assets are depreciated from the commencement date to the end of the useful life of the subject assets if ownership of the subject assets is transferred to the Group at the end of the lease period or if the cost of the right-of-use assets reflects that the Group will exercise the purchase option. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the expiration of the useful life of the right-of-use asset or the expiration of the lease period.

The Group applies IAS 36, "Impairment of Assets", to determine whether a right-of-use asset is impaired and to treat any identified impairment loss.

The Group reports right-of-use assets and lease liabilities in the balance sheet, except for leases that qualify as short-term leases or leases with low-value underlying assets, and reports depreciation expense and interest expense related to leases in the statement of comprehensive income, respectively.

For short-term leases and leases of low-value underlying assets, the Group elects to recognize lease payments related to these leases as an expense over the lease period on a straight-line basis or another systematic basis.

The Group as lessor

The Group classifies each of its leases as operating leases or finance leases at the contract inception date. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of the subject asset; if it does not transfer, it is classified as an operating lease. At the commencement date, the Group recognizes assets held under finance leases in the balance sheet and expresses them as finance lease receivables based on the net investment in the leases.

For contracts with lease components as well as non-lease components, the Group applies IFRS 15 to apportion the consideration in the contracts.

The Group recognizes lease payments from operating leases as rental income on a straight-line basis or another systematic basis. Lease payments under operating leases that are not dependent on changes in an index or rate are recognized as rental income as incurred.

14. Intangible assets

Intangible assets acquired separately are measured at cost on initial recognition. The cost of intangible assets acquired through a business merger is the fair value at the date of acquisition. After initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses. Intangible assets that do not meet the criteria for recognition are not capitalized but are recognized in profit or loss as incurred.

The useful lives of intangible assets are classified as finite or indefinite.

Intangible assets with finite useful lives are amortized over their useful lives and are tested for impairment whenever there is an indication of impairment. The amortization period and amortization method of intangible assets with finite useful lives are reviewed at least at the end of each financial year. If the estimated useful life of an asset differs from previous estimates or the expected pattern of future economic consumption has changed, the amortization method or amortization period is adjusted and treated as a change in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment at the individual asset or cash-generating unit level each year. Intangible assets with indefinite useful lives are assessed each period to determine whether events and circumstances continue to support the asset's indefinite useful life. If the useful life is changed from indefinite to finite, the application is deferred.

Gains or losses arising from the derecognition of intangible assets are recognized in profit or loss.

The Group's accounting policies for intangible assets are summarized as follows:

	Computer software costs	Trademark rights	Patent rights	Other intangible assets
Useful life	2~10 Years	10 years	3 years	30 years
Amortization method used	Amortized on a straight-line basis over the life of the contract	Amortized on a straight-line basis over the life of the contract	Amortized on a straight-line basis over the life of the contract	Amortized on a straight-line basis over the life of the contract
Internally generated or externally acquired	Externally acquired	Externally acquired	Externally acquired	Externally acquired

15. Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication of impairment for all assets subject to IAS 36, "Impairment of Assets". Where there is an indication of impairment or an asset is required to be tested annually for impairment, the Group performs the test on an individual asset or on the cash-generating unit to which the asset belongs. An impairment loss is recognized if the carrying amount of the cash-generating unit to which the asset or asset belongs exceeds its recoverable amount. Recoverable amount is the higher of net fair value and value in use.

The Group assesses at the end of each reporting period, for assets other than goodwill, whether there is any indication that a previously recognized impairment loss may no longer exist or may have decreased. If there is such indication, the Group estimates the recoverable amount of the asset or cash-generating unit. If the recoverable amount increases due to changes in the estimated service potential of the asset, the impairment loss is reversed. The carrying amount of the reversal does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset, net of depreciation or amortization.

Cash-generating units or groups to which goodwill belongs are tested annually for impairment, regardless of whether there is any indication of impairment. If an impairment loss is recognized as a result of an impairment test, goodwill is written off first and any shortfall is allocated to assets other than goodwill in proportion to their carrying amounts. Once an impairment loss on goodwill is recognized, it cannot be reversed for any reason.

The impairment loss and reversal are recognized in profit or loss for the continuing business unit.

16. Treasury stock

When the Group acquires shares of the parent company (treasury stock), the acquisition cost is recognized as a deduction from equity. The difference in the price of the treasury stock transactions is recognized under equity.

17. Revenue recognition

The Group's revenue from contracts with customers is mainly from the sale of goods, and the accounting treatment is explained as follows:

The Group manufactures and sells products. Revenue is recognized when the promised goods are delivered to the customer and the customer obtains control of the goods (i.e., the customer's ability to control the use of the goods and obtain substantially all of the residual benefits of the goods) primarily for connectors and electronic modules, based on contracted prices. The rest of product sales transactions are usually subject to volume discounts (based on the total cumulative sales in a given period). Accordingly, revenue is based on contracted prices, less estimated volume discounts. The Group estimates the variable consideration arising from volume discounts based on cumulative experience and using expected values, but only to the extent that it is highly probable that there will be no significant reversal in the cumulative amount of revenue recognized when the uncertainty associated with the variable consideration is subsequently removed.

The credit period for the Group's sales of merchandise transactions generally ranges from 60 days to 120 days. The majority of these contracts are recognized when the goods are transferred to the customer's control and the right to receive unconditional consideration is available, which is usually a short period and does not have a significant financial component. A small number of contracts that have been transferred to customers without the right to receive unconditional consideration are recognized as contract assets, and the contract assets are subject to an allowance for loss in accordance with IFRS 9 based on the expected credit loss over the life of the contract.

18. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of those assets. All other borrowing costs are recognized as expenses in the period in which they are incurred. Borrowing costs include interest and other costs incurred in connection with the borrowing of funds.

19. Post-employment benefit plans

The Company's employee retirement regulations are applicable to all regularly employed employees. The employee retirement fund is managed by the Supervisory Committee of Labor Retirement Reserve and deposited into the special account of the retirement fund. Since the above retirement fund is deposited in the name of the Supervisory Committee of Labor Retirement Reserve and is completely separate from the Company, it is not included in the above consolidated financial statements. The employee retirement regulations for employees of foreign subsidiaries are governed by local laws and regulations.
Under the defined contribution plan, the Company's monthly contribution rate to the post-employment benefit plan shall not be less than 6% of the employee's monthly salary, and the amount contributed shall be recognized as a current expense; for foreign subsidiaries, the contribution shall be made in accordance with the local regulations and recognized as a current expense.
For post-employment benefit plan under that is a defined benefit plan, provision is made on the basis of actuarial report at the end of the annual reporting period in accordance with the projected unit benefit method. The remeasurement of the net defined benefit liability (asset) includes any changes in the remuneration on plan assets and the effect of the asset cap, net of amounts included in net interest on the net defined benefit liability (asset), and actuarial gain and loss.
The remeasurement of the net defined benefit liability (asset) is included in other comprehensive income as incurred and is recognized immediately in retained earnings. The cost of prior service is the change in the present value of the defined benefit obligation resulted from plan amendment or reduction and is recognized as an expense on the earlier of:

(1) when the plan amendment or reduction occurs; and
(2) when the Group recognizes the related restructuring costs or severance benefits.

Net interest on the net defined benefit liability (asset) is determined by multiplying the net defined benefit liability (asset) by the discount rate, both of which are determined at the beginning of the annual reporting period, taking into account any changes in the net defined benefit liability (asset) arising from contributions and benefit payments during that period.

20. Income tax

Income tax expense (benefit) represents the total amount included in the determination of current income tax and deferred income tax for the current period.

Current income tax

Current income tax liabilities (assets) related to current and prior periods are measured using tax rates and laws that have been legislated or substantively enacted by the end of the reporting period. Current income tax related to items recognized in other comprehensive income or recognized directly in equity are recognized in other comprehensive income or equity, respectively, rather than in profit or loss.

Income tax on undistributed earnings is recorded as income tax expense on the date when the shareholders resolve to distribute the earnings.

Deferred income tax

Deferred income tax is calculated on temporary differences between assets and liabilities of tax base and their carrying amounts on the balance sheet at the end of the reporting period.

All taxable temporary differences are recognized as deferred income tax liabilities except for the following:

(1) the original recognition of goodwill; or the original recognition of an asset or liability not arising from a business merger transaction that at the time of the transaction affects neither the accounting profit nor the taxable income (loss);

(2) taxable temporary differences arising from investments in subsidiaries, affiliates and interests in joint agreements where the timing of the reversal is controlled and it is probable that they will not reverse in the foreseeable future.

Deferred income tax assets arising from temporary differences, unused tax losses and unused income tax credits are recognized to the extent that it is probable that future taxable income will be available, except for the following:

(1) deductible temporary differences arising from the original recognition of an asset or liability not arising from a business merger transaction that at the time of the transaction affects neither the accounting profit nor the taxable income (loss).

(2) deductible temporary differences arising from investments in subsidiaries, affiliates and interests in joint agreements are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and there are sufficient taxable instruments available at the time of the reversal to allow the temporary differences to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period in which the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and liabilities are measured to reflect the tax consequences of the manner in which the carrying amount of the asset is expected to be recovered or the liability settled at the end of the reporting period. Deferred income taxes are not recognized in profit or loss, but are recognized in other comprehensive income or directly in equity, depending on the transaction to which they relate. Deferred income tax assets are revisited and recognized at the end of each reporting period.

Deferred income tax assets and liabilities are offset only to the extent that the offsetting of current income tax assets and liabilities is legally enforceable and the deferred income taxes are attributable to the same taxable entity and are related to income taxes levied by the same taxing authority.

V. Significant Accounting Assumptions and Judgment, And Major Sources of Estimation Uncertainty

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. However, uncertainties in these significant assumptions and estimates could result in material adjustments to the carrying amounts of assets or liabilities in future periods.

1. Judgments

In the process of adopting the Group's accounting policies, management makes the following judgments that have the most significant effect on the recognition of amounts in the consolidated financial statements:

(1) Investment properties

Certain of the Group's real estate is held partly for rental or capital appreciation purposes and partly for the use by the Group. If each component can be sold separately, it is treated as investment property and property, plant and equipment, respectively. If each component cannot be sold separately, the real estate is classified as investment property only when the portion held for the use by the Group accounts for less than 5% of the individual real estate.

(2) Operating lease commitments - The Group as lessor

The Group has entered into commercial real estate leases for its investment property portfolio. Based on the assessment of the terms of these leases, the Group retains significant risks and rewards of ownership of these real estate properties and treats these as operating leases.

2. Estimates and assumptions

The key sources of information about the uncertainty of estimates and assumptions concerning the future at the end of the reporting period have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next fiscal year. It is hereby explained as follows:

(1) Fair value of financial instruments

When the fair value of financial assets and liabilities recognized in the balance sheet is not available in an active market, the fair value is determined using valuation techniques, including the income approach (e.g., discounted cash flow model) or the market approach, and changes in the assumptions used in these models will affect the fair value of the reported financial instruments. Please refer to Note 12 for details.

(2) Impairment of non-financial assets

An impairment loss occurs when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use. The calculation of fair value less costs of disposal is based on the price of a binding sales agreement or the market value of an asset in an arm's length transaction, less incremental costs directly attributable to the disposal of the asset. Value in use is calculated based on a discounted cash flow model. Cash flow projections are based on budgets for the next five years and do not include restructuring to which the Group is not yet committed or significant future investments required to enhance the performance of the tested cash-generating unit assets. Recoverable amounts are susceptible to the discount rates used in the discounted cash flow model and the expected future cash inflows and growth rates used for extrapolation purposes.

Some of the Group's property, plant and equipment are carried at net fair value as recoverable amount because there is no indication that the assets not available for operating use will generate cash flows in future years. As a result of the assessment, the carrying amount of the assets exceeded their recoverable amounts, and therefore, an impairment loss of $4,000 thousand was recognized for the year 2005.

(3) Accounts Receivable - Estimated Impairment Loss

The impairment loss on the Group's receivables is measured using the estimated credit loss over the remaining period. The credit loss is measured as the present value of the difference between the contractual cash flows receivable (carrying amount) and the cash flows expected to be received (valuation forward-looking information), except that the effect of discounting short-term receivables is not significant and the credit loss is measured as the undiscounted difference. If actual future cash flows are less than expected, a material impairment loss may result, as described in Note 6.19.

(4) Post-employment benefit plans

The present value of pension cost and defined benefit obligation of the post-employment benefit plan is based on actuarial evaluation. The actuarial valuation involves various assumptions, including discount rates and changes in expected payroll. For a detailed description of the assumptions used to measure the defined benefit cost and defined benefit obligation, please refer to Note 6.16.

(5) Income tax

Uncertainty in income tax lies in the interpretation of complex tax regulations, the amount of future taxable income that will be generated and the timing. Due to the long-term nature and complexity of extensive international business relationships and contracts, differences between actual results and assumptions made, or future changes in such assumptions, may force future adjustments to recorded income tax benefits and expenses. The provision for income tax is based on reasonable estimates based on probable audits by the tax authorities of the countries in which the Group operates. The amounts provided are based on various factors, such as past tax audit experience and differences in the interpretation of tax regulations by the tax authorities to which the Group belongs. These differences in interpretation may give rise to various issues depending on the location of the Group's individual entities.

Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available or taxable temporary differences will be deductible from unused tax losses and income tax credits. The determination of the amount of deferred income tax assets to be recognized is based on the timing and level of future taxable income and taxable temporary differences, together with future tax planning strategies.

VI. Summary of Significant Accounting Items

1. Cash and cash equivalents

	2022.12.31	2021.12.31
Cash and petty cash	$247	$262
Demand deposits	1,191,661	727,067
Time deposits with maturity within three months	-	43,415
Total	$1,191,908	$770,744

2. Financial assets at fair value through profit or loss

	2022.12.31	2021.12.31
Mandatorily measured at fair value through profit or loss:		
Derivatives without designated hedging relationship		
Forward foreign exchange contracts	$-	$19,961
Current	$-	$19,961
Non-current	-	-
Total	$-	$19,961

The Group has not provided financial assets at fair value through profit or loss as guarantees.

3. Financial assets at fair value through other comprehensive income

	2022.12.31	2021.12.31
Investments in equity instruments at fair value through other comprehensive income - non-current		
Shares of unlisted companies	$6,410	$6,410

The Group classifies some financial assets as financial assets at fair value through other comprehensive income, with which no guarantees were provided.

4. Financial assets at amortized cost

	2022.12.31	2021.12.31
Time deposit of more than 3 months	$264,566	$-
Current	$176,377	$-
Non-current	88,189	-
Total	$264,566	$-

The Group classifies some financial assets as financial assets at amortized cost and did not provide guarantees. Please refer to Note 12 for information related to credit risk.

5 . Notes receivable, net

	2022.12.31	2021.12.31
Notes receivable - incurred as a result of operations	$21,476	$7,247
Less: Allowance for losses	-	-
Net amount	$21,476	$7,247

The Group has not provided notes receivable as guarantee.

The Group uses IFRS 9 to assess impairment. Please refer to Note 6.19 for information on allowance for losses and Note 12 for information on credit risk.

6. Accounts receivable, net and accounts receivable - related parties

(1) The breakdown of accounts receivable, net and accounts receivable - related parties is as follows:

	2022.12.31	2021.12.31
Accounts receivable - incurred as a result of operations	$1,158,139	$1,393,592
Less: Allowance for losses	(4,558)	(2,850)
Subtotal	1,153,581	1,390,742
Accounts receivable - related parties	68,262	39,987
Less: Allowance for losses	-	-
Subtotal	68,262	39,987
Total	$1,221,843	$1,430,729

The Group's credit period to customers normally ranges from 60 days to 120 days. As of December 31, 2022 and 2021, the total carrying amount was $1,226,401 thousand and $1,433,579 thousand, respectively, and the related information on allowance for losses for 2022 and 2021 is provided in Note 6.19. Please refer to Note 12 for information on credit risk.

(2) The Group has not provided accounts receivable as guarantee.

7. Inventories

(1) The breakdown of net inventories is as follows:

	2022.12.31	2021.12.31
Raw materials	$20,742	$27,892
Less: Allowance for losses (Note)	(7,929)	(7,428)
Subtotal	12,813	20,464
Work in process	118,571	175,250
Less: Allowance for losses (Note)	(17,829)	(12,190)
Subtotal	100,742	163,060
Finished goods	349,596	474,412
Less: Allowance for losses (Note)	(51,149)	(37,948)
Subtotal	298,447	436,464
Total	$412,002	$619,988

Note: The Group's allowance for inventory losses included $29,840 thousand and $21,544 thousand of reversal of inventory scrapping for 2022 and 2021.

(2) The cost of inventories recognized as expenses for 2022 and 2021 were NT$2,877,544 thousand and NT$3,050,560 thousand, respectively, which included the following expenses and losses:

Item	2022	2021
Loss on decline in value of inventories	$46,492	$39,297

(3) The Group has not provided accounts receivable as a guarantee.

8. Property, plant and equipment

	2022.12.31	2021.12.31
Property, plant and equipment for the use by the Group	$864,719	$912,150

	Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Leasehold Improvements	Other equipment	Construction in progress and equipment to be inspected	Total
Costs:									
2022.01.01	$117,248	$524,696	$489,397	$7,876	$63,960	$293	$1,508,789	$22,848	$2,735,107
Addition	-	112	15,902	-	3,946	-	62,142	47,814	129,916
Disposal	-	-	(47,167)	(977)	(4,604)	-	(69,372)	-	(122,120)
Impact of changes in exchange rate	-	6,002	9,190	26	1,899	32	44,762	336	62,247
Transfer	-	-	8,720	6,000	3,150	-	21,774	(39,888)	(244)
2022.12.31	$117,248	$530,810	$476,042	$12,925	$68,351	$325	$1,568,095	$31,110	$2,804,906
2021.01.01	$117,248	$521,798	$423,119	$7,988	$59,094	$303	$1,498,254	$53,893	$2,681,697
Addition	-	1,335	46,057	-	7,758	-	75,885	60,625	191,660
Disposal	-	(100)	(25,576)	(2,465)	(4,401)	-	(93,569)	-	(126,111)
Impact of changes in exchange rate	-	(2,044)	(229)	(2)	341	(10)	(9,712)	(291)	(11,947)
Transfer	-	3,707	46,026	2,355	1,168	-	37,931	(91,379)	(192)
2021.12.31	$117,248	$524,696	$489,397	$7,876	$63,960	$293	$1,508,789	$22,848	$2,735,107
Accumulated depreciation and impairment:									
2022.01.01	$-	$283,096	$273,738	$2,307	$44,996	$191	$1,218,629	$-	$1,822,957
Depreciation	-	23,221	48,217	1,657	4,611	14	100,390	-	178,110
Disposal	-	-	(41,654)	(583)	(4,119)	-	(63,138)	-	(109,494)
Impact of changes in exchange rate	-	3,506	5,530	19	1,484	20	38,055	-	48,614
Transfer	-	-	-	-	-	-	-	-	-
2022.12.31	$-	$309,823	$285,831	$3,400	$46,972	$225	$1,293,936	$-	$1,940,187
2021.01.01	$-	$261,823	$256,068	$3,495	$45,331	$186	$1,203,135	$-	$1,770,038
Depreciation	-	22,512	39,242	1,029	3,240	12	108,505	-	174,540
Disposal	-	(100)	(22,734)	(2,219)	(3,945)	-	(84,836)	-	(113,834)
Impact of changes in exchange rate	-	(1,139)	638	2	368	(7)	(7,649)	-	(7,787)
Transfer	-	-	524	-	2	-	(526)	-	-
2021.12.31	$-	$283,096	$273,738	$2,307	$44,996	$191	$1,218,629	$-	$1,822,957
Net carrying amount:									
2022.12.31	$117,248	$220,987	$190,211	$9,525	$21,379	$100	$274,159	$31,110	$864,719
2021.12.31	$117,248	$241,600	$215,659	$5,569	$18,964	$102	$290,160	$22,848	$912,150

The significant components of the Group's buildings are primarily the main building and auxiliary equipment, which are depreciated over their useful lives of 20 to 55 years and 5 to 20 years, respectively.

Please refer to Note 8 for details of the guarantees provided by the Group using property, plant and equipment.

9. Investment properties

Investment properties are mainly the Group's own investment property. The Group has entered into commercial property leases for its own investment properties for a period of 2 years.

	Land	Buildings	Total
Costs:			
2022.01.01	$20,053	$118,906	$138,959
Addition - arising from purchases	-	-	-
Disposal	-	-	-
Impact of changes in exchange rate	-	1,491	1,491
2022.12.31	$20,053	$120,397	$140,450

	Land	Buildings	Total
2021.01.01	$20,053	$119,418	$139,471
Addition - arising from purchases	-	-	-
Disposal	-	-	-
Impact of changes in exchange rate	-	(512)	(512)
2021.12.31	$20,053	$118,906	$138,959
Depreciation and impairment:			
2022.01.01	$-	$75,321	$75,321
Depreciation for the period	-	4,788	4,788
Disposal	-	-	-
Impact of changes in exchange rate	-	894	894
2022.12.31	$-	$81,003	$81,003
2021.01.01	$-	$70,909	$70,909
Depreciation for the period	-	4,706	4,706
Disposal	-	-	-
Impact of changes in exchange rate	-	(294)	(294)
2021.12.31	$-	$75,321	$75,321
Net carrying amount:			
2022.12.31	$20,053	$39,394	$59,447
2021.12.31	$20,053	$43,585	$63,638

	2022	2021
Rental income from investment properties	$7,363	$5,541
Less: Direct operating expenses of investment properties generating rental income for the period	(990)	(956)
Total	$6,373	$4,585

(1) The Group's investment properties are not measured at fair value, and we only disclose information about its fair value, while its fair value hierarchy is level 3.

(2) The Company's investment properties are not measured at fair value, and we only disclose information about its fair value, while its fair value hierarchy is level 3. The fair value of investment properties held by the Company was $46,536 thousand and $40,687 thousand as of December 31, 2022 and 2021, respectively. The fair value of the aforementioned investment properties was based on the recent transaction prices of similar subject matters or the announced current value of land in the area where each investment property is located.

(3) The fair value of the investment properties held by the Company's subsidiaries amounted to $133,811 thousand and $125,926 thousand as of December 31, 2022 and 2021, respectively, and was determined by independent external appraisers, PRUDENTIAL CROSS-STRAIT REAL ESTATE APPRAISERS FIRM, based on market evidence, and the valuation method used was the direct capitalization method, in which the main input values used and their quantitative information are as follows:

	2022.12.31	2021.12.31
Earnings capitalization rate	3.35%	3.35%

(4) Please refer to Note 8 for guarantees provided by the Group using investment properties.

10. Intangible assets

	Computer software	Trademark rights	Patent rights	Other intangible assets	Total
Costs:					
2022.01.01	$14,032	$-	$-	$-	$14,032
Addition - acquired separately	1,999	-	-	7,761	9,760
Derecognition upon expiration	(3,162)	-	-	-	(3,162)
Impact of changes in exchange rate	641	-	-	-	641
Transfer	244	-	-	-	244
2022.12.31	$13,754	$-	$-	$7,761	$21,515
2021.01.01	$16,356	$1,491	$4,880	$-	$22,727
Addition - acquired separately	5,810	-	-	-	5,810
Derecognition upon expiration	(7,877)	(1,448)	(4,742)	-	(14,067)
Impact of changes in exchange rate	(257)	(43)	(138)	-	(438)
2021.12.31	$14,032	$-	$-	$-	$14,032
Amortization and impairment:					
2022.01.01	$4,362	$-	$-	$-	$4,362
Amortization	4,867	-	-	65	4,932
Derecognition upon expiration	(3,162)	-	-	-	(3,162)
Impact of changes in exchange rate	304	-	-	-	304
2022.12.31	$6,371	$-	$-	$65	$6,436
2021.01.01	$7,934	$766	$3,931	$-	$12,631
Amortization	4,460	713	933	-	6,106
Derecognition upon expiration	(7,877)	(1,448)	(4,742)	-	(14,067)
Impact of changes in exchange rate	(155)	(31)	(122)	-	(308)
2021.12.31	$4,362	$-	$-	$-	$4,362
Net carrying amount:					
2022.12.31	$7,383	$-	$-	$7,696	$15,079
2021.12.31	$9,670	$-	$-	$-	$9,670

Amortization of recognized intangible assets was as follows:

	2022	2021
Operating costs	-	$18
Selling expenses	$60	$107
Administrative expenses	$4,842	$5,944
R&D expenses	$30	$37

11. Short-term loans

	Interest rate range (%)	2022.12.31	2021.12.31
Unsecured bank loans	0.82%～2.08%	$528,333	$295,000
Secured bank loans	0.8%～1.6%	59,500	-
Total		$587,833	$295,000

The Group had unused short-term borrowing facilities of approximately $2,314,256 thousand and $1,322,134 thousand as of December 31, 2022 and 2021, respectively.

Please refer to Note 8 for the assets provided as collaterals for short-term borrowing facilities.

12. Financial liabilities at fair value through profit or loss

	2022.12.31	2021.12.31
Mandatorily measured at fair value through profit or loss:		
Derivatives without designated hedging relationship		
Forward foreign exchange contracts	$2,576	$-
Current	$2,576	$-
Non-current	-	-
Total	$2,576	$-

13. Long-term loans

(1) The breakdown of long-term loans as of December 31, 2022 and 2021 is as follows:

Creditor	2022.12.31	Interest rate range (%)	Repayment period and method
Secured loans from Chang Hwa Commercial Bank	$58,333	Interest is calculated based on the one-year floating interest rate +0.42% of post office savings	The borrowing period is from August 19, 2019 to August 19, 2024, including a grace period of 2 years for repayment, with quarterly installments and 12 equal installments of principal repayment, and interest is paid monthly.
Secured loans from Chang Hwa Commercial Bank	50,000	Interest is calculated based on the one-year floating interest rate +0.29% of post office savings	The borrowing period is from March 15, 2022 to March 15, 2027, including a grace period of 2 years for repayment, with quarterly installments and 12 equal installments of principal repayment, and interest is paid monthly.
Less: Due within one year	(33,333)		
Due in more than one year	$75,000		

Creditor	2021.12.31	Interest rate range (%)	Repayment period and method
Secured loans from Chang Hwa Commercial Bank	$91,666	Interest is calculated based on the one-year floating interest rate +0.42% of post office savings	The borrowing period is from August 19, 2019 to August 19, 2024, including a grace period of 2 years for repayment, with quarterly installments and 12 equal installments of principal repayment, and interest is paid monthly.
Less: Due within one year	(33,333)		
Due in more than one year	$58,333		

(2) Please refer to Note 8 for details of the guarantees provided using assets.

14. Other payables

	2022.12.31	2021.12.31
Expenses payable	$338,350	$413,618
Interest payable	463	153
Payables for equipment	39,886	44,336
Total	$378,699	$458,107

15. Other non-current liabilities

	2022.12.31	2021.12.31
Net defined benefit liabilities	$19,551	$23,491
Deposits received	3,945	2,849
Total	$23,496	$26,340

16. Post-employment benefit plans

Defined contribution plans

The Company's retirement plan under the “Labor Pension Act” is a defined contribution plan. In accordance with the Act, the Company's monthly contribution rate shall not be less than 6% of the employees' monthly salaries. The Company has made monthly contributions of 6% of employees' salaries to the individual pension accounts with the Bureau of Labor Insurance in accordance with the Employee Retirement Regulations, which were formulated in accordance with the Act.

The Company's subsidiaries in Mainland China contribute a certain percentage of the employees' total salaries to the endowment insurance fund in accordance with the local government regulations, which is paid to the relevant government departments and deposited in the dedicated accounts for each employee.

The Group's other foreign subsidiaries and branches contribute pension funds to the relevant pension management businesses in accordance with local laws and regulations.

The Group recognized $3,706 thousand and $3,843 thousand of defined contribution plan expenses in 2022 and 2021, respectively.

Defined benefit plans

The Company's pension plan under the “Labor Standards Act” is a defined benefit plan under. The pension payments are based on the bases of years of service and the approved monthly average salary at the time of retirement. Two bases are granted for each year of service up to (including) 15 years, and one base is granted for each year of service over 15 years, subject to a maximum accumulation of 45 bases. In accordance with the Labor Standards Act, the Company appropriates monthly 2% of total salaries to a pension fund, deposited in the name of the Supervisory Committee of Labor Retirement Reserve in a dedicated at the Bank of Taiwan. In addition, the Company estimates the balance of the aforementioned pension fund before the end of each year. If the balance is not sufficient to pay the amount of pension benefits to employees eligible for retirement in the following year, the difference will be made up by the end of March of the following year.

The Ministry of Labor conducts asset allocations in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and the investment of the fund is conducted by the Ministry itself or through outsourcing, using both active and passive management with medium and long-term investment strategies. The Ministry of Labor sets risk limits and control plans for the fund, taking into account market, credit, and liquidity risks, so that the fund has sufficient flexibility to achieve target returns without excessive risk exposure. For the utilization of the fund, the minimum income to be distributed based on the annual final accounting reports shall not be lower than the income calculated based on the two-year time deposits in a local bank. If there is any shortage, it shall be made up by the national treasury after approval by the competent authority. Because the Company does not have the right to participate in the operations and management of the fund, it cannot disclose the classification of the fair value of plan assets in accordance with section 142 of IAS 19. As of December 31, 2022, the Company expected to contribute $325 thousand for the defined benefit plans in the next year

As of December 31, 2022 and 2021, the Company's defined benefit plans were expected to expire in 2037.

The following table summarizes the cost of the defined benefit plans recognized in profit or loss.

	2022	2021
Net interest on net defined benefit liabilities (assets)	$162	$94

A reconciliation of the present value of the defined benefit obligation to the fair value of plan assets is as follows:

	2022.12.31	2021.12.31	2021.01.01
Present value of defined benefit obligation	$24,614	$27,922	$28,397
Fair value of plan assets	(4,738)	(4,111)	(3,749)
Subtotal	19,876	23,811	24,648
Estimated appropriation for net defined benefit liabilities in the next year	(325)	(320)	(329)
The amount of other non-current liabilities - net defined benefit liabilities (assets) on the accounting books	$19,551	$23,491	$24,319

Reconciliation of net interest on net defined benefit liabilities (assets):

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities (assets)
2021.01.01	$28,397	$(3,749)	$24,648
Service costs for the period	-	-	-
Interest expense (income)	108	(14)	94
Service costs for the prior period and settlement gains and losses	-	-	-
Subtotal	108	(14)	94
Remeasurement of defined benefit liabilities/assets:			
Actuarial gains or losses from changes in demographic assumptions	260	-	260
Actuarial gains or losses from changes in financial assumptions	(1,383)	(52)	(1,435)
Adjustments through experience	540	-	540
Remeasurement of defined benefit liabilities	-	-	-
Subtotal	(583)	(52)	(635)
Benefits paid	-	-	-
Appropriations by employer	-	(296)	(296)
2021.12.31	27,922	(4,111)	23,811
Service costs for the period	-	-	-
Interest expense (income)	190	(28)	162
Service costs for the prior period and settlement gains and losses	-	-	-
Subtotal	190	(28)	162
Remeasurement of defined benefit liabilities/assets:			
Actuarial gains or losses from changes in demographic assumptions	-	-	-
Actuarial gains or losses from changes in financial assumptions	(3,112)	(299)	(3,411)
Adjustments through experience	(386)	-	(386)
Remeasurement of defined benefit liabilities	-	-	-
Subtotal	(3,498)	(299)	(3,797)
Benefits paid	-	-	-
Appropriations by employer	-	(300)	(300)
2022.12.31	$24,614	$(4,738)	$19,876

The following key assumptions were used to determine the Company's defined benefit plans:

	2022.12.31	2021.12.31
Discount rate	1.47%	0.68%
Expected salary increase rate	3.00%	3.00%

Sensitivity analysis for each significant actuarial assumption:

	2022		2021	
	Increase in defined benefit obligation	Decrease in defined benefit obligation	Increase in defined benefit obligation	Decrease in defined benefit obligation
Increase in discount rate by 0.5%	$-	$(1,755)	$-	$(2,160)
Decrease in discount rate by 0.5%	1,917	-	2,375	-
Increase in expected salary increase rate by 0.5%	1,878	-	2,308	-
Decrease in expected salary increase rate by 0.5%	-	(1,738)	-	(2,123)

The foregoing sensitivity analysis was performed to analyze the potential impact on the defined benefit obligation if a reasonably possible change in a single actuarial assumption (e.g., discount rate or expected salary) occurs, assuming other assumptions remained constant. The analysis is limited by the fact that some actuarial assumptions are interrelated and, in practice, changes in only a single actuarial assumption rarely occur.

The method and assumptions used in the sensitivity analysis for the current period are no different from those used in the prior period.

17. Equity

(1) Common stock

As of December 31, 2022 and 2021, the Company's authorized capital was $2,000,000 thousand and the issued share capital was $1,172,656 thousand and $1,227,626 thousand, respectively, with par value of $10 per share, divided into 117,266 thousand and 122,763 thousand shares, respectively. Each share has one voting right and is entitled to receive dividends.

On November 5, 2021, the Board of Directors resolved to retire treasury stock and reduce capital by $40,770 thousand, with November 10, 2021 as the base date for the capital reduction. The capital reduction was approved by the Ministry of Economic Affairs with the letter Jing-Shou-Shang-Zi No. 11001218710 on record. After the capital reduction, the authorized capital was $2,000,000 thousand and the issued share capital was $1,227,626 thousand, with a par value of $10 per share, divided into 122,763 thousand shares.

On August 5, 2022, the Board of Directors resolved to retire treasury stock and reduce capital by $30,000 thousand, with August 8, 2022 as the base date for the capital reduction. The capital reduction was approved by the Ministry of Economic Affairs with the letter Jing-Shou-Shang-Zi No. 11101162950 on record. After the capital reduction, the authorized capital was $2,000,000 thousand and the issued share capital was $1,197,626 thousand, with a par value of $10 per share, divided into 119,763 thousand shares.

On November 3, 2022, the Board of Directors resolved to retire treasury stock and reduce capital by $24,970 thousand, with November 7, 2022 as the base date for the capital reduction. The capital reduction was approved by the Ministry of Economic Affairs with the letter Jing-Shou-Shang-Zi No. 11101223740 on record. After the capital reduction, the authorized capital was $2,000,000 thousand and the issued share capital was $1,172,656 thousand, with a par value of $10 per share, divided into 117,266 thousand shares.

(2) Capital surplus

	2022.12.31	2021.12.31
Stock options - others	$24	$24
Recognition of change in ownership interests in subsidiaries (Note 1)	14,106	14,106
Others (Note 2)	87	87
Total	$14,217	$14,217

Note 1: Such capital surplus represents the effect of equity transactions recognized for changes in the equity of subsidiaries without actually acquiring the equity in the subsidiaries.

Note 2: This capital reserve represents the exercise of disgorgement.

Capital surplus shall not be used except to make up for losses of the Company, and when the Company has no losses, capital surplus generated from the proceeds from the issuance of shares in excess of par value and the proceeds from the receipt of gifts shall be capitalized as equity up to a certain percentage of the paid-in capital every year, and the aforementioned capital surplus may also be distributed in cash in proportion to the original shareholdings of the shareholders. In addition, capital surplus from long-term equity investments shall not be used for any purpose.

(3) Treasury stock

The Company did not hold any treasury stock as of December 31, 2022 and 2021.

The changes in treasury stock for 2022 and 2021 were as follows:

Reason for recovery	Number of shares at the beginning of the period	Increase during the period	Decrease during the period	Number of shares at the end of the period
2022				
To protect the creditworthiness of the Company and shareholders' equity	- Thousands of shares	5,497 thousand shares	5,497 thousand shares	- Thousands of shares
2021				
To protect the creditworthiness of the Company and shareholders' equity	- Thousands of shares	4,077 thousand shares	4,077 thousand shares	- Thousands of shares

The Securities and Exchange Act stipulates that the number of shares to be bought back by the Company shall not exceed 10% of the total number of shares issued by the Company, and the total amount of shares to be bought shall not exceed the amount of retained earnings plus premiums on issued shares and realized capital surplus.

(4) Earnings distribution and dividend policy

A. Earnings Distribution

In accordance with the Company's Articles of Incorporation, as amended by the resolution of the shareholders' meeting held on June 12, 2019, if the Company makes a net profit in a year as indicated in the annual accounting reports, the Company shall first make up for past losses and secondly set aside 10% as legal reserve and set aside or reverse special reserve in accordance with the law, and if there is any surplus, the Board of Directors shall prepare a proposal for the distribution of earnings after adding the undistributed earnings of previous years. In accordance with Paragraph 5, Article 240 of the Company Act, "When the Company distributes dividends and bonuses in whole or in part in cash, the Board of Directors is authorized to approve the distribution by a resolution of a majority of the directors present, with at least two-thirds of the directors present, and to report the distribution to the shareholders' meeting." In addition, if the Company distributes all or part of the dividends and bonuses by issuance of new shares, the dividends shall be resolved by the shareholders' meeting.

The Company's dividend policy is formulated to support business expansion, based on operating strategies, investment plans, capital budget and changes in internal and external environment. The Company shall set aside at least 20% of the accumulated distributable earnings as dividends to shareholders, of which no less than 10% of the total dividends shall be in cash. Cash dividends less than $0.1 per share calculated in accordance with the above dividend policy shall not be distributed. The Company shall not pay dividends or bonuses, if there is no surplus in earnings.
At the Company's regular shareholders' meeting held on June 16, 2022, the distribution of earnings and dividends per share for 2021 was proposed and resolved as follows:

	Earnings appropriation and distribution proposal	Dividends Per Share (NTD)
	2021	2021
Legal reserve	$18,903	
Provision (reversal) of special reserve	11,392	
Cash dividends on common stock	159,592	1.3
Total	$189,887	

The appropriation and distribution of earnings for 2022 is expected to be proposed by the Board of Directors at the most recent Board meeting following the approval of the financial statements.

Please refer to Note 6.21 for information on the basis of remuneration for employees, directors and supervisors and the amounts recognized.

B. Legal reserve

Under the Company Act, legal reserve should be appropriated until the total amount of legal reserve reaches total capital. The legal reserve may be used to make up for losses. If the Company has no losses, the excess of legal reserve over 25% of the paid-in capital may be distributed as new shares or cash in proportion to the original shareholdings of shareholders.

At the shareholders' meetings held on June 16, 2022 and July 16, 2021, it was resolved to set aside $18,903 thousand and $23,383 thousand, respectively, as legal reserve.

C. Special reserve

Upon the distribution of distributable earnings, a special reserve is provided for the difference between the balance of the special reserve and the net decrease in other equity upon the adoption of IFRSs for the first time. If there is a subsequent reversal of the net deduction from other equity, a special reserve may be reversed to distribute earnings for the portion of the reversal of the net deduction from other equity.

In accordance with the Financial Supervisory Commission's Order Jin-Guan-Zheng-Fa-Zi No. 1090150022 issued on March 31, 2021, a special reserve is provided for the portion of unrealized revaluation increment and cumulative translation adjustments (gain) recorded at the date of transition to IFRSs that is transferred to retained earnings as a result of the adoption of IFRS 1, "First-time Adoption of International Financial Reporting Standards" exemption. The Company may reverse the distributed earnings in proportion to the special reserve originally provided for when the Company uses, disposes of or reclassifies related assets.

As of January 1, 2022 and 2021, the special reserve was $30,933 thousand for both year in relation to the first-time adoption. There was no reversal of special reserve from January 1 to December 31, 2022 and 2021 due to the use, disposal, or reclassification of related assets. As of December 31, 2022 and 2021, the special reserve was $30,933 thousand for both year in relation to the first-time adoption.

At the shareholders' meetings held on June 16, 2022 and July 16, 2021, it was resolved to appropriate (reverse) special reserve of $11,392 thousand and $(13,801) thousand, respectively.

For information on the distribution of earnings resolved at the shareholders' meeting, please refer to the “Market Observation Post System” of the Taiwan Stock Exchange.

(5) Non-controlling interests

	2022	2021
Balance at the beginning of the period	$447,471	$414,092
Net profit attributable to non-controlling interests for the period	73,447	82,612
Total comprehensive income attributable to non-controlling interests		
Exchange differences on translation of the financial statements of foreign operations	7,606	(5,146)
Increase or decrease in non-controlling interests - Acquisition of cash dividends from SINGATRON Electronics (China) Co., Ltd.	-	(44,013)
Change in ownership interests in subsidiaries (Note)	-	(74)
Balance at the end of the period	$528,524	$447,471

Note: This represented the changes in net equity attributable to non-controlling interests as a result of the reversal of capital surplus by SINGATRON Electronics (China) Co., Ltd.

18. Operating revenue

	2022	2021
Revenue from contracts with customers		
Revenue from sales of merchandise	$3,892,540	$4,184,088

(1) Breakdown of revenue

2022

	Connectors segment	Electronic module products segment	Total
Merchandise sales	$3,786,338	$106,202	$3,892,540
Timing of revenue recognition:			
At a certain point in time	$3,786,338	$106,202	$3,892,540

2021

	Connectors segment	Electronic module products segment	Total
Merchandise sales	$4,101,482	$82,606	$4,184,088
Timing of revenue recognition:			
At a certain point in time	$4,101,482	$82,606	$4,184,088

(2) Contract balance

Contract liabilities - current

	2022.12.31	2021.12.31	2021.01.01
Sales of merchandise	$22,384	$16,964	$16,520

The increase in the balance of the Group's contract liabilities for 2022 and 2021 was due to the partial consideration received from customers in advance and the Group's obligation to provide sales of products at a later date.

(3) Transaction price allocated to outstanding performance obligations

There was no need for the Group to provide information on outstanding performance obligations as of December 31, 2022 and 2021 as the Group's contracts were all shorter than one year.

(4) Assets recognized from the cost of acquiring or performing customer contracts

None.

19. Expected credit impairment losses (gains)

	2022	2021
Operating expenses - expected credit impairment losses (gains)		
Accounts receivable	$2,078	$93
Other receivables	2,303	(285)
Total	$4,381	$(192)

For information related to credit risk, please refer to Note 12.

The Group measures receivables (including notes receivable and accounts receivable) with an allowance for losses using the expected credit loss amounts over the duration of existence. The related explanation of the allowance for losses as of December 31, 2022 and 2021 are as follows:

(1) Receivables are divided into groups by considering the credit ratings of transaction counterparties, regions and industries, and the allowance for losses is measured using an allowance matrix.

2022.12.31

Group 1

	Not past due	Days past due					
	(Note)	Within 30 days	31~60 days	61~90 days	91~120 days	More than 121 days	Total
Total carrying amount	$1,210,739	$5,142	$1,504	$134	$-	$1,456	$1,218,975
Loss rate	0~0.5%	1～20%	21～45%	46～50%	51～60%	61～100%	
Expected credit losses for the duration of existence	(1,524)	(1,010)	(627)	(65)	-	(935)	(4,161)
Carrying amount	$1,209,215	$4,132	$877	$69	$-	$521	$1,214,814

Group 2

	Not past due	Days past due				
	(Note)	Within 30 days	31~60 days	61~90 days	91 days or more	Total
Total carrying amount	$26,565	$2,231	$-	$-	$106	$28,902
Loss rate	0～1%	2～10%	11～50%	51～55%	56～100%	
Expected credit losses for the duration of existence	(179)	(133)	-	-	(85)	(397)
Carrying amount	$26,386	$2,098	$-	$-	$21	$28,505

2021.12.31

Group 1

	Not past due	Days past due					
	(Note)	Within 30 days	31~60 days	61~90 days	91~120 days	More than 121 days	Total
Total carrying amount	$1,398,062	$5,003	$5,813	$-	$171	$1,893	$1,410,942
Loss rate	0~0.5%	1~5%	6~25%	30~55%	60~85%	90~100%	
Expected credit losses for the duration of existence	-	(225)	(604)	-	(139)	(1,816)	(2,784)
Carrying amount	$1,398,062	$4,778	$5,209	$-	$32	$77	$1,408,158

Group 2

Group 2	Not past due	Days past due				
	(Note)	Within 30 days	31~60 days	61~90 days	91 days or more	Total
Total carrying amount	$29,044	$708	$-	$132	$-	$29,884
Loss rate	0~0.1%	1~5%	10~20%	20~50%	100%	
Expected credit losses for the duration of existence	-	(29)	-	(37)	-	(66)
Carrying amount	$29,044	$679	$-	$95	$-	$29,818

Note: None of the Group's notes receivable were past due.

(2) Information on the changes in the Group's allowance for losses on notes receivable, accounts receivable and other receivables for 2022 and 2021 are as follows:

	Notes receivable	Accounts receivable	Other receivables
2022.01.01	$-	$2,850	$1,510
Increase (reversal) for the period	-	2,078	2,303
Effect of exchange rate	-	97	15
Written off due to uncollectible	-	(467)	-
2022.12.31	$-	$4,558	$3,828

	Notes receivable	Accounts receivable	Other receivables
2021.01.01	$-	$2,770	$1,806
Increase (reversal) for the period	-	93	(285)
Effect of exchange rate	-	(13)	(11)
2021.12.31	$-	$2,850	$1,510

20. Leases

(1) The Group as lessee

The Group has leased a number of different assets, including real estate (land, buildings). The lease period of each contract ranges from 2 to 50 years. Some of the contracts stipulate that the lessee may not lend, sublet, assign or otherwise disguise the use of all or part of the leased property to others, or assign the leasehold rights to others, without the consent of the lessor.

The effect of leases on the financial position, financial performance and cash flow of the Group is described as follows:

A. Amount recognized in the balance sheet

(a) Right-of-use assets.

Carrying amount of right-of-use assets

	2022.12.31	2021.12.31
Land	$34,729	$35,101
Buildings	14,005	25,169
Machinery and equipment	863	1,854
Transportation equipment	6,918	8,964
Other equipment	1,229	2,801
Total	$57,744	$73,889

(b) Lease liabilities

	2022.12.31	2021.12.31
Lease liabilities	$23,138	$39,543
Current	$15,593	$17,753
Non-current	$7,545	$21,790

Please refer to Note 6, 22 Finance costs for the interest expense on the Group's lease liabilities for 2022 and 2021; and Note 12, 5 Liquidity risk management for the maturity analysis of the lease liabilities as of December 31, 2022 and 2021.

B. Amounts recognized in statement of comprehensive income

Depreciation of right-of-use assets

	2022	2021
Land	$993	$973
Buildings	10,374	10,753
Machinery and equipment	968	1,422
Transportation equipment	4,415	3,390
Other equipment	1,551	645
Total	$18,301	$17,183

C. Income and expenses of lessee related to lease activities

	2022	2021
Short-term lease expenses (rental expenditures)	$3,081	$4,427

As of December 31, 2022 and 2021, the Group had no committed short-term lease portfolio and the type of lease subject matters related to the aforementioned short-term lease expenses was not similar and the related committed amount was $0.

D. Cash outflows of lessee related to lease activities

The Group's total cash outflows for leases amounted to $22,618 thousand and $20,915 thousand for 2022 and 2021, respectively.

(2) The Group as lessor

Please refer to Note 6.9 for disclosures related to the Group's investment properties owned by the Group. Investment properties owned by the Group are classified as operating leases because substantially all the risks and rewards incidental to ownership of the subject assets have not been transferred.

The Group entered into operating leases and the total undiscounted lease payments to be received as of December 31, 2022 and 2021 and the remaining years were as follows:

	2022.12.31	2021.12.31
No more than one year	$3,827	$5,113
More than one year but not more than five years	2,932	2,949
Total	$6,759	$8,062

21. A summary of employee benefits, depreciation and amortization expenses by function is as follows:

Function / Nature	2022			2021		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expense						
Salary expense	$248,574	$263,381	$511,955	$256,408	$271,228	$527,636
Labor and health insurance expenses	53,455	28,757	82,212	47,341	26,226	73,567
Pension expenses	-	3,868	3,868	-	3,937	3,937
Remuneration for directors	-	9,209	9,209	-	9,740	9,740
Other employee benefits expenses	19,209	7,372	26,581	22,992	7,301	30,293
Depreciation expenses (including investment property and right-of-use assets)	142,940	58,259	201,199	142,472	53,957	196,429
Amortization expenses	-	4,932	4,932	18	6,088	6,106

The Company's Articles of Incorporation provide that if the Company makes a profit in a year, it shall appropriate not less than one-thousandth of the profit as profit sharing remuneration for employees and not more than 3% as profit sharing remuneration for directors and supervisors, but if the Company has accumulated losses, it shall reserve in advance an amount to make up for the losses. The aforementioned profit sharing remuneration in the form of stock or cash shall be resolved by the Board of Directors with the presence of two-thirds of the directors and the approval of a majority of the directors present, and shall be reported to the shareholders' meeting. For information on the profit sharing remuneration for employees and remuneration to directors and supervisors approved by the Board of Directors, please visit the Market Observation Post System of the Taiwan Stock Exchange.

Based on the Company's 2022 profitability, the profit sharing remuneration for employees and that for directors and supervisors were estimated at no less than 1% and no more than 3%, respectively, and the amount of profit sharing remuneration for employees and that for directors and supervisors were recognized as $2,000 thousand and $6,625 thousand, respectively, under salary expenses. On March 3, 2023, the Board of Directors resolved to distribute profit sharing remuneration for employees of $2,000 thousand and profit sharing remuneration for directors and supervisors of $6,500 thousand in cash. The difference from the profit sharing remuneration for employees of $2,000 thousand and profit sharing remuneration for directors and supervisors of $6,625 thousand recorded as expenses on the financial statements for 2022 were $0 and $125 thousand, respectively, which were mainly due to the change in the estimate and are expected to be recorded as profit or loss for 2023.

Based on the Company's 2021 profitability, the profit sharing remuneration for employees and that for directors and supervisors were estimated at no less than 0.1% and no more than 6%, respectively, and the amount of profit sharing remuneration for employees and that for directors and supervisors were recognized as $1,500 thousand and $7,700 thousand, respectively, under salary expenses. The Company's Board of Directors resolved on March 4, 2022 to distribute profit sharing remuneration for employees and that for directors and supervisors in cash of $1,500 thousand and $7,700 thousand, respectively, which was not different from the amount recorded as expenses in the financial statements for 2021.

The Group's overseas subsidiaries estimated the total incentive bonuses for employees at $23,000 thousand and $23,500 thousand for 2022 and 2021, respectively, which were included in the consolidated salary expenses.

22. Non-operating income and expenses

(1) Other income

	2022	2021
Rental income	$7,619	$5,816
Interest income		
Financial assets at amortized cost	9,589	3,628
Other interest income	-	624
Subtotal	9,589	4,252
Other income	17,375	8,137
Total	$34,583	$18,205

(2) Other gains or losses

	2022	2021
Gain (loss) on disposal of property, plant and equipment	$(11,201)	$(10,822)
Net foreign currency exchange gains (losses)	75,007	37,114
Gain (loss) on valuation of financial assets/liabilities at fair value through profit or loss	(22,945)	(20,498)
Other losses	(4,186)	(5,612)
Gain on lease modification	13	-
Total	$36,688	$182

(3) Financial costs

	2022	2021
Interest on bank loans	$6,934	$4,716
Interest on lease liabilities	1,595	1,034
Other interest expenses	563	16
Total	$9,092	$5,766

23. Components of other comprehensive income

The components of other comprehensive income for 2022 were as follows:

	Occurred during the period	Reclassified or adjusted during the period	Subtotal	Income tax benefit (expense)	After-tax amount
Items not reclassified subsequently to profit or loss:					
Remeasurement of defined benefit plans	$3,797	$-	$3,797	$-	$3,797
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of the financial statements of foreign operations	51,052	-	51,052	(8,689)	42,363
Total other comprehensive income for the period	$54,849	$-	$54,849	$(8,689)	$46,160

The components of other comprehensive income for 2021 were as follows:

	Occurred during the period	Reclassified or adjusted during the period	Subtotal	Income tax benefit (expense)	After-tax amount
Items not reclassified subsequently to profit or loss:					
Remeasurement of defined benefit plans	$635	$-	$635	$-	$635
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of the financial statements of foreign operations	(19,386)	-	(19,386)	2,848	(16,538)
Total other comprehensive income for the period	$(18,751)	$-	$(18,751)	$2,848	$(15,903)

23. Income tax

(1) Major components of tax expense (benefit) were as follows:

Income tax recognized in profit or loss

	2022	2021
Current income tax expense (benefit)		
Current income tax payable	$58,070	$93,684
Adjustments to the current income taxes of prior periods made in the period	(10,082)	(13,572)
Deferred income tax expense (benefit):		
Deferred income tax expense related to the original generation and reversal of temporary differences	57,295	41,572
Write-down of deferred income tax	669	(6,157)
Income tax expense	$105,952	$115,527

Income tax recognized in other comprehensive income

	2022	2021
Deferred income tax expense (benefit):		
Exchange differences on translation of the financial statements of foreign operations	$8,689	$(2,848)

(2) Reconciliation of income tax expense to accounting profit multiplied by the applicable income tax rate is as follows:

	2022	2021
Net profit before tax from continuing operations	$401,907	$444,893
Tax based on domestic tax rates applicable to income from related countries	$126,680	$143,075
Income tax levied on undistributed earnings	2,874	3,071
Income tax effect of non-deductible expenses on tax returns	387	213
Income tax effect of deferred income tax assets/liabilities	1,835	(3,366)
Adjustments to the current income taxes of prior periods made in the period	(10,082)	(13,572)
Other income tax effects as adjusted in accordance with tax laws	(15,742)	(13,894)
Total income tax expense recognized in profit or loss	$105,952	$115,527

(3) Balance of deferred income tax assets (liabilities) related to the following items:

2022

	Balance at the beginning of the period	Recognized in profit or loss	Recognized in other comprehensive income	Balance at the end of the period
Temporary differences				
Loss on decline in value of inventories and slow-moving inventories.	$8,069	$(1,668)	$-	$6,401
Investment income	(333,554)	(66,964)	-	(400,518)
Exchange losses (gains)	(3,179)	2,733	-	(446)
Exchange losses (gains)	-	441	-	441
Expected credit impairment losses	931	(325)	-	606
Net defined benefit liabilities	7,373	-	-	7,373
Book-tax difference of property, plant and equipment	12,551	(1,781)	-	10,770
Book-tax difference of property, plant and equipment	-	(389)	-	(389)
Impairment losses of assets	800	-	-	800
Exchange differences on translation of the financial statements of foreign operations	18,787	-	(8,689)	10,098
Short-term employee benefits	452	-	-	452
Loss carryforwards	-	10,658	-	10,658
Deferred income tax (expense)/benefit:		$(57,295)	$(8,689)	
Net deferred tax assets (liabilities)	$(287,770)			$(353,754)
The information shown in the balance sheet is as follows:				
Deferred tax income assets	$48,963			$47,599
Deferred income tax liabilities	$(336,733)			$(401,353)

2021

	Balance at the beginning of the period	Recognized in profit or loss	Recognized in other comprehensive income	Balance at the end of the period
Temporary differences				
Loss on decline in value of inventories and slow-moving inventories.	$8,428	$(359)	$-	$8,069
Investment income	(323,282)	(10,272)	-	(333,554)
Exchange losses (gains)	(986)	(2,193)	-	(3,179)
Expected credit impairment losses	438	493	-	931
Net defined benefit liabilities	7,373	-	-	7,373
Book-tax difference of property, plant and equipment	11,772	779	-	12,551
Impairment losses of assets	800	-	-	800
Exchange differences on translation of the financial statements of foreign operations	15,939	-	2,848	18,787
Short-term employee benefits	452	-	-	452
Loss carryforwards	30,020	(30,020)	-	-
Deferred income tax (expense)/benefit:		$(41,572)	$2,848	
Net deferred tax assets (liabilities)	$(249,046)			$(287,770)
The information shown in the balance sheet is as follows:				
Deferred tax income assets	$74,252			$48,963
Deferred income tax liabilities	$(323,298)			$(336,733)

(4) Unrecognized deferred income tax assets

As of December 31, 2022 and 2021, the Group had unrecognized deferred income tax assets totaling $16,029 thousand and $13,702 thousand, respectively.

(5) Information on the Group's consolidated unused income tax credits for loss carryforward was as follows:

A. Parent company

	Unused balance		
Year of occurrence	2022.12.31	2021.12.31	Final deductible year
2022(Estimate)	$53,290	$-	2032

B. Subsidiaries

	Unused balance		
Year of occurrence	2022.12.31	2021.12.31	Final deductible year
2016	$-	$4,343	2026
2018	-	2,706	2028
2021	24,377	23,587	2031
2022(Estimate)	2,451	-	2032
Total	$26,828	$30,636	

(6) Assessment of Income tax returns

As of December 31, 2022, the Company's income tax returns had been assessed through 2020.

25. Earnings per share

Basic earnings per share is calculated based on the net profit attributable to holders of common stock of the parent company for the year divided by the weighted-average number of common stock outstanding during the year.

Diluted earnings per share is calculated by dividing the net income attributable to holders of common stock of the parent company for the year, adjusted for the effect of dilution, by the weighted-average number of common stock outstanding for the year plus the weighted-average number of common stock to be issued upon conversion of all dilutive potential common stock into common stock.

(1) Basic earnings per share

	2022	2021
Net profit attributable to holders of common stock of the parent company (thousands of NTD)	$222,508	$246,754
Weighted average number of common shares for basic earnings per share (thousands of shares)	120,300	125,500
Basic earnings per share (NTD)	$1.85	$1.97

(2) Diluted earnings per share

	2022	2021
Net profit attributable to holders of common stock of the parent company (thousands of NTD)	$222,508	$246,754
Weighted average number of common shares for basic earnings per share (thousands of shares)	120,300	125,500
Dilutive effect:		
Profit sharing remuneration for employees - Stock (thousands of Shares)	109	60
Weighted-average number of common shares after adjustment for dilutive effect (thousands of shares)	120,409	125,560
Diluted earnings per share (NTD)	$1.85	$1.97

(3) There were no other transactions that materially changed the outstanding common shares or potential common shares at the end of the period after the reporting period and before the publication of the financial statements.

26. Subsidiaries with significant non-controlling interests

Financial information on subsidiaries with significant non-controlling interests is presented below:

Percentage of interests held by non-controlling interests.

Name of subsidiary	Country where the subsidiary is located and operates	2022.12.31	2021.12.31
SINGATRON ELECTRONICS (CHINA) CO. LTD. and subsidiaries	Mainland China	18.1132%	18.1132%

Cumulative balance of significant non-controlling interests:	2022.12.31	2021.12.31
SINGATRON ELECTRONICS (CHINA) CO. LTD. and subsidiaries	$528,524	$447,471

Interests allocated to significant non-controlling interests:	2022	2021
SINGATRON ELECTRONICS (CHINA) CO. LTD. and subsidiaries	$73,447	$82,612

Aggregate financial information on these subsidiaries is provided below and is based on amounts before inter-company (transaction) eliminations.

Aggregate information on the profit or loss of SINGATRON Electronics (China) Co., Ltd. and its subsidiaries for 2022 and 2021 is summarized as follows:

	2022	2021
Operating revenue	$3,866,139	$4,165,097
Net profit from continuing operations for the period	405,488	456,087
Total comprehensive income for the period	412,427	455,337

Aggregate information on the assets and liabilities of SINGATRON Electronics (China) Co., Ltd. and its subsidiaries as of December 31, 2022 and 2021 is summarized as follows:

	2022.12.31	2021.12.31
Current assets	$3,094,239	$2,901,362
Non-current assets	860,892	839,734
Current liabilities	1,003,363	1,223,045
Non-current liabilities	11,681	27,630

Aggregate information on the cash flows of SINGATRON Electronics (China) Co., Ltd. and its subsidiaries for 2022 and 2021 is summarized as follows:

	2022	2021
From operating activities	$853,302	$631,989
Investing activities	(396,214)	(211,296)
Financing activities	(20,351)	(297,308)
Net increase (decrease) in cash and cash equivalents	441,506	107,560

VII. Related-party transactions

1. The related parties with whom the Group had transactions during the financial reporting period were as follows:

Name and relationship of related party

Name of related party	Relationship with the Group
SINGATRON ENTERPRISE CO., LTD.－U.S.A (SEC－U.S.A)	Other related parties (the Chairperson of the Company is a relative within second degree of kinship of the Chairperson of the related party)

2. Significant transactions with related parties

(1) Sales

	2022	2021
Other related parties	$306,548	$316,715

The price of sales to related parties is the same as that of general customers, and the collection terms for related parties are 90 days after the monthly cut-off day, while the collection terms for general customers are 60 to 120 days after the monthly cut-off day.

(2) The commission to the other related party - SEC-U.S.A is calculated on the gross profit from the sales of the Group's own products to customers referred by SEC-U.S.A. The commission expense of $7,345 thousand and $6,112 thousand was recognized in 2022 and 2021, respectively, and was recorded as selling expenses - commission expenses.

(3) Accounts receivable - related parties

	2022.12.31	2021.12.31
Other related parties	$68,262	$39,987
Less: Allowance for losses	-	-
Net amount	$68,262	$39,987

(4) Remuneration of key management personnel of the Group

	2022	2021
Short-term employee benefits	$46,009	$48,244
Post-employment benefits	181	240
Total	$46,190	$48,484

Please refer to the Annual Report for shareholders' meeting for more information on the total remuneration paid to the key management personnel listed above.

VIII. Pledged assets

The Group had the following assets pledged as collaterals:

Item	Carrying amount		Content of secured debts
	2022.12.31	2021.12.31	
Property, plant and equipment - land	$117,248	$117,248	Borrowing collaterals
Property, plant and equipment - buildings	78,703	81,113	Borrowing collaterals
Investment properties - land	13,949	-	Borrowing collaterals
Investment properties - buildings	8,655	-	Borrowing collaterals
Total	$218,555	$198,361	

IX. Significant contingent liabilities and unrecognized commitments

1. The Group entered into a technology and patent license contract with Company A on July 1, 2012, under which the Group shall bear a certain amount of technology license fee and the royalties shall be calculated based on sales volume and the agreed royalties per unit of volume for the use of the technology license after mass production. In 2022, the Group recognized $19,319 thousand of patent expenses, which were recorded as selling expenses, of which $4,427 thousand was unpaid and recorded as other payables.

2. The Company's Board of Directors resolved on February 8, 2021, March 19, 2021, June 17, 2021, and June 14, 2022, respectively, to approve the relevant commitments in response to the proposed listing of its subsidiary, SINGATRON Electronics (China) Co., Ltd., on the Growth Enterprise Market of the Shenzhen Stock Exchange in China . The Company assesses that these commitments have no material adverse impact on the finance and business matters of the Group and have complied with the relevant requirements. The relevant commitments include, but are not limited to the following:

   With respect to SINGATRON Electronics (China) Co., Ltd. and its subsidiaries, the Company is willing to unconditionally bear or compensate for the related losses if the authority requires or determines that the Company is required to pay back the social insurance charges, housing provident fund or related loss of fines and loss of endowment of related tax benefits prior to the IPO and listing.

   The commitments made by the Company on February 8, 2021 and March 19, 2021 were included in the report at the shareholders' meeting held on July 16, 2021, and the commitments made on June 17, 2021 were included in the report at the shareholders' meeting held on June 16, 2022. Please refer to the "Market Observation Post System" of the Taiwan Stock Exchange for related information.

X. Losses Due to Major Disasters

No such matter.

XI. Significant Subsequent Events

No such matter.

XII. Others

Financial instruments

1. Categories of financial instruments

Financial assets

	2022.12.31	2021.12.31
Financial assets at fair value through profit or loss:		
Mandatorily measured at fair value through profit or loss	$-	$19,961
Financial assets at fair value through other comprehensive income	6,410	6,410
Financial assets at amortized cost:		
Cash and cash equivalents (excluding cash on hand)	1,191,661	770,482
Financial assets at amortized cost	264,566	-
Payables (including related parties)	1,243,319	1,437,976
Other receivables	4,249	39,679
Refundable deposits	5,587	5,532
Total	$2,715,792	$2,280,040

	2022.12.31	2021.12.31
Financial liabilities at fair value through profit or loss:		
Mandatorily measured at fair value through profit or loss	$2,576	$-
Financial liabilities at amortized cost:		
Short-term loans	587,833	295,000
Payables	1,007,928	1,232,572
Lease liabilities	23,138	39,543
Long-term loans (including due within one year)	108,333	91,666
Deposits received	3,945	2,849
Total	$1,733,753	$1,661,630

2. Financial risk management objectives and policies

The Group's financial risk management objectives are mainly to manage market risk, credit risk and liquidity risk associated with operating activities. The Group identifies, measures and manages the aforementioned risks in accordance with the Group's policies and risk appetite.

The Group has established appropriate policies, procedures and internal controls for the aforementioned financial risk management in accordance with the relevant regulations. Significant financial activities are subject to review by the Board of Directors and the Audit Committee in accordance with relevant regulations and internal control systems. During the execution of financial management activities, the Group is required to comply with the relevant regulations on financial risk management.

3. Market risk

The Group's market risk is the risk of fluctuations in the fair value or cash flows of financial instruments due to changes in market prices. Market risk mainly includes exchange rate risk, interest rate risk and other price risk (e.g. equity instruments).

In practice, it is rare for a single risk variable to change in isolation, and changes in each risk variable are usually correlated. However, the following sensitivity analysis of each risk does not consider the interaction of related risk variables.

Exchange rate risk

The Group's exchange rate risk relates primarily to operating activities (when revenues or expenses are denominated in currencies different from the Group's functional currency) and net investments in foreign operations.

The Group's foreign currency receivables and payables are partly in the same currency, in which case, a significant position of the receivables and payables will have a natural hedge effect, while forward exchange contracts are used to manage the exchange rate risk for some foreign currency amounts. As the aforementioned natural hedge and the management of exchange rate risk by means of forward exchange contracts do not meet the requirements of hedge accounting and therefore hedge accounting is not applied; in addition, the net investment in foreign operations is a strategic investment and therefore, the Group does not hedge for it.

The sensitivity analysis of the Group's exposure to exchange rate risk focuses on the impact on the Group's profit or loss and equity of the appreciation/depreciation of the relevant foreign currencies for major foreign currency monetary items at the end of the financial reporting period. The Group's exposure to exchange rate risk is mainly affected by fluctuations in the USD exchange rate and the information on the sensitivity analysis is as follows:

When RMB had strengthened/weakened 1% against USD, the Group's profit or loss would have decreased/increased by RMB2,993 thousand and RMB3,447 thousand for 2022 and 2021, respectively.

Interest rate risk

Interest rate risk is the risk of fluctuations in the fair value of financial instruments or future cash flows due to changes in market interest rates. The Group's interest rate risk mainly arises from investments in floating rate debt instruments, fixed rate borrowings and floating rate borrowings.

The sensitivity analysis of interest rate risk focuses on the interest rate exposures at the end of the financial reporting period, including floating rate investments and floating rate borrowings, and assuming that these exposures had been held for one year, when interest rate had increased/decreased by 0.1%, the Group's profit or loss would have decreased/increased by $432 thousand and $343 thousand for 2022 and 2021, respectively.

Equity price risk

The fair value of unlisted equity securities held by the Group could be affected by the uncertainty of the future value of the investment subjects. The unlisted equity securities held by the Group are included in the category at fair value through other comprehensive income. The Group manages the price risk of equity securities by diversifying its investments and setting limits on investments in equity securities, both individually and in the aggregate. Information on equity securities portfolio is provided to the Group's senior management on a regular basis, and the Board of Directors reviews and approves all investment decisions on equity securities.

For the fair value hierarchy of other equity instruments in Level 3, please refer to Note 12.9 for information on sensitivity analysis.

4. Credit risk management

Credit risk refers to the risk that the counterparties will not be able to fulfill their obligations under contracts, resulting in financial losses. The Group's credit risk is attributable to operating activities (mainly accounts and notes receivable) and financing activities (mainly bank deposits and various financial instruments). Each of the Group's units manages credit risk in accordance with its policies, procedures and controls over credit risk. All the credit risks of counterparties are evaluated by taking into account the financial positions of the counterparties, their ratings by credit rating agencies, historical transaction experience, the current economic environment and the Group's internal ratings, etc. The Group also uses certain credit enhancement tools (such as advance receipts and insurance) at appropriate times to reduce the credit risks of specific counterparties.

As at December 31, 2022 and 2021, the percentages of receivables from the Group's top ten customers to the Group's total receivables were 56.90% and 64.10%, respectively, and the credit concentration risk of the remaining receivables was relatively insignificant.

The Group's finance department manages the credit risk of bank deposits and other financial instruments in accordance with the Group's policies. The Group's counterparties are creditworthy banks and investment-grade financial institutions, corporate organizations and governmental authorities as determined by the Group's internal control procedures, so there is no significant credit risk.

The Group uses IFRS 9 to assess expected credit losses. Other than receivables, investments in debt instruments not measured at fair value through profit or loss are initially acquired on the premise that the credit risk is low. At each balance sheet date, an assessment is made of whether the credit risk has increased significantly since the initial recognition to determine the method of measuring the allowance for losses and its loss rate. As of December 31, 2022 and 2021, the Group did not hold any investments in debt instruments not measured at fair value through profit or loss.

In addition, the Group writes off financial assets when it is assessed that recovery is not reasonably expected, such as when the issuer or the debtor is in significant financial difficulty or has become insolvent.

5. Liquidity risk management

The Group maintains financial flexibility through cash and cash equivalents and contracts such as bank borrowings. The following table summarizes the maturity profile of payments under contracts for the Group's financial liabilities, based on the earliest possible date on which repayment may be required and the undiscounted cash flows thereof, including agreed interest. The undiscounted amount of interest cash flows payable at floating interest rates is derived from the curve yield at the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	1 to 5 years	Total
2022.12.31			
Loans	$625,524	$76,761	$702,285
Payables	1,007,928	-	1,007,928
Lease liabilities	16,067	7,709	23,776
2021.12.31			
Loans	$329,789	$58,930	$388,719
Payables	1,232,572	-	1,232,572
Lease liabilities	18,491	22,227	40,718

Derivative financial assets (liabilities)

	Less than 1 month	1 to 3 months	3 months to 1 year	More than 1 year	Total
2022.12.31					
Inflows	$143,453	$344,014	$319,179	$-	$806,646
Outflows	(147,291)	(345,462)	(316,469)	-	(809,222)
Net amount	$(3,838)	$(1,448)	$2,710	-	$(2,576)
2021.12.31					
Inflows	$113,763	$273,537	$886,873	$-	$1,274,173
Outflows	(110,747)	(266,664)	(876,801)	-	(1,254,212)
Net amount	$3,016	$6,873	$10,072	$-	$19,961

The above disclosures regarding derivative financial assets (liabilities) are presented using undiscounted net cash flows.

6. Reconciliation of liabilities from financing activities

Information on reconciliation of liabilities for 2022:

	Short-term loans	Long-term loans	Deposits received	Lease liabilities	Total liabilities from financing activities
2022.01.01	$295,000	$91,666	$2,849	$39,543	$429,058
Cash flows	292,833	16,667	1,096	(19,537)	291,059
Non-cash flows	-	-	-	3,132	3,132
2022.12.31	$587,833	$108,333	$3,945	$23,138	$723,249

Information on reconciliation of liabilities for 2021:

	Short-term loans	Long-term loans	Deposits received	Lease liabilities	Total liabilities from financing activities
2021.01.01	$250,000	$100,000	$9,507	$35,567	$395,074
Cash flows	45,000	(8,334)	(6,658)	(16,488)	13,520
Non-cash flows	-	-	-	20,464	20,464
2021.12.31	$295,000	$91,666	$2,849	$39,543	$429,058

7. Fair value of financial instruments

(1) Valuation techniques and assumptions used to measure fair value

Fair value is the price that would be paid to sell an asset or to transfer a liability in an orderly transaction between market participants at the measurement date. The methods and assumptions used by the Group to measure or disclose the fair value of financial assets and financial liabilities are as follows:

A. The carrying amounts of cash and cash equivalents, receivables, payables and other current liabilities are reasonable approximations of fair values, primarily due to the short maturities of such instruments.

B. The fair values of financial assets and liabilities traded in active markets with standard terms and conditions are determined by reference to quoted market prices (e.g., listed stocks, beneficiary certificates, bonds and futures).

C. The fair value of equity instruments that are not traded in an active market (e.g., listed private stocks, publicly traded stocks without an active market, and unlisted stocks) is estimated using the market approach by using prices derived from market transactions of equity instruments of the same or comparable companies and other relevant information (e.g., lack of liquidity discount factor, price to earnings ratio of similar companies' stocks, price to equity ratio of similar companies' stocks, etc.).

D. The fair value of investments in debt instruments, bank loans and other non-current liabilities that do not have active market quotations are determined based on counterparty quotations or valuation techniques, which are based on discounted cash flow analysis. The assumptions on interest rates and discount rates are based on information related to similar instruments (e.g., TPEx reference yield curve, Reuters average interest rate quotations for commercial papers and credit risk).

E. The fair value of derivative financial instruments without active market quotations, including non-optional derivative financial instruments, is calculated by discounted cash flow analysis using counterparty quotations or the applicable yield rate curve for the duration of existence.

(2) Fair value of financial instruments at amortized cost

The carrying amounts of the Group's financial assets and financial liabilities at amortized cost approximate their fair values.

(3) Information related to the fair value hierarchy of financial instruments

Please refer to Note 12.9 for information on the fair value hierarchy of the Group's financial instruments.

8. Derivative instruments

Information on the Group's derivative financial instruments that did not meet hedge accounting and were outstanding as of December 31, 2022 and 2021 is as follows:

Forward foreign exchange contracts

Forward foreign exchange contracts are used to manage the risk exposure of certain transactions, but are not designated as hedging instruments. The forward exchange contracts were as follows (in thousands of foreign currencies):

Item	Contract amount	Period
2022.12.31		
Forward foreign exchange contracts	Sell USD26,500	2022.07.15～2023.06.21
2021.12.31		
Forward foreign exchange contracts	Sell USD44,900	2021.02.24~2022.11.21

9. Fair value hierarchy

(1) Definition of fair value hierarchy

All assets and liabilities measured or disclosed at fair value are categorized into their respective fair value hierarchy based on the lowest level of input value that is significant to the overall fair value measurement. The input vales for each level are as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: refers to the direct or indirect observable input value of asset or liability further to the quotation of Level 1.

Level 3: the unobservable input value of asset or liability.

Assets and liabilities recognized in the financial statements on a recurring basis are reassessed at the end of each reporting period to determine whether transfers between levels of the fair value hierarchy have occurred.

(2) Information on the hierarchy of fair value measurements

Information on the fair value hierarchy for recurring assets and liabilities is presented below:

December 31, 2022:

	Level 1	Level 2	Level 3	Total
Investments in equity instruments at fair value through other comprehensive income	$-	$-	$6,410	$6,410
Liabilities at fair value:				
Financial liabilities at fair value through profit or loss:				
Forward foreign exchange contracts	$-	$2,576	$-	$2,576

December 31, 2021:

	Level 1	Level 2	Level 3	Total
Assets at fair value:				
Financial assets at fair value through profit or loss:				
Forward foreign exchange ontracts	$-	$19,961	$-	$19,961
Investments in equity instruments at fair value through other comprehensive income	$-	$-	$6,410	$6,410

Transfer between Level 1 and Level 2 of fair value hierarchy

There were no transfers between Level 1 and Level 2 of fair value hierarchy for the Group's assets and liabilities at fair value on a recurring basis in 2022 and 2021.

Details of changes in Level 3 of the recurring fair value hierarchy

There was no change in the opening to closing balance of the Group's assets and liabilities at fair value on a recurring basis in Level 3 of fair value hierarchy in 2022 and 2021.

Information on significant unobservable input values in Level 3 of fair value hierarchy

Except for the unquantified unobservable inputs for structured time deposits, whose fair prices were the previous trading prices, the significant unobservable input values used for fair value measurement for assets in Level 3 of fair value hierarchy that are measured at fair value on a recurring basis are presented in the following table:

December 31, 2022:

	Valuation techniques	Significant unobservable input values	Quantitative information	Relationship between input values and fair values	Sensitivity analysis of the relationship between input values and fair values
Financial assets:					
Financial assets at fair value through other comprehensive income					
Stock	Market method	Lack of liquidity discount	20%	The higher the degree of illiquidity, the lower the fair value estimate	When the percentage of illiquidity increases (decreases) by 10%, the Group's profit or loss would decrease/ increase by $641 thousand

December 31, 2021:

	Valuation techniques	Significant unobservable input values	Quantitative information	Relationship between input values and fair values	Sensitivity analysis of the relationship between input values and fair values
Financial assets:					
Financial assets at fair value through other comprehensive income					
Stock	Market method	Lack of liquidity discount	20%	The higher the degree of illiquidity, the lower the fair value estimate	When the percentage of illiquidity increases (decreases) by 10%, the Group's profit or loss would decrease/increase by $641 thousand

Valuation process for Level 3 fair value measurement

The Group's finance department is responsible for carrying out fair value tests to ensure that the valuation results approximate market conditions, that the sources of information are independent, reliable, consistent with other sources and representative of executable prices, and that changes in the value of assets and liabilities that are subject to remeasurement or reassessment in accordance with the Group's accounting policies are analyzed at each reporting date to ensure that the valuation results are reasonable.

(3) Information on the fair value hierarchy for items that are not measured at fair value but require such disclosure

December 31, 2022:

	Level 1	Level 2	Level 3	Total
Assets with disclosure of fair value only:				
Investment properties (Note 6.9)	$-	$-	$180,347	$180,347

December 31, 2021:

	Level 1	Level 2	Level 3	Total
Assets with disclosure of fair value only:				
Investment properties (Note 6.9)	$-	$-	$166,613	$166,613

10. Information on foreign-currency financial assets and liabilities

Information on the Group’s foreign-currency financial assets and liabilities is as follows:

In thousands of foreign currency

	2022.12.31			2021.12.31		
	Foreign Currency	Exchange rate	NTD	Foreign Currency	Exchange rate	NTD
Financial assets						
Monetary items:						
USD	$47,953	30.7100	$1,472,620	$58,682	27.6801	$1,624,329
RMB	$210,572	4.3837	$923,075	$141,693	4.3034	$609,768
.						
Monetary items:						
USD	$10,156	30.7019	$311,811	$12,469	27.6875	$345,249
RMB	$149,651	4.4094	$659,876	$194,420	4.3418	$844,133

The above information is based on the carrying amount in foreign currency (converted to functional currency).

Due to the wide variety of currencies consolidated by the Group, it is not possible to disclose information on exchange gains and losses on monetary financial assets and financial liabilities by each foreign currency with significant impact. The Group's foreign currency exchange gains (losses) amounted to $75,007 thousand and $37,114 thousand for 2022 and 2021, respectively.

11. Capital management

The primary objective of the Group's capital management is to ensure the maintenance of sound credit ratings and good capital ratios to support corporate operations and maximize shareholders' equity. The Group manages and adjusts its capital structure according to economic conditions, which may be achieved by adjusting dividend payments, returning capital or issuing new shares for the purpose of maintaining and adjusting the capital structure.

12. Impact of the COVID-19 outbreak on the Group

Since the outbreak of COVID-19 pandemic in January 2020, there has been no significant impact on the Group.

XIII. Other disclosures

(I) Information on Significant Transactions:

1. The Company’s provision of financial accommodations to others: None.
2. The Company’s endorsements and guarantees for others: Please refer to Exhibit 1 for details.
3. Marketable securities held by the Company at the end of the period (excluding investment in subsidiaries, affiliates and joint ventures): Please refer to Exhibit 2 for details.
4. Acquisition or sale by the Company of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: None.
5. Acquisition of real estate by the Company exceeding $300 million or 20% of paid-in capital or more: None.
6. Disposal of real estate by the Company exceeding $300 million or 20% of paid-in capital or more: None.

7. Purchases or sales of goods between the Company and related parties reaching $100 million or 20% of paid-in capital or more: None.

8. The Company's receivables from related parties reaching $100 million or 20% of paid-in capital or more: None.

9. The Company's engagement in derivative instruments: None.

10. Business relationships and significant intercompany transactions between the parent company and subsidiaries and between subsidiaries and the amounts involved: Please refer to Exhibit 7 for details.

(II) Information on Investees:

1. If the Company has significant influence or control over an investee, the Company should disclose the relevant information on the investee (excluding the investees in Mainland China): Please refer to Exhibit 3 for details.

2. If the Company has control over an investee, it should disclose the information in Note 13(1) on the investee.

2.1 Provision of financial accommodations to others: Please refer to Exhibit 4 for details.

2.2 Endorsements and guarantees for others: Please refer to Exhibit 1 for details.

2.3 Marketable securities held at the end of the period (excluding investment in subsidiaries, affiliates and joint ventures): None.

2.4 Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: None.

2.5 Acquisition of real estate exceeding $300 million or 20% of paid-in capital or more: None.
2.6 Disposal of real estate exceeding $300 million or 20% of paid-in capital or more: None.

2.7 Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Please refer to Exhibit 5 for details.

2.8 Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Please refer to Exhibit 6 for details.

2.9 Engagement in derivative instruments: Please refer to Exhibit 12.8 for details.

(III) Information on Investment in Mainland China:

1. Information on investees in Mainland China, showing the name, principal business activities, paid-in capital, investment method, inward and outward remittance of funds, shareholding percentage, 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.

Unit: Thousands of NTD

Name of investee in Mainland China	Main businesses	Paid-in capital	Investment method	Accumulated investment amount remitted from Taiwan at the beginning of the period	Amount of investment remitted or recovered during the period		Accumulated investment amount remitted from Taiwan at the end of the period	Net profit or loss of the Investee for the period	Shareholding percentage of direct or indirect investment by the Company	Investment income or loss recognized for the period	Carrying amount of investment at the end of the period	Investment income repatriated as of the end of the period
					Outward remittance	Repatriation						
CHUNG SHAN LUNG TAIS HING ELECTROPLATING CO., LTD.	Manufacturing and sale of hardware parts and surface plating products	$- (Note 9)	Note 1	$93,610 (Note 2 and Note 9)	$-	$-	$93,610 (Note 2 and Note 9)	$- (Note 9)	100%	$- (Note 9)	$- (Note 9)	$-
SINGATRON ELECTRONIC (ZHONGSHAN) CO., LTD.	Manufacturing and sale of connectors	$92,130 (Note 2)	Note 1	$76,775 (Note 2 and Note 5)	$-	$-	$76,775 (Note 2 and Note 5)	$43,128 (Note 2 and Note 3)	81.8868% (Note 10 and Note 11)	$35,316 (Note 2, Note 3 and Note 12)	$365,987 (Note 2 and Note 12)	$30,823
SINGATRON ELECTRONICS (CHINA) CO. LTD.	Manufacturing and sale of connectors	$465,257 (Note 2)	Note 1	$241,074 (Note 2 and Note 4)	$-	$-	$241,074 (Note 2 and Note 4)	$243,493 (Note 2 and Note 3)	81.8868% (Note 11)	$199,389 (Note 2, Note 3 and Note 12)	$2,035,505 (Note 2 and Note 12)	$853,057
SUZHOU SINGATRON CONNECTOR CO., LTD.	Manufacturing and sale of connectors	$83,779 (Note 2)	Note 6	$-	$-	$-	$-	$2,535 (Note 2 and Note 3)	81.8868% (Note 11)	$2,076 (Note 2, Note 3 and Note 12)	$114,488 (Note 2 and Note 12)	$-
ZHONGSHAN SINGATRON CONNECTOR CO., LTD.	Manufacturing and sale of connectors	$26,457 (Note 2)	Note 7	$-	$-	$-	$-	$(2,541) (Note 2 and Note 3)	81.8868% (Note 10 and Note 11)	$(2,080) (Note 2, Note 3 and Note 12)	$(7,786) (Note 2 and Note 12)	$-
SUZHOU SINGATRON AUTO CO., LTD.	Manufacturing and sale of connectors	$39,685 (Note 2)	Note 8	$-	$-	$-	$-	$118,873 (Note 2 and Note 3)	81.8868% (Note 11)	$97,341 (Note 2, Note 3 and Note 12)	$219,258 (Note 2 and Note 12)	$-

Accumulated investment amount remitted from Taiwan to Mainland China at the end of the period .	Investment amount approved by Investment Commission, MOEA	Investment limitation for Mainland China regulated by the Investment Commission, MOEA
$411,459	$411,459	$912,323

Note 1: As of December 31, 2022, the Company invested US$13,505 thousand in SINGATRON (B.V.I.), a holding company in a third region. . Through this holding company in a 3rd region, the Company invested in SINGATRON (HONG KONG) INTERNATIONAL HOLDING LIMITED and then indirectly invested in SINGATRON Electronics (China) Co., Ltd. and Singatron Electronic (Zhongshan) Co., Ltd. in Mainland China.

Note 2: Foreign currency amounts were translated into NTD based on the exchange rate at the balance sheet date.

Note 3: The investment income or loss recognized in the financial statements of the same period audited by CPAs.
Note 4: The difference between the accumulated investment amount remitted from Taiwan and the paid-in capital was mainly due to the capital increase from earnings of SINGATRON Electronics (China) Co., Ltd. and the capital increase by US$2,000 thousand in cash of SINGATRON (HONG KONG) INTERNATIONAL HOLDING LIMITED with its own funds.
Note 5: The difference between the accumulated investment amount remitted from Taiwan and the paid-in capital is mainly due to the fact that Singatron Electronic (Zhongshan) Co., Ltd. distributed its earnings to SINGATRON (B.V.I.) ENTERPRISE CO. (B.V.I.), LTD. and then SINGATRON (B.V.I.) ENTERPRISE CO., LTD. increased the capital of SINYIN ELECTRONICS (ZHONGSHAN) CO. . .
Note 6: SINGATRON Electronics (China) Co., Ltd. increased capital by RMB 19,000 thousand in cash with its own funds.
Note 7: Singatron Electronic (Zhongshan) Co., Ltd. increased capital by RMB 6,000 thousand in cash with its own funds.
Note 8: SINGATRON Electronics (China) Co., Ltd. increased capital by RMB 9,000 thousand in cash with its own funds.
Note 9: The Company's second-tier subsidiary, SINGATRON (HONG KONG) INTERNATIONAL HOLDING LIMITED, sold 100% of its indirect investment in Chung Shan Lung Tais Hing Electroplating Co., Ltd. in November 2014.
Note 10: The Company's second-tier subsidiary, SINGATRON (HONG KONG) INTERNATIONAL HOLDING LIMITED, adjusted its investment structure in September 2020 by transferring its indirect investment in 25% equity of Singatron Electronic (Zhongshan) Co., Ltd. in Mainland China to SINGATRON Electronics (China) Co., Ltd. so that SINGATRON Electronics (China) Co., Ltd. increased its shareholding in Singatron Electronic (Zhongshan) Co., Ltd. from the original 75% to 100%.
Note 11: The Company's sub-sub-subsidiary, SINGATRON Electronics (China) Co., Ltd., increased capital by cash in August 2020, and the Company's sub-subsidiary SINGATRON(HONG KONG) INTERNATIONAL HOLDING LIMITED relinquished its pre-emptive subscription rights, resulting in a decrease in the shareholding in SINGATRON Electronics (China) Co., Ltd. to 81.8868%.
Note 12: Eliminated in the consolidated financial statements.

2) Significant transactions with investees in Mainland China:

(1) Amount and percentage of purchases and related payables at the end of the period: Please refer to Exhibit 7 for details.

(2) Amount and percentage of sales and related receivables at the end of the period: Please refer to Exhibit 7 for details.

(3) Amount of property transactions and the resulted gains or losses: None.

(4) Ending balance and purpose of endorsement and guarantee with notes: Please refer to Exhibit 1 for details.

(5) The maximum balance, ending balance, interest rate range and total current interest on financial accommodations: Please refer to Exhibit 4 for details.

(6) Other transactions that had a significant effect on the profit or loss for the period or financial position, such as the provision or receipt of services: Please refer to Exhibit 7 for details.

(7) The above transactions between the Company and its consolidated subsidiaries were eliminated upon preparation of the consolidated financial statements. Please refer to Exhibit 7 for details.

(IV) Information on Major Shareholders:

Shares / Name of major shareholder	Total number of shares held (shares)	Shareholding percentage
SHENG CHUN INVESTMENT CO., LTD.	11,141,786	9.50%
KAN SHI INVESTMENT CO., LTD.	7,764,829	6.62%

XIV. Segment Information

For management purposes, the Group segregates operating units based on different products and services, with the following two reportable operating segments:

1. Connector Operating Segment: This segment is responsible for the production and manufacturing of connectors for sale to electronic product manufacturers.

2. Electronic Module Products Segment: This segment is responsible for the design and trading of electronic module products such as charging modules and sensing modules, which are sold to electronic product manufacturers or distributors.

Management individually monitors the operating results of their business units to make decisions on resource allocation and performance evaluation. Segment performance is evaluated on the basis of operating profit or loss before income tax and is measured in a manner consistent with operating profit or loss in the consolidated financial statements. However, income tax in the consolidated financial statements is managed on a group basis and is not allocated to the operating segments.
Inter-operating segment transfer pricing is based on arm's-length transactions with external third parties.

1. Information on profit or loss, assets and liabilities of reportable segments:

2022

	Connectors segment	Electronic module products segment	Subtotal by reportable segment	Other segments	Adjustments and eliminations	Group total
Revenue						
Revenue from external customers	$3,786,338	$106,202	$3,892,540	$-	$-	$3,892,540
Revenue from other segments	79,801	-	79,801	-	(79,801)	-
Interest income	10,288	61	10,349	-	(760)	9,589
Total revenue and income	$3,876,427	$106,263	$3,982,690	$-	$(80,561)	$3,902,129
Segment profit or loss (before tax)	$457,850	$(53,017)	$404,833	$-	$(2,926)	$401,907

2021

	Connectors segment	Electronic module products segment	Subtotal by reportable segment	Other segments	Adjustments and eliminations	Group total
Revenue						
Revenue from external customers	$4,101,482	$82,606	$4,184,088	$-	$-	$4,184,088
Revenue from other segments	63,614	-	63,614	-	(63,614)	-
Interest income	4,681	9	4,690	-	(438)	4,252
Total revenue and income	$4,169,777	$82,615	$4,252,392	$-	$(64,052)	$4,188,340
Segment profit or loss (before tax)	$485,728	$(38,015)	$447,713	$-	$(2,820)	$444,893

The following table presents information related to the assets and liabilities of the Group's operating segments as of December 31, 2022 and 2021:

Segment assets

	Connectors segment	Electronic module products segment	Subtotal by reportable segment	Other segments	Adjustments and eliminations	Group total
Segment assets as of 2022.12.31	$3,858,989	$286,741	$4,145,730	$107,046	$-	$4,252,776
Segment assets as of 2021.12.31	$3,665,253	$286,632	$3,951,885	$112,601	$-	$4,064,486

Segment liabilities

	Connectors segment	Electronic module products segment	Subtotal by reportable segment	Other segments	Adjustments and eliminations	Group total
Segment liabilities as of 2022.12.31	$1,058,144	$749,951	$1,808,095	$509,686	$(114,067)	$2,203,714
Segment liabilities as of 2021.12.31	$1,289,608	$426,755	$1,716,363	$428,399	$(75,305)	$2,069,457

2. Information by regions:

(1) Revenue from external customers:

	2022	2021
Mainland China	$2,429,865	$2,857,186
Taiwan	824,557	650,224
Others	638,118	676,678
Total	$3,892,540	$4,184,088

Revenue is categorized based on the country in which customers are located.

(2) Non-current assets:

	2022.12.31	2021.12.31
Mainland China	$724,247	$786,644
Taiwan	246,997	247,295
Other countries	31,332	30,940
Total	$1,002,576	$1,064,879

3. Information on important customers: Individual customers of the Group with sales revenue accounting for 10% or more of the Group's consolidated net operating revenue as follows:

	2022	2021
Customer A	$627,347	$742,619

SINGATRON ENTERPRISE CO., LTD. and subsidiaries

Endorsement and guarantee for others

January 1 to December 31, 2022

Unit: Thousands of NTD

Number (Note1)	Name of endorsor/guarantor	Endorsee/guarantee		Limit on endorsement/guarantee amount for a single enterprise	Maximum endorsement/guarantee balance for the period	Endorsement/guarantee balance at the end of the period	Amount actually drawn	Amount of endorsement/guarantee secured by properties	Ratio of accumulated endorsementg/guarantee to net worth of the latest financial	Maximum limit on endorsement/guarantee	Endorsement/guarantee provided by parent company for subsidiary	Endorsement/guarantee provided by subsidiary for parent company	Endorsement/guarantee for subsidiaries in Mainland China
		Company name	Relationship (Note2)										
0	SINGATRON ENTERPRISE CO.,LTD	SINGATRON TECHNOLOGY (HONGKONG) CO., LTD.	Third-tier subsidiary of which the Company holds 81.8868% of the shares .	$912,323 (Note3)	$730,975	$546,715	$-	$61,420	35.96%	$1,520,538 (Note3)	Y	N	Y
1	SINGATRON ELECTRONIC(CHINA) CO., LTD.	SUZHOU SINGATRON AUTO CO., LTD.	SINGATRON ELECTRONIC (CHINA)CO., LTD. Subsidiary of which the	$1,764,052 (Note4)	$87,088	$87,088	$-	$-	2.96%	$1,764,052 (Note4)	Y	N	Y

Note1: The number column shall be filled in as follows:

(1) Fill in 0 for the issuer.

(2). Investees are numbered sequentially from Arabic numeral 1 by investee

Note 2: There are seven types of relationships between the endorser/guarantor and the endorsee/guarantee, and the types can be indicated as follows:

1. Entities with business dealings

2. Entities in which the Company directly or indirectly holds more than 50% of the voting shares.

3. Entities that directly or indirectly hold more than 50% of the voting shares of the Company.

4. Between the entities in which the Company directly or indirectly holds more than 90% of the voting shares.

5. Intra-industry or co-founded entities with mutual insurance in accordance with contractual provisions based on the need for contracted work.

6. Entities that are endorsed and guaranteed by all contributing shareholders in proportion to their shareholdings as a result of joint investment.

7. Intra-industry entities engaged in joint guarantees for the performance of the pre-sale house sales contract in accordance with the regulations of the Consumer Protection Act.

Note 3: In accordance with the Company's "Operating Procedures for Endorsement and Guarantee", the total amount of the Company's external endorsement and guarantee shall not exceed 100% of the current net worth. The amount of endorsement and guarantee for a single enterprise s

. The amount of endorsement and guarantee for a single overseas affiliate shall not exceed 60% of the current net worth.

Note 4: The total amount of external endorsement and guarantee shall not exceed 60% of the latest audited net assets in accordance with the "External Guarantee Management System" of the subsidiaries. The amount of a single endorsement and guarantee shall not exceed 30% of the lat

The total amount of endorsement and guarantee between affiliates shall not exceed 60% of the latest audited net assets.

Note 5: Foreign currency amounts were translated into NTD based on the exchange rate at the balance sheet date.

Exhibit 2

SINGATRON ENTERPRISE CO., LTD. and subsidiaries

Marketable securities held at the end of the period (excluding investment in subsidiaries, affiliates and joint ventures)

December 31, 2022

Unit: Thousands of NTD

The company holding the securities	Type and name Marketable securities	Relationship with the issuers	Financial statement account	The end of the period				Remarks
				Number of shares	Carrying amount	Shareholding percentage	Fair value	
SINGATRON ENTERPRISE CO., LTD.	Stock:							
	DEEPWATERS DIGITAL SUPPORT INC.	None	Financial assets at fair value through other comprehensive income	1,066,668	$16,381	3.94%	$6,410	
	GT Booster Inc.	None	Financial assets at fair value through other comprehensive income	2,420,000	23,543	17.74%	-	
	Subtotal				39,924		$6,410	
	Add: Unrealized gain or loss on financial assets at fair value through other comprehensive				(33,514)			
	Total				$6,410			

SINGATRON ENTERPRISE CO., LTD. and subsidiaries

Information on the investee over which the Company has significant influence or control (excluding the investees in Mainland China)

December 31, 2022

Unit: Thousands of NTD or foreign currency

Name of investor	Name of investee	Location	Main businesses	Initial investment amount		Held at the end of the period			Profit (loss) of the investee for the period	Investment income (loss) recognized during the period	Remarks
				The end of the period	The end of last period	Number of shares	%	Carrying Amount			
SINGATRON ENTERPRISE CO., LTD.	SINGATRON INVESTMENT COMPANY LIMITED	Hong Kong	General investments	$8,550	$8,550	2,000,000	100.00%	$6,544 (Note2)	$(249)	$(249) (Note2)	Subsidiary
SINGATRON ENTERPRISE CO., LTD.	SINGATRON (B.V.I.) ENTERPRISE CO., LTD.	The British Virgin Islands	General investments	439,042	439,042	13,504,543	100.00%	2,430,633 (Note2)	329,890	335,071 (Note 1 and Note 2)	Subsidiary
SINGATRON (B.V.I.) ENTERPRISE CO., LTD.	SINGATRON (HONG KONG) INTERNATIONAL HOLDING LIMITED	Hong Kong	Investment	USD 13,400 NTD 411,514 (Note3)	USD 13,400 NTD 411,514 (Note3)	-	100.00%	2,509,114 (Note 2 and Note 3)	325,277 (Note3)	325,277 (Note 2 and Note 3)	Second-tier subsidiary
SINGATRON ELECTRONIC (CHINA)CO., LTD. .	SINGATRON TECHNOLOGY (HONGKONG) CO., LTD..	Hong Kong	Trading of connectors and import and export related business	RMB 683 NTD 3,012 (Note3)	RMB 683 NTD 3,012 (Note3)	-	100.00%	104,525 (Note 2 and Note 3)	40,937 (Note3)	40,937 (Note 2 and Note 3)	Third-tier subsidiary
SINGATRON ELECTRONIC (CHINA)CO., LTD. .	SINGATRON SAN JOSE CONNECTION CO., LTD.	U.S.A.	Marketing and sales and customer services	USD 30 NTD 921 (Note3)	USD 30 NTD 921 (Note3)	-	100.00%	1,568 (Note 2 and Note 3)	38 (Note3)	38 (Note 2 and Note 3)	Third-tier subsidiary

Note 1: Including the recognition of investment income of $329,890 thousand, realized sales gross profit of $1,280 thousand from upstream transactions, unrealized sales gross profit of $1,494 thousand from upstream transactions, realized sales gross profit of $46,275 thousand from side-stream transactions and unrealized sales gross profit of $40,880 thousand from side-stream transactions.

Note 2: Eliminated in the consolidated financial statements.

Note 3: Foreign currency amounts were translated into NTD based on the exchange rate at the balance sheet date.

Exhibit 4

SINGATRON ENTERPRISE CO., LTD. and subsidiaries

Lending of funds to others

January 1 to December 31, 2022

Unit: Thousands of NTD

Number (Note1)	The entity that lends funds	Funds recipient	Correspondent account	Maximum amount for the period	Balance at the end of the period	Amount actually drawn	Interest rate range	Nature of the funds lending	Business dealing amount	Reason for the necessity of short-term financial	Provision of allowance for losses	Collateral		Limit on the lending of funds to individual	Total limit on the lending of funds
												Name	Value		
1	SINGATRON(HONG KONG) INTERNATIONAL HOLDING LIMITED	SINGATRON ENTERPRISE CO., LTD.	Other receivables	$92,130 (Note 5)	$92,130 (Note 5)	$92,130 (Note 5) (Note 6)	0.9%~2%	With necessity of short-term financial accommodation	$-	To meet the operating liquidity needs of the funds recipient	$-	-	$-	$501,823 (Note 2) (Note 4)	$1,003,646 (Note 3)

Note 1:1 is a second-tier subsidiary of the Company

Note 2: Not to exceed 20% of the net worth of the lending company.

Note 3: Not to exceed 40% of the net worth of the lending company.

Note 4: In accordance with the Company's operating procedures for lending of funds to others, there is no limit on the amount of funds that can be lent between foreign companies whose voting shares are directly or indirectly 100% owned by public companies that meet the provisions of Paragraph 4, Article 3.

Note 5: Foreign currency amounts were translated into NTD based on the exchange rate at the balance sheet date.

Note 6: Eliminated in the consolidated financial statements.

Exhibit 5

SINGATRON ENTERPRISE CO., LTD. and subsidiaries

Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more

January 1 to December 31, 2022

Unit: Thousands of NTD

Buying/Selling company	Name of trading party	Relationship	Circumstance of the transaction				Circumstances and reasons why the transaction terms are different from those of ordinary transactions		Notes, accounts receivable (payable)		Remarks
			Purchases (Sales)	Amount	As a percentage of total purchases (sales)	Credit period	Unit price	Credit period	Balance	As a percentage of total notes, accounts receivable (payable)	
SINGATRON ELECTRONIC (CHINA)CO., LTD.	SINGATRON TECHNOLOGY (HONGKONG) CO., LTD.	Third-tier subsidiary of the Company	Sales	$1,463,909 (Note1)	75.21%	90 ~ 180 days after the	The products are mainly connector merchandises and The prices depend on ordering prices. No price for other sales customer for comparison	Regular customer 60 ~ 120 days after the .	Accounts receivable $829,643 (Note1)	83.30%	Note2
SUZHOU SINGATRON CONNECTOR CO., LTD.	SINGATRON ELECTRONIC (CHINA)CO., LTD.	Third-tier subsidiary of the Company	Processing revenue	$318,276 (Note1)	96.81%	90 ~ 180 days after the	The only customer with other customer for comparison	No un-related party for comparison	Accounts receivable $112,071 (Note1)	99.55%	Note2
SUZHOU SINGATRON AUTO CO., LTD.	SINGATRON TECHNOLOGY (HONGKONG) CO., LTD.	Third-tier subsidiary of the Company	Sales	$133,905 (Note1)	22.89%	90 ~ 180 days after the	The products are mainly connector merchandises and The prices depend on ordering prices. No price for other sales customer for comparison .	Regular customer 60	Accounts receivable $50,903 (Note1)	31.24%	Note2
SINGATRON TECHNOLOGY (HONGKONG) CO., LTD.	SINGATRON ENTERPRISE CO., LTD. U.S.A (SEC－U.S.A)	Other related party of the Group	Sales	$306,548 (Note1)	11.85%	90 ~ 180 days after the	The products are mainly connector merchandises and The prices depend on ordering prices. No price for other sales customer for comparison .	Regular customer 60 ~ 120 days after the	Accounts receivable $68,262 (Note1)	7.88%	

Note 1: Foreign currency amounts were translated into NTD based on the exchange rate at the balance sheet date.

Note 2: Eliminated in the consolidated financial statements.

Exhibit 6

SINGATRON ENTERPRISE CO., LTD. and subsidiaries

Receivables from related parties reaching $100 million or 20% of paid-in capital or more

December 31, 2022

Unit: Thousands of NTD

Entity that recorded the transaction as accounts receivable	Name of trading party	Relationship	Balance of receivables from related parties	Turnover rate	Overdue receivables from related parties		Receivables from related parties Amount collected during the subsequent period	Provision of allowance for losses
					Amount	Actions taken		
SINGATRON ELECTRONIC(CHINA) CO., LTD.	TECHNOLOGY (HONGKONG) CO., LTD..	Third-tier subsidiary of the Company	$829,643 (Note 1 and Note 2)	1.58	$-	-	$245,625	$-
SUZHOU SINGATRON CONNECTOR CO., LTD.	SINGATRON ELECTRONIC(CHINA) CO., LTD.	Third-tier subsidiary of the Company	$112,071 (Note 1 and Note 2)	2.61	$-	-	$50,708	$-

Note 1: Eliminated in the consolidated financial statements.

Note 2: Foreign currency amounts were translated into NTD based on the exchange rate at the balance sheet date.

Exhibit 7

SINGATRON ENTERPRISE CO., LTD. and subsidiaries

Business relationship and significant transactions between parent company and subsidiary

Unit: Thousands of NTD

Serial No. Note 1	Name of trader	Trading partner	Relationship with the trading partner (Note 2)	Circumstances of the transaction			
				Financial statement account	Amount	Trading term	As a percentage of consolidated total revenue or total assets (Note 3)
	2022.01.01～2022.12.31						
0	SINGATRON ENTERPRISE CO., LTD.	SINGATRON TECHNOLOGY (HONGKONG) CO., LTD.	1	Rental income	$3,686	Quarterly collection	0.09%
1	SINGATRON (HONG KONG) INTERNATIONAL HOLDING LIMITED	SINGATRON ENTERPRISE CO., LTD.	2	Other receivables	92,368	-	2.17%
1	SINGATRON (HONG KONG) INTERNATIONAL HOLDING LIMITED	SINGATRON ENTERPRISE CO., LTD.	2	Interest income	760	-	0.02%
1	SINGATRON (HONG KONG) INTERNATIONAL HOLDING LIMITED	SINGATRON INVESTMENT COMPANY LIMITED	3	Other receivables	16	-	-%
2	SINGATRON ELECTRONIC (ZHONGSHAN) CO., LTD.	SINGATRON ENTERPRISE CO., LTD.	2	Sales	2,181	Cash upon 90 days after the cut-off day of the month	0.06%
2	SINGATRON ELECTRONIC (ZHONGSHAN) CO., LTD.	SINGATRON ENTERPRISE CO., LTD.	2	Accounts receivable	694	Cash upon 90 days after the cut-off day of the month	0.02%
2	SINGATRON ELECTRONIC (ZHONGSHAN) CO., LTD.	SINGATRON ELECTRONIC (CHINA)CO., LTD.	2	Sales	7,722	Cash upon 90 days after the cut-off day of the month	0.20%
2	SINGATRON ELECTRONIC (ZHONGSHAN) CO., LTD.	SINGATRON TECHNOLOGY (HONGKONG) CO., LTD.	3	Sales	123,035	Cash upon 90 days after the cut-off day of the month	3.16%
2	SINGATRON ELECTRONIC (ZHONGSHAN) CO., LTD.	SINGATRON TECHNOLOGY (HONGKONG) CO., LTD.	3	Accounts receivable	68,846	Cash upon 90 days after the cut-off day of the month	1.62%
2	SINGATRON ELECTRONIC (ZHONGSHAN) CO., LTD.	SINGATRON TECHNOLOGY (HONGKONG) CO., LTD.	3	Other receivables	2,051	Cash upon 90 days after the cut-off day of the month	0.05%
2	SINGATRON ELECTRONIC (ZHONGSHAN) CO., LTD.	ZHONGSHAN SINGATRON CONNECTOR CO., LTD.	1	Sales	2,066	Cash upon 90 days after the cut-off day of the month	0.05%
2	SINGATRON ELECTRONIC (ZHONGSHAN) CO., LTD.	ZHONGSHAN SINGATRON CONNECTOR CO., LTD.	1	Rental income	18,598	Cash upon the cut-off day of the month	0.48%
2	SINGATRON ELECTRONIC (ZHONGSHAN) CO., LTD.	ZHONGSHAN SINGATRON CONNECTOR CO., LTD.	1	Other receivables	10,007	Cash upon 90 days after the cut-off day of the month	0.24%
3	SINGATRON ELECTRONIC (ZHONGSHAN) CO., LTD.	SINGATRON ENTERPRISE CO., LTD.	2	Sales	33,977	Cash upon 90 days after the cut-off day of the month	0.87%
3	SINGATRON ELECTRONIC (CHINA)CO., LTD.	SINGATRON ENTERPRISE CO., LTD.	2	Accounts receivable	8,024	Cash upon 90 days after the cut-off day of the month	0.19%
3	SINGATRON ELECTRONIC (CHINA)CO., LTD.	SINGATRON ELECTRONIC (ZHONGSHAN) CO., LTD.	1	Sales	53,543	Cash upon 90 days after the cut-off day of the month	1.38%
3	SINGATRON ELECTRONIC (CHINA)CO., LTD.	SINGATRON ELECTRONIC (ZHONGSHAN) CO., LTD.	1	Accounts receivable	12,054	Cash upon 90 days after the cut-off day of the month	0.28%
3	SINGATRON ELECTRONIC (CHINA)CO., LTD.	SINGATRON ELECTRONIC (ZHONGSHAN) CO., LTD.	1	Other accounts receivable	1,860	Cash upon 90 days after the cut-off day of the month	0.04%

SINGATRON ENTERPRISE CO., LTD. and subsidiaries

Business relationship and significant transactions between parent company and subsidiary

Unit: Thousands of NTD

Serial No. Note 1	Name of trader	Trading partner	Relationship with the trading partner (Note 2)	Circumstances of the transaction			
				Financial statement account	Amount	Trading term	As a percentage of consolidated total revenue or total assets (Note 3)
3	SINGATRON ELECTRONIC (CHINA)CO., LTD.	SINGATRON TECHNOLOGY (HONGKONG) CO., LTD	1	Sales	1,463,909	Cash upon 90 days after the cut-off day of the month	37.61%
3	SINGATRON ELECTRONIC (CHINA)CO., LTD.	SINGATRON TECHNOLOGY (HONGKONG) CO., LTD	1	Accounts receivable	829,643	Cash upon 90 days after the cut-off day of the month	19.51%
3	SINGATRON ELECTRONIC (CHINA)CO., LTD.	SUZHOU SINGATRON CONNECTOR CO., LTD.	1	Rental income	6,569	Cash upon the cut-off day of the month	0.17%
3	SINGATRON ELECTRONIC (CHINA)CO., LTD.	SUZHOU SINGATRON AUTO CO., LTD.	1	Rental income	3,449	Quarterly collection	0.09%
3	SINGATRON ELECTRONIC (CHINA)CO., LTD.	SUZHOU SINGATRON AUTO CO., LTD.	1	Sales	13,567	Cash upon 90 days after the cut-off day of the month	0.35%
4	SUZHOU SINGATRON CONNECTOR CO., LTD.	SINGATRON ELECTRONIC (CHINA)CO., LTD.	2	Processing revenue	318,276	Cash upon 90 days after the cut-off day of the month	8.18%
4	SUZHOU SINGATRON CONNECTOR CO., LTD.	SINGATRON ELECTRONIC (CHINA)CO., LTD.	2	Accounts receivable	112,071	Cash upon 90 days after the cut-off day of the month	2.64%
4	SUZHOU SINGATRON CONNECTOR CO., LTD.	SUZHOU SINGATRON AUTO CO., LTD.	3	Processing revenue	1,783	Cash upon 90 days after the cut-off day of the month	0.05%
4	SUZHOU SINGATRON CONNECTOR CO., LTD.	SUZHOU SINGATRON AUTO CO., LTD.	3	Accounts receivable	509	Cash upon 90 days after the cut-off day of the month	0.01%
5	ZHONGSHAN SINGATRON CONNECTOR CO., LTD.	SINGATRON ELECTRONIC (ZHONGSHAN) CO., LTD.	2	Processing revenue	93,766	Cash upon 90 days after the cut-off day of the month	2.41%
6	SUZHOU SINGATRON AUTO CO., LTD.	SINGATRON ENTERPRISE CO., LTD.	2	Sales	43,643	Cash upon 90 days after the cut-off day of the month	1.12%
6	SUZHOU SINGATRON AUTO CO., LTD.	SINGATRON ENTERPRISE CO., LTD.	2	Accounts receivable	12,981	Cash upon 90 days after the cut-off day of the month	0.31%
6	SUZHOU SINGATRON AUTO CO., LTD.	SINGATRON ELECTRONIC (CHINA) CO., LTD.	2	Sales	91,738	Cash upon 90 days after the cut-off day of the month	2.36%
6	SUZHOU SINGATRON AUTO CO., LTD.	SINGATRON ELECTRONICS (CHINA) CO., LTD.	2	Accounts receivable	43,546	Cash upon 90 days after the cut-off day of the month	1.02%
6	SUZHOU SINGATRON AUTO CO., LTD.	SINGATRON TECHNOLOGY (HONGKONG) CO., LTD	3	Sales	133,905	Cash upon 90 days after the cut-off day of the month	3.44%
6	SUZHOU SINGATRON AUTO CO., LTD.	SINGATRON TECHNOLOGY (HONGKONG) CO., LTD	3	Accounts receivable	50,903	Cash upon 90 days after the cut-off day of the month	1.20%
6	SUZHOU SINGATRON AUTO CO., LTD.	SINGATRON ELECTRONIC (ZHONGSHAN) CO., LTD.	3	Sales	10,895	Cash upon 90 days after the cut-off day of the month	0.28%
6	SUZHOU SINGATRON AUTO CO., LTD.	SINGATRON ELECTRONIC (ZHONGSHAN) CO., LTD.	3	Accounts receivable	4,146	Cash upon 90 days after the cut-off day of the month	0.10%

SINGATRON ENTERPRISE CO., LTD. and subsidiaries

Business relationship and significant transactions between parent company and subsidiary

Unit: Thousands of NTD

Serial No. Note 1	Name of trader	Trading partner	Relationship with the trading partner (Note 2)	Circumstances of the transaction			
				Financial statement account	Amount	Trading term	As a percentage of consolidated total revenue or total assets (Note 3)
7	SINGATRON SAN JOSE CONNETION CO., LTD.	SINGATRON ELECTRONIC (ZHONGSHAN) CO., LTD.	3	Other receivables	363	Cash upon 90 days after the cut-off day of the month	0.01%
7	SINGATRON SAN JOSE CONNETION CO., LTD.	SINGATRON ELECTRONIC (ZHONGSHAN) CO., LTD.	3	Service income	4,290	Cash upon 90 days after the cut-off day of the month	0.11%

Note 1: Business dealings between the parent company and subsidiaries should be indicated in the number column and the number should be filled in as follows:

1. Fill in “0” for the parent company.
2. Subsidiaries are numbered sequentially from Arabic numeral 1 by company.

Note 2: The relationship between the traders is classified into the following three types:

1. Parent company to subsidiary
2. Subsidiary to parent company
3. Subsidiary to subsidiary

Note 3: The ratio of transaction amount to consolidated total revenue or total assets is calculated as the ending balance to consolidated total assets in the case of assets and liabilities accounts, or as the interim cumulative amount to c
accounts.

Note 4: Foreign currency amounts were translated into NTD based on the exchange rate at the balance sheet date.

Appendix 2. 2022 Standalone Financial Statements and Independent Auditor’s Report

Stock Code on TPEx: 6126

SINGATRON ENTERPRISE CO., LTD.

Parent Company Only Financial Statements and Independent Auditors' Report

2022 and 2021

Company Address: No. 209, Section 2, Zhongzheng Road, Hukou Township, Hsinchu County
Company TEL: (03)599-2862

This English version is prepared based on the Chinese version and is for reference only. If there is any discrepancy between the English version and the Chinese version, the Chinese version shall prevail.

Independent Auditors' Report

To the Board of Directors and shareholders of SINGATRON ENTERPRISE CO., LTD.:

Audit opinions

We have audited the accompanying standalone balance sheets of SINGATRON ENTERPRISE CO., LTD. as of December 31, 2022 and 2021, and the related standalone statements of comprehensive income, standalone statements of changes in equity, standalone statements of cash flows, and notes to the Parent Company Only Financial Statements (including summary of significant accounting policies) for the years then ended.

In our opinion, based on our audits, the Parent Company Only Financial Statements referred to above present fairly, in all material respects, the financial position of SINGATRON ENTERPRISE CO., LTD. as of December 31, 2022 and 2021, and its standalone financial performance and cash flows for the years then ended, in conformity with the requirements of regulations governing the preparation of financial statements by securities issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulation Governing Auditing and Certification of Financial Statements by Certified Public Accountants and auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. The auditors of the firm, subject to the independence regulations, have maintained independence from SINGATRON ENTERPRISE CO., LTD. in accordance with the Code of Ethics and perform other obligations of such Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Parent Company Only Financial Statements of SINGATRON ENTERPRISE CO., LTD. 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.

Revenue recognition

For 2022, SINGATRON ENTERPRISE CO., LTD. recognized operating revenue of $106,202 thousand. The Company has agreements with its major customers to store inventory at the designated shipping warehouses of these sales customers. The Company has to judge and determine the performance obligations and the timing of satisfaction based on customer orders or shipping documents, which involves significant risk of ownership of inventory and complexity of the point of transfer of remuneration, resulting in significant risk in the recognition of operating revenue. Therefore, we decided that revenue recognition is a key audit matter. Our audit procedures included, but were not limited to, evaluating the appropriateness of accounting policies for revenue recognition, evaluating and testing the effectiveness of internal control over the sales cycle in determining revenue amounts, performing sales revenue cutoff tests on a sample of transactions for a period of time before and after the balance sheet date and reviewing whether the terms of the transactions and the timing of revenue recognition are consistent with the performance obligations and the timing of satisfaction, performing itemized tests on a sample of transactions and reviewing the material terms and conditions of the contracts. We also considered the appropriateness of the disclosure of operating revenue in Notes 4 and 6 to the Parent Company Only Financial Statements.

Responsibilities of Management and Those Charged with Governance for the Unconsolidated 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 necessary 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 also responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, Including the Audit Committee, are responsible for overseeing the financial reporting process of SINGATRON ENTERPRISE CO., LTD.

Auditor's Responsibilities for the Audit of the 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. The term of "reasonable assurance" refers to high level of assurance. Nevertheless, the audit performed according to the Auditing Standards cannot guarantee the discovery of material misstatement in the Parent Company Only Financial Statements. Misstatements can arise from fraud or error. Misstatements are considered material if, standalone or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Parent Company Only Financial Statements.

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

1. Identify and assess the risk of material misstatement of the Parent Company Only Financial Statements due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidence in order to be used as the basis for the opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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 internal control of SINGATRON ENTERPRISE CO., LTD.

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

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 ability of SINGATRON ENTERPRISE CO., LTD. to continue as a going concern. In case where we consider that such events or circumstances have a material uncertainty, then relevant disclosure of the Parent Company Only Financial Statements are required to be provided in our audit report to allow users of Parent Company Only Financial Statements to be aware of such events or circumstances, or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause SINGATRON ENTERPRISE CO., LTD. to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the Parent Company Only Financial Statements, including relevant notes, 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 for the financial information of standalone entities of the Group and provide opinion on the Parent Company Only Financial Statements. We handle the guidance, supervision and execution of the audit on the Group and are responsible for preparing the opinion for the Group.

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

We also provide the governance units with statements that we have complied with relevant matters that may reasonably be thought to bear on our independence, and we have also communicated with the governance units on all relationships and other matters (including relevant protective measures) that may be considered to affect the independence of auditors.

From the matters communicated with those charged with governance, we determine those matters that were of most significant in the audit of the Company's 2022 Parent Company Only Financial Statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Ernst & Young
Approved by the competent authorities for the processing of financial statements of public companies.
Audit and attestation document number: (2002) Tai-Cai-Zheng (6) No. 144183
(1998) Tai-Cai-Zheng (6) Zi No. 65315

Chi-Ming Chang

Certified Public Accountant:

Mao-Yi Hung

March 3, 2023

Notice to Readers

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

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

SINGATRON ENTERPRISE CO., LTD.

Standalone Balance Sheets

December 31, 2022 and 2021

(Amounts are in thousands of NTD)

Assets			December 31, 2022		December 31, 2021	
Code	Accounting item	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4 and 6.1	$20,829	1	$19,699	1
1150	Notes receivable, net	4 and 6.3	1,628	-	1,668	-
1170	Accounts receivable, net	4 and 6.4	26,877	1	28,150	1
1200	Other receivables		288	-	205	-
130x	Net inventories	4 and 6.5	8,425	-	8,904	-
1419	Other prepaid expenses		1,403	-	931	-
1470	Other current assets		102	-	10	-
11xx	Total current assets		59,552	2	59,567	2
	Non-current assets					
1517	Financial assets at fair value through other comprehensive income	4 and 6.2	6,410	-	6,410	-
1550	Investment accounted for using the equity method	4 and 6.6	2,437,177	88	2,058,909	86
1600	Property, plant and equipment	4, 6.7and 8	220,103	8	219,086	9
1760	Investment properties	4, 6.8 and 8	26,218	1	26,640	1
1780	Intangible assets	4 and 6.9	673	-	1,566	-
1840	Deferred tax income assets	4 and 6.22	29,596	1	27,539	2
1920	Refundable deposits		3	-	3	-
15xx	Total non-current assets		2,720,180	98	2,340,153	98
1xxx	Total assets		$2,779,732	100	$2,399,720	100

(Please refer to Notes to Parent Company Only Financial Statements)

Chairperson: Hsin-Nan Kan Managerial Officer: Peng-Huang Peng Accounting Officer: Rui-Chen Hu

SINGATRON ENTERPRISE CO., LTD.

Standalone Balance Sheets (Continued)

December 31, 2022 and 2021

(Amounts are in thousands of NTD)

Liabilities and equity			December 31, 2022		December 31, 2021	
Code	Accounting item	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	6.10and 8	$587,833	21	$295,000	12
2130	Contract liabilities	4 and 6.16	-	-	2	-
2150	Notes payable		-	-	75	-
2170	Accounts payable		1,006	-	571	-
2180	Accounts payable - related parties	7	21,699	1	19,694	1
2200	Other payables	6.12	23,700	1	27,973	1
2220	Other payables - related parties	7	92,545	3	55,976	2
2230	Current tax liabilities	4 and 6.22	3,213	-	3,822	-
2300	Other current liabilities		152	-	151	-
2322	Long-term loans due within one year	4,6.11and 8	33,333	1	33,333	2
21xx	Total current liabilities		763,481	27	436,597	18
	Non-current liabilities					
2540	Long-term loans	4,6.11and 8	75,000	3	58,333	3
2570	Deferred income tax liabilities	4 and 6.22	400,910	14	333,741	14
2600	Other non-current liabilities	6.13and 6.14	19,803	1	23,491	1
25xx	Total non-current liabilities		495,713	18	415,565	18
2xxx	Total Liabilities		1,259,194	45	852,162	36
	Equity					
3100	Share capital	6.15				
3110	Common share capital		1,172,656	42	1,227,626	51
3200	Capital surplus	6.15	14,217	1	14,217	1
3300	Retained earnings	6.15				
3310	Legal reserve		85,554	3	66,651	3
3320	Special reserve		160,295	6	148,903	6
3350	Unappropriated earnings		213,354	8	250,456	10
3400	Other equity		(125,538)	(5)	(160,295)	(7)
3500	Treasury stock	6.15	-	-	-	-
3xxx	Total equity		1,520,538	55	1,547,558	64
3x2x	Total liabilities and equities		$2,779,732	100	$2,399,720	100

(Please refer to Notes to Parent Company Only Financial Statements)

Chairperson: Hsin-Nan Kan Managerial Officer: Peng-Huang Peng Accounting Officer: Rui-Chen Hu

SINGATRON ENTERPRISE CO., LTD.

Standalone Statements of Comprehensive Income

January 1 to December 31, 2022

and January 1 to December 31, 2021

(Amounts in thousands of NTD, except for earnings per share)

Code	Item	Notes	2022		2021	
			Amount	%	Amount	%
4000	Operating revenue	4 and 6.16	$106,202	100	$82,606	100
5000	Operating costs	7	(85,873)	(81)	(62,294)	(76)
5900	Operating gross profit		20,329	19	20,312	24
6000	Operating expenses					
6100	Selling expenses	7	(7,280)	(7)	(8,400)	(10)
6200	Administrative expenses		(56,347)	(53)	(52,132)	(63)
6450	Expected credit impairment (losses) gains	4 and 6.17	(331)	-	121	-
	Total operating expenses		(63,958)	(60)	(60,411)	(73)
6900	Operating loss		(43,629)	(41)	(40,099)	(49)
7000	Non-operating income and expenses					
7010	Other income	6.20and 7	5,360	5	5,226	6
7020	Other gains or losses	6.20and 7	(7,075)	(7)	1,520	2
7050	Financial costs	4, 6.20and 7	(7,673)	(7)	(4,662)	(6)
7070	Subsidiaries recognized using the equity method	4 and 6.6	334,822	316	350,292	425
	Share of profit or loss of affiliates and joint ventures					
	Total non-operating income and expenses		325,434	307	352,376	427
7900	Net profit before tax		281,805	266	312,277	378
7950	Income tax expense	4 and 6.22	(59,297)	(56)	(65,523)	(79)
8200	Net profit for the period		222,508	210	246,754	299
8300	Other comprehensive income	6.21				
8310	Items not reclassified subsequently to profit or loss					
8311	Remeasurement of defined benefit plans		3,797	3	635	1
8360	Items that may be reclassified subsequently to profit or loss					
8380	Subsidiaries recognized using the equity method		43,446	41	(14,240)	(17)
	Share of other comprehensive income of affiliates and joint ventures					
8399	and items that may be reclassified to profit or loss:		(8,689)	(8)	2,848	3
	Related income tax					
8300	Other comprehensive income for the period (net of tax)		38,554	36	(10,757)	(13)
8500	Total comprehensive income for the period		$261,062	246	$235,997	286
9750	Basic earnings per share (NTD)	6.23	$1.85		$1.97	
9850	Diluted earnings per share (NTD)	6.23	$1.85		$1.97	

(Please refer to Notes to Parent Company Only Financial Statements)

Chairperson: Hsin-Nan Kan Managerial Officer: Peng-Huang Peng Accounting Officer: Rui-Chen Hu

SINGATRON ENTERPRISE CO., LTD.

Standalone Statement of Changes in Equity

January 1 to December 31, 2022

and January 1 to December 31, 2021

(Amounts are in thousands of NTD)

				Retained earnings			Other items of equity			
Code	Item	Share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of the financial statements of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive	Treasury stock	Total
		3100	3200	3310	3320	3350	3410	3420	3500	3XXX
A1	Balance as of January 31, 2021	$1,268,396	$14,552	$43,268	$162,704	$248,583	$(115,389)	$(33,514)	$-	1,588,600
	2020 earnings appropriation and distribution									
B1	Provision of legal reserve			23,383		(23,383)				-
B17	Reversal of special reserve				(13,801)	13,801				-
B5	Cash dividends on common stock					(177,576)				(177,576)
C7	Changes in affiliates and joint ventures accounted for using the equity method		(335)							(335)
D1	Net profit for 2021					246,754				246,754
D3	Other comprehensive income for 2021					635	(11,392)			(10,757)
D5	Total comprehensive income for the period	-	-	-	-	247,389	(11,392)	-	-	235,997
L1	Purchase of treasury stock								(99,128)	(99,128)
L3	Retirement of treasury stock	(40,770)				(58,358)			99,128	-
Z1	Balance as of December 31, 2021	1,227,626	14,217	66,651	148,903	250,456	(126,781)	(33,514)	-	1,547,558
	2021 earnings appropriation and distribution									
B1	Provision of legal reserve			18,903		(18,903)				-
B3	Provision of special reserve				11,392	(11,392)				-
B5	Cash dividends on common stock					(159,592)				(159,592)
D1	Net profit for 2022					222,508				222,508
D3	Other comprehensive income for 2022					3,797	34,757			38,554
D5	Total comprehensive income for the period	-	-	-	-	226,305	34,757	-	-	261,062
L1	Purchase of treasury stock								(128,490)	(128,490)
L3	Retirement of treasury stock	(54,970)				(73,520)			128,490	-
Z1	Balance as of December 31, 2022	$1,172,656	$14,217	$85,554	$160,295	$213,354	$(92,024)	$(33,514)	$-	$1,520,538

(Please refer to Notes to Parent Company Only Financial Statements)

Chairperson: Hsin-Nan Kan Managerial Officer: Peng-Huang Peng Accounting Officer: Rui-Chen Hu

SINGATRON ENTERPRISE CO., LTD.
Standalone Statements of Cash Flows
January 1 to December 31, 2022
and January 1 to December 31, 2021
(Amounts are in thousands of NTD)

Code	Item	2022	2021	Code	Item	2022	2021
AAAA				BBBB	Cash flows from investing activities:		
A10000	Income before income tax	$281,805	$312,277	B02700	Acquisition of property, plant and equipment	(12,221)	(8,566)
A20000	Adjustments:			B02800	Disposal of property, plant and equipment	590	-
A20010	Income and expenses:			B04500	Increase in intangible assets	-	(757)
A20100	Depreciation expenses (including investment property)	8,846	7,430	BBBB	Net cash inflows (outflows) from investing activities	(11,631)	(9,323)
A20200	Amortization expenses	893	834				
A20300	Expected credit impairment losses (gains)	331	(121)	CCCC	Cash flows from financing activities		
A20900	Interest expenses	7,673	4,662	C00100	Borrowing (repayment) of short-term loans	292,833	45,000
A21200	Interest income	(61)	(9)	C01600	Borrowing of long-term loans	50,000	-
A22400	Share of subsidiaries, affiliates and joint ventures recognized using the equity method	(334,822)	(350,292)	C01700	Repayment of long-term loans	(33,333)	(8,334)
				C03100	Increase (decrease) in deposits received	252	(332)
A22500	Gain on disposal of property, plant and equipment	(197)	-	C03700	Increase (decrease) in other payables - related parties	36,757	27,106
A30000	Changes in assets/liabilities related to operating activities:			C04500	Distribution of cash dividends	(159,592)	(177,576)
A31130	Decrease (increase) in notes receivable	40	498	C04900	Cost of treasury stock repurchase	(128,490)	(99,128)
A31150	Decrease (increase) in accounts receivable	942	(13,442)	CCCC	Net cash inflows (outflows) from financing activities	58,427	(213,264)
A31180	Decrease (increase) in other receivables	(83)	(70)				
A31190	Decrease (increase) in other receivables - related parties	-	538	EEEE	Increase (decrease) in cash and cash equivalents for the period	1,130	9,685
A31200	Decrease (increase) in inventories	479	(5,031)	E00100	Cash and cash equivalents at the beginning of the year	19,699	10,014
A31230	Decrease (increase) in other prepaid expenses	(472)	(19)	E00200	Cash and cash equivalents at the end of the year	$20,829	$19,699
A31240	Decrease (increase) in other non-current assets	(92)	(2)				
A32125	Increase (decrease) in contract liabilities	(2)	(12)				
A32130	Increase (decrease) in notes payable	(75)	-				
A32150	Increase (decrease) in accounts payable	435	(563)				
A32160	Increase (decrease) in accounts payable - related parties	2,005	6,476				
A32180	Increase (decrease) in other payables	(2,196)	(2,377)				
A32190	Increase (decrease) in other payables - related parties	(188)	(1,306)				
A32230	Increase (decrease) in other non-current liabilities	1	18				
A32240	Increase (decrease) in net defined benefit liabilities	(143)	(193)				
A33000	Cash inflows (outflows) from operating activities	(34,881)	(40,704)				
A33100	Interest received	61	9				
A33200	Dividends received	-	298,935				
A33300	Interest paid	(7,363)	(4,665)				
A33500	Income tax paid	(3,483)	(21,303)				
AAAA	Net cash inflows (outflows) from operating activities	(45,666)	232,272				

(Please refer to Notes to Parent Company Only Financial Statements)

Chairperson: Hsin-Nan Kan Managerial Officer: Peng-Huang Peng Accounting Officer: Rui-Chen Hu

I. Company History

SINGATRON ENTERPRISE CO., LTD. (hereinafter referred to as the Company) was established in July 1976 and started its business in October 1976.

The Company's main business is the development, manufacturing and sale of electronic connectors and electronic modules for various power supply, audio and video signal and electronic signal transmission devices. The products' main applications include notebook computers and peripherals, tablet computers, various consumer electronics, automotive electronics, and network communications.

The Company's shares have been listed on TPEx for trading since January 18, 2002, and its principal place of operations is located at No. 209, Section 2, Zhongzheng Road, Hukou Township, Hsinchu County.

II. Date and Procedures for Approval of Financial Statements

The Parent Company Only Financial Statements of the Company for 2022 and 2021 were approved for publication by the Board of Directors on March 3, 2023.

III. New Standards, Amendments and Interpretations Adopted

1. Changes in accounting policies resulting from the first-time adoption of IFRS

The Company has adopted IFRS, IAS, IFR interpretations or interpretation pronouncements endorsed by the Financial Supervisory Commission ("FSC") and are applicable for fiscal years beginning after January 1, 2022, and the first-time application of the new standards and amendments has no material impact on the Company.

2. As of the date of publication of the financial statements, the Company has not applied the following new, revised and amended standards or interpretations, which have been issued by the IASB and endorsed by the FSC.

Item	New, Revised or Amended Standards and Interpretations	Effective date of IASB publication
1	Disclosure Initiative - Accounting Policies (Amendment to IAS 1)	January 1, 2023
2	Definition of Accounting Estimates (Amendment to IAS 8)	January 1, 2023
3	Deferred income tax: related to assets and liabilities incurred due to single transaction (Amendment to IAS 12)	January 1, 2023

(1) Disclosure Initiative - Accounting Policies (Amendment to IAS 1)

This amendment is to improve the disclosure of accounting policies to provide more useful information to investors and other key users of financial statements.

(2) Definition of Accounting Estimates (Amendment to IAS 8)

This amendment directly defines accounting estimates and makes other revisions to IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors," to help entities distinguish between changes in accounting policies and changes in accounting estimates.

(3) Deferred income tax: related to assets and liabilities incurred due to single transaction (Amendment to IAS 12)

This amendment limits the scope of the exemption from recognition of deferred income tax under sections 15 and 24 of IAS 12, "Income Taxes", so that the exemption does not apply to taxable transactions of the same amount at the time of original recognition and deductible temporary differences.

The above are the newly issued, amended and revised standards or interpretations issued by the IASB and

endorsed by the FSC and are applicable for fiscal years beginning after January 1, 2023. The Company assesses that the aforementioned newly issued or amended standards, or interpretations have no material impact on the Company.

3. As of the date of publication of the financial statements, the Company has not applied the following new, revised and amended standards or interpretations, which have been issued by the IASB but not yet endorsed by the FSC:

Item	New, Revised or Amended Standards and Interpretations	Effective date of IASB publication
1	Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Affiliated Enterprises and Joint Ventures" - Sale or Contribution of Assets between an Investor and its Affiliated Enterprises or Joint Ventures	To be decided by IASB
2	IFRS 17 "Insurance Contracts"	January 1, 2023
3	Classification of liabilities as current or non-current (Amendment to IAS 1)	January 1, 2024
4	Lease liabilities under sale and leaseback (amendments to IFRS 16)	January 1, 2024
5	Non-current Liabilities in Contracts (Amendments to IAS 1)	January 1, 2024

(1)Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Affiliated Enterprises and Joint Venturs" - Sale or Contribution of Assets between an Investor and its Affiliated Enterprises or Joint Ventures

The plan is to address the inconsistency between IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Affiliated Enterprises and Joint Ventures" regarding the loss of control over an investment in an affiliate or joint venture using a subsidiary as the consideration. IAS 28 requires that when a non-monetary asset is invested in exchange for an interest in an affiliate or joint venture, the share of the resulting gain or loss should be eliminated in accordance with the treatment of a downstream transaction; IFRS 10 requires that the full amount of the gain or loss should be recognized when control over the subsidiary is lost. The amendment restricts the aforementioned requirements of IAS 28 so that when an asset that constitutes a business is sold or contributed as defined in IFRS 3, the resulting gain or loss should be recognized in full.

The amendment also revises IFRS 10 so that a gain or loss arising from the sale or investment of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its affiliate or joint venture is recognized only to the extent that it is not the investor's share.

(2)IFRS 17 "Insurance Contracts"

The standard provides a comprehensive model of insurance contracts that includes all relevant components of accounting (recognition, measurement, presentation and disclosure principles). The core of the standard is a general model under which a group of insurance contracts is measured at the sum of contractual cash flows and contract service margin on initial recognition; the carrying amount at the end of each reporting period is the sum of the remaining coverage liability and the incurred claims liability.

In addition to the general model, specific applicable methods are also available for contracts with direct participation characteristics (variable fee method); and a simplified method for short-term contracts (premium sharing method).

This standard was issued in May 2017 and amended in 2020 and 2021. In addition to extending the effective date in the transitional provisions by two years (i.e., from January 1, 2021 to January 1, 2023) and providing additional exemptions, the amendment reduces the cost of adopting the standard by simplifying some of the requirements and modifying some of the requirements to make some situations easier to interpret. This standard will supersede the transitional standard (i.e. IFRS 4 'Insurance contracts') when it becomes effective.

(3)Classification of liabilities as current or non-current (Amendment to IAS 1)

This amendment is to revise the classification of liabilities as current or non-current in paragraphs 69 to 76 of IAS 1, "Presentation of Financial Statements".

(4)Lease liabilities under sale and leaseback (amendments to IFRS 16)

This is to add the additional accounting treatment to IFRS 16 "Leases" for sellers and lessees in sale and leaseback transactions to improve the consistent application of the standards.

(5)Non-current Liabilities in Contracts (Amendments to IAS 1)

The amendments are to improve the information provided by companies on long-term debt contracts. It is to clarify that contractual obligations that are subject to 12 months after the reporting period do not affect the classification of these liabilities as current or noncurrent at the end of the reporting period.

The actual application dates of the above standards or interpretations issued by the IASB but not yet endorsed by the FSC are subject to the FSC's regulations. The Company assesses that the aforementioned newly issued or amended standards, or interpretations have no material impact on the Company.

IV. Summary of Significant Accounting Policies

1. Compliance Statement

The Company’s Parent Company Only Financial Statements for 2022 and 2021 are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

2. Basis of preparation

These Parent Company Only Financial Statements were prepared by the Company in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”. In accordance with Article 21 of the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the allocation of current profit or loss and other comprehensive income in Parent Company Only Financial Statements is the same as the allocation of current profit or loss and other comprehensive income attributable to owners of the parent company in financial statements prepared on a consolidated basis, and the owners' equity in Parent Company Only Financial Statements is the same as the equity attributable to owners of the parent company in financial statements prepared on a consolidated basis. Therefore, investment in subsidiaries is presented in the Parent Company Only Financial Statements as "investments accounted for using the equity method", with necessary valuation adjustments.

The Parent Company Only Financial Statements have been prepared on the historical cost basis, except for financial instruments at fair value. The Parent Company Only Financial Statements are presented in thousands of NTD unless otherwise stated.

3. Foreign Currency Transactions

The Parent Company Only Financial Statements were expressed in NTD, which is the Company's functional currency.

The foreign-currency transactions are recorded in their functional currency using the exchange rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the closing rate on that date; non-monetary items denominated in foreign currencies that are measured at fair value are translated at the exchange rate at the date of the fair value measurement; non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the exchange rate at the date of the original transaction.

Exchange differences arising from settlement or translation of monetary items other than those described below are recognized as profit or loss in the period in which they occur:

(1) Exchange differences arising on foreign-currency borrowings to acquire qualifying assets that are treated as adjustments to interest costs are capitalized as part of the cost of the borrowings and are recognized as the cost of the assets.

(2) Foreign-currency items under IFRS 9, "Financial Instruments," are accounted for in accordance with the accounting policy for financial instruments.

(3) For monetary items that form part of a reporting entity's net investment in a foreign operation, the resulting exchange differences are recognized in other comprehensive income and are reclassified from equity to profit or loss upon disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

4. Translation of financial statements in foreign currency

Each foreign operation of the Company determines its own functional currency and measures its financial statements in that functional currency. In preparing the Parent Company Only Financial Statements, the assets and liabilities of foreign operations are translated into NTD at the closing rate on the balance sheet date, and income and expense items are translated at the average exchange rate for the period. Exchange differences arising from translation are recognized in other comprehensive income. Upon disposal of the foreign operation, the cumulative exchange differences previously recognized in other comprehensive income and accumulated in a separate component of equity are reclassified from equity to profit or loss upon recognition of the gain or loss on disposal. A partial disposal involving a loss of control over a subsidiary that includes a foreign operation and a partial disposal of an interest in an affiliate or joint agreement that includes a foreign operation in which the retained interest is a financial asset that includes a foreign operation are also treated as disposal.

Upon partial disposal of a subsidiary that includes a foreign operation without loss of control, the cumulative translation differences recognized in other comprehensive income are reattributed to the non-controlling interest in the foreign operation on a pro rata basis and are not recognized in profit or loss; upon partial disposal of an affiliate or joint agreement that includes a foreign operation without loss of significant influence or joint control, the cumulative translation differences are reclassified to profit or loss on a pro rata basis.

5. Classification of Current and Non-current Assets and Liabilities

Assets are classified as current assets if one of the following conditions is met while assets not classified as current assets are classified as non-current assets.

(1) The asset is expected to be realized in the normal course of business, or is intended to be sold or consumed.
(2) The asset is held primarily for the purpose of trading.
(3) The asset is expected to be realized within 12 months after the balance sheet date.
(4) Cash or cash equivalents, except for those that are exchanged or restricted for the settlement of liabilities at least 12 months after the balance sheet date.

Liabilities are classified as current liabilities if one of the following conditions is met while liabilities not classified as current liabilities are classified as non-current liabilities:

(1) The liability is expected to be settled in the normal course of business.
(2) The liability is held primarily for the purpose of trading.
(3) The liability is expected to be settled upon maturity within 12 months after the balance sheet date.
(4) The liability for which the settlement date cannot be extended unconditionally to more than 12 months after the reporting period. The fact that the terms of the liabilities may allow settlement by issuing equity instruments at the option of the trading partners does not affect the classification.

6. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, demand deposits and short-term highly liquid time deposits or investments (including time deposits of contract period within three months) that are readily convertible into fixed amounts of cash and subject to an insignificant risk of changes in value.

7. Financial instruments

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

Financial assets and financial liabilities that are within the scope of IFRS 9, "Financial Instruments", are measured at fair value on initial recognition. Transaction costs directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than those classified as at fair value through profit or loss) are added to or deducted from the fair value of those financial assets and financial liabilities.

(1) Recognition and Measurement of Financial Assets

The Company uses trade date accounting for the recognition and derecognition of all customarily traded financial assets.

The Company classifies financial assets as financial assets subsequently measured at amortized cost, measured at fair value through other comprehensive income or measured at fair value through profit or loss on the following two bases:

A. operating model for managing financial assets
B. contractual cash flow characteristics of financial assets

Financial assets at amortized cost

Financial assets that meet both of the following two criteria are measured at amortized cost and reported in the balance sheet as notes receivable, accounts receivable, financial assets measured at amortized cost and other receivables.

A. Operating model for managing financial assets: Holding financial assets to collect contractual cash flows
B. Contractual cash flow characteristics of financial assets: Cash flows consist solely of payments of principal and interest on the principal amount outstanding

These financial assets (excluding those involved in hedging relationships) are subsequently measured at amortized cost [the amount measured at original recognition, less principal repaid, plus or minus the cumulative amortization of the difference between that original amount and the maturity amount (using the effective interest method), and adjusted for allowance for losses]. An impairment gain or loss is recognized in profit or loss when it is derecognized, through the amortization process, or when an impairment gain or loss is recognized.

Interest calculated using the effective interest method (by multiplying the effective interest rate by the total carrying amount of the financial asset) or the following is recognized in profit or loss:

A. For credit-impaired financial assets acquired or created, the effective interest rate after credit adjustment is multiplied by the amortized cost of the financial assets

B. If the financial asset is not impaired, but subsequently becomes impaired, the effective interest rate is multiplied by the amortized cost of the financial asset.

Financial assets at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income are reported in the balance sheet as financial assets measured at fair value through other comprehensive income if both of the following conditions are met:

A. Operating model for managing financial assets: Collect contractual cash flows and sell financial assets
B. Contractual cash flow characteristics of financial assets: Cash flows consist solely of payments of principal and interest on the principal amount outstanding

The recognition of gain and loss related to this type of financial assets is described as follows:

A. Before derecognition or reclassification, gains or losses are recognized in other comprehensive income, except for impairment gains or losses and foreign currency exchange gains or losses, which are recognized in profit or loss.

B. Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

C. Interest calculated using the effective interest method (by multiplying the effective interest rate by the total carrying amount of the financial asset) or the following is recognized in profit or loss:

a. For credit-impaired financial assets acquired or created, the effective interest rate after credit adjustment is multiplied by the amortized cost of the financial assets
b. If the financial asset is not impaired, but subsequently becomes impaired, the effective interest rate is multiplied by the amortized cost of the financial asset.

In addition, for equity instruments that are within the scope of application of IFRS 9 and that are neither held-for-trading nor contingent consideration recognized by the acquirer in a business combination to which IFRS 3 applies, subsequent changes in fair value are selectively (irrevocably) reported in other comprehensive income upon initial recognition. Amounts reported in other comprehensive income are not subsequently transferred to profit or loss (upon disposal of such equity instruments, the cumulative amounts included in other equity items are transferred directly to retained earnings), and financial assets measured at fair value through other comprehensive income are reported in the balance sheet. Dividends from investments are recognized in profit or loss unless it is clear that the dividends represent a partial recovery of the cost of the investment.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss, except when they meet certain criteria and are measured at amortized cost or at fair value through other comprehensive income, as described above, and are reported in the balance sheet as financial assets measured at fair value through profit or loss.

The gain or loss arising from the remeasurement of such financial assets measured at fair value is recognized in profit or loss, and the gain or loss recognized in profit or loss includes any dividends or interest received on the financial assets.

(2) Impairment of financial assets

The Company recognizes and measures the allowance for losses on investments in debt instruments measured at fair value through other comprehensive income and financial assets measured at amortized cost using expected credit losses. Investments in debt instruments measured at fair value through other comprehensive income or loss are recognized as an allowance for losses in other comprehensive income or loss and do not reduce the carrying amount of the investments.

The Company measures expected credit losses in a manner that reflects the following:

A. Unbiased, probability-weighted amounts determined by evaluating various possible outcomes
B. Time value of money
C. Information relating to past events, current conditions and projections of future economic conditions that is reasonable and supportable (available at the balance sheet date without excessive costs or inputs)

The method of measuring the allowance for losses is described as follows:

A. Measured by the amount of expected credit losses over 12 months: including financial assets with no significant increase in credit risk since original recognition or those with low credit risk as of the balance sheet date. In addition, it also includes the allowance for losses measured at the amount of expected credit losses during the prior reporting period, but at the balance sheet date no longer meets the condition that the credit risk has increased significantly since the original recognition.

B. Measurement of the amount of expected credit losses over the duration of existence: including financial assets with no significant increase in credit risk since original recognition or credit impaired financial assets that are acquired or created.

C. For accounts receivable or contract assets arising from transactions within the scope of IFRS 15, the Company measures the allowance for losses using the expected credit loss amount over the life of the transaction.

D. For lease receivables arising from transactions within the scope of IFRS 16, the Company measures the allowance for losses using the expected credit loss amount over the life of the transaction.

The Company assesses at each balance sheet date whether the credit risk of a financial instrument has increased significantly since original recognition by comparing the change in default risk of the financial instrument at the balance sheet date with that at the original recognition date. For information related to credit risk, please refer to Note 12.

(3) Derecognition of financial assets

Financial assets held by the Company are derecognized when one of the following conditions is met:

A. The contractual rights from the cash flows of the financial assets are terminated.
B. The financial asset is transferred and substantially all the risks and rewards of ownership of the asset are transferred to others.
C. Neither transferred nor retained substantially all the risks and rewards of ownership of the asset, but transferred control of the asset.

When a financial asset is derecognized in its entirety, the difference between its carrying amount and the sum of the consideration received or receivable and any cumulative gain or loss recognized in other comprehensive income is recognized in profit or loss.

(4) Financial liabilities and equity instruments

Classification of liabilities or equity

The liabilities and equity instruments issued by the Company are classified as financial liabilities or equity based on the substance of the contractual agreements and the definitions of financial liabilities and equity instruments.

Equity instruments

An equity instrument is any contract that recognizes the Company's remaining interest in assets less all liabilities. The equity instruments issued by the Company are recognized at the acquisition price less direct issue costs.

Financial liabilities that meet the applicable scope of IFRS 9 are classified as financial liabilities measured at fair value through profit or loss or at amortized cost on initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss.

A financial liability is classified as held-for-trading when one of the following conditions is met:

A. It is acquired primarily for the purpose of selling in the short term.
B. It is part of a portfolio of identifiable financial instruments that are managed on initial recognition and for which there is recent evidence of a short-term profitable operating pattern; or
C. A derivative (other than a derivative on a financial guarantee contract or a designated and effective hedging instrument).

For contracts that contain one or more embedded derivatives, the overall hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; designated at fair value through profit or loss on initial recognition when one of the following factors is met that provides more relevant information:

A. The designation eliminates or materially reduces measurement or recognition inconsistencies; or
B. A group of financial liabilities or a group of financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis in accordance with a written risk management or investment strategy, and the information on that portfolio provided internally to management of the Consolidated Company is also on a fair value basis.

Gains or losses arising from the remeasurement of such financial liabilities are recognized in profit or loss, and such gains or losses recognized in profit or loss include any interest paid on financial liabilities.

Financial liabilities measured at amortized cost

Financial liabilities measured at amortized cost, including payables and borrowings, are subsequently measured using the effective interest method after initial recognition. When financial liabilities are derecognized and amortized through the effective interest method, the related gain or loss and amortization are recognized in profit or loss.

Amortized cost is calculated by taking into account the discount or premium on acquisition and transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation is discharged, cancelled or expired.

When a debt instrument with materially different terms is exchanged between the Company and its creditors, or when all or part of the terms of an existing financial liability are significantly modified (whether or not due to financial difficulties), the difference between the carrying amount of the financial liability and the total consideration paid or payable (including non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet only when there is a legally enforceable right to offset the recognized amount and there is an intention to settle the asset and the liability on a net basis or to realize the asset and settle the liability simultaneously.

8. Fair Value Measurements

Fair value is the price that would be paid to sell an asset or to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements assume that the sale of an asset or transfer of a liability occurs in one of the following markets.
(1) the principal market for the asset or liability, or
(2) if there is no principal market, the most advantageous market for the asset or liability

The principal or most advantageous market must be accessible to the Company for the purpose of trading.

The fair value of an asset or liability is measured using assumptions that market participants would use in pricing the asset or liability, assuming that those market participants act in their economic best interests.

Fair value measurements of nonfinancial assets consider the ability of a market participant to generate economic benefits by using the asset for its maximum and best use or by selling the asset to another market participant that would use the asset for its maximum and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient information is available to measure fair value and to maximize the use of observable inputs and minimize the use of unobservable inputs.

9. Inventories

Inventories are valued at the lower of cost or net realizable value on a item-by-item basis.

Cost is the cost incurred to bring inventories to a saleable or production-ready condition and location:

Raw materials - at actual incoming cost, using the weighted-average method.
Finished goods and work in process - includes direct raw materials, labor and fixed manufacturing costs allocated to normal production capacity, but does not include borrowing costs.

Net realizable value is the estimated selling price less costs and selling expenses to completion under normal circumstances.

The provision of service is accounted for in accordance with IFRS 15 and is not part of inventories.

10. Investment accounted for using the equity method

In accordance with Article 21 of the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the Company's investments in subsidiaries are stated as "investments accounted for using the equity method" with necessary valuation adjustments so that the allocation of current profit or loss and other comprehensive income in Parent Company Only Financial Statements is the same as the allocation of current profit or loss and other comprehensive income attributable to owners of the parent company in financial statements prepared on a consolidated basis, and the owners' equity in Parent Company Only Financial Statements is the same as the equity attributable to owners of the parent company in financial statements prepared on a consolidated basis. These adjustments are mainly for the differences in the treatment of investment in subsidiaries in the consolidated financial statements in accordance with IFRS 10 "Consolidated Financial Statements" and the application of IFRS at different reporting entity levels, which are debited or credited to accounts such as "investments accounted for using the equity method", "share of profit or loss of subsidiaries, affiliates and joint ventures accounted for using the equity method" or "share of other comprehensive income of subsidiaries, affiliates and joint ventures accounted for using the equity method".

The Company's investments in affiliates are accounted for using the equity method, except for those classified as assets held for sale. Affiliates are those over which the Company has significant influence.

Under the equity method, investments in affiliates or joint ventures are carried on the balance sheet at cost plus changes in net assets of the affiliates or joint ventures recognized in proportion to the Company's shareholding percentages in those affiliates or joint ventures after acquisition. After the carrying amount of an investment in an affiliate or joint venture and other related long-term interests are reduced to zero using the equity method, additional losses and liabilities are recognized to the extent that legal obligations, constructive obligations or payments on behalf of the affiliate have been incurred. Unrealized gains or losses arising from transactions between the Company and its affiliates or joint ventures are eliminated in proportion to the Company's interest in the affiliates or joint ventures.

When the change in equity in an affiliate or joint venture is not attributable to profit or loss and other comprehensive income and does not affect the Company's shareholding percentage in the affiliate or joint venture, the Company recognizes the related change in ownership interest in proportion to the Company's shareholding percentage in the affiliate or joint venture. Therefore, capital surplus recognized is transferred to profit or loss on the basis of the proportion of the disposal of the affiliates or joint ventures when they are subsequently disposed of.

If the Company does not subscribe for new shares of an affiliate or joint venture in proportion to the Company's shareholding, resulting in a change in investment percentage and an increase or decrease in the Company's share of the net assets of the affiliate or joint venture, the increase or decrease is adjusted by "capital surplus" and "investments accounted for using the equity method". When the investment percentage is reduced, the relevant items previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate accounts in proportion to the reduction. The forgoing capital surplus recognized is transferred to profit or loss on the basis of the proportion of the disposal of the affiliates or joint ventures when they are subsequently disposed of.

The financial statements of affiliates or joint ventures are prepared for the same reporting periods as those of the Company and are adjusted to conform to the accounting policies of the Company.

At the end of each reporting period, the Company confirms whether there is objective evidence of impairment of its investment in an affiliate in accordance with IAS 28, "Investments in Affiliates and Joint Ventures", and if there is objective evidence of impairment, the Company calculates the amount of impairment in accordance with IAS 36, "Impairment of Assets", based on the difference between the recoverable amount and the carrying amount of the affiliate and recognizes the amount in profit or loss of the affiliate. If the value in use of the investment is used for the aforementioned recoverable amount, the Company determines the related value in use based on the following estimates:

(1) The Company's share of the present value of the estimated future cash flows from the affiliate or joint venture, including the cash flows from the affiliate's or joint venture's operations and the proceeds from the ultimate disposal of the investment; or
(2) The present value of the estimated future cash flows expected to be generated by the Company from the dividends received from the investment and the ultimate disposal of the investment.

Because the components of goodwill that constitute the carrying amount of an investment in an affiliate or joint venture are not separately recognized, the provisions of IAS 36, "Impairment of Assets" for goodwill impairment testing are not required.

When significant influence over an affiliate or joint control over a joint venture is lost, the Company measures and recognizes the retained portion of the investment at fair value. When significant influence or joint control is lost, the difference between the carrying amount of the investment in the affiliate or joint venture and the fair value of the retained investment plus the proceeds of disposal is recognized as profit or loss.

11. Property, plant and equipment

Property, plant and equipment are stated at acquisition cost, less accumulated depreciation and accumulated impairment. The aforementioned costs include the costs of dismantling, removing and restoring property, plant and equipment to their original locations and the necessary interest expenses incurred for uncompleted construction. Depreciation is provided separately for each component of property, plant and equipment that is significant. When a significant component of property, plant and equipment is required to be replaced periodically, the Company recognizes the item as an individual asset with a specific useful life and depreciation method, respectively. The carrying amounts of these replaced components are derecognized in accordance with the derecognition provisions of IAS 16, "Property, Plant and Equipment". Major maintenance costs are recognized as part of the carrying amount of plant and equipment if they meet the criteria for recognition, and other repair and maintenance expenses are recognized in profit or loss.

Depreciation is provided on a straight-line basis over the estimated useful lives of the following assets:

Buildings: 5 to 55 years (55 years for the main body of buildings and construction and 5 to 15 years for ancillary equipment)
Machinery and equipment: 3 to 5 years
Transportation equipment: 5 years
Office equipment: 5 years
Other equipment: 1 to 5 years

Items or significant components of property, plant and equipment are derecognized and recognized in profit or loss when they are disposed of or no future economic benefits are expected from their use or disposal after initial recognition.

The residual value, useful life and depreciation method of property, plant and equipment are evaluated at the end of each financial year. If the expected value differs from the previous estimate, the change is regarded as a change in the accounting estimate.

12. Investment properties

Investment properties owned by the Company are measured at original cost and includes the transaction cost of acquiring the asset. The carrying amount of investment property includes the cost of repairing or adding to existing investment property when the cost is recognized, but maintenance costs incurred on a regular basis are not included as part of the cost. After initial recognition, investment property is measured at cost in accordance with IAS 16, "Property, Plant and Equipment", except when it is classified as held for sale (or included in a subgroup classified as held for sale) in accordance with IFRS 5, "Non-current Assets and Discontinued Operations". However, if the property is held by a lessee as a right-of-use asset and is not held for sale under IFRS 5, it is accounted for in accordance with IFRS 16.

Depreciation is provided on a straight-line basis over the estimated useful lives of the following assets:

Buildings: 55 years

Investment properties are derecognized and gains or losses are recognized when it is disposed of, or permanently ceased to be used, and no future economic benefits are expected to be derived from its disposal.

The Company decides to transfer in or out of investment property depending on the actual use of the assets.

The Company reclassifies real estate as investment property or transfers out of investment property when the real estate meets or no longer meets the definition of investment property and there is evidence of a change in use.

13. Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is (or contains) a lease if it transfers control over the use of an identified asset for a period of time in exchange for consideration. In order to assess whether a contract transfers control over the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, it has both of the following:

(1) the right to obtain substantially all the economic benefits from the use of the identified assets; and
(2) the right to control the use of the identified assets.

For contracts that are (or contain) leases, the Company treats each lease component of the contract as a separate lease and treats it separately from the non-lease components of the contract. Where a contract contains a lease component and one or more additional leases or non-lease components, the Company apportions the consideration in the contract to the lease component on the basis of the relative individual prices of each lease component and the aggregated individual prices of the non-lease components. The relative individual prices of lease and non-lease components are determined on the basis of the prices charged by the lessor (or similar supplier) for that component (or similar component) respectively. If an observable separate price is not readily available, the Company maximizes the use of observable information to estimate that separate price.

The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases when the Company is the lessee of the lease contract, except for leases that qualify as short-term leases or leases with low-value underlying assets.

The Company measures the lease liability at the commencement date at the present value of the lease payments outstanding at that date. The lease payments are discounted using the interest rate in a lease if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the incremental borrowing rate. Lease payments included in the lease liability at the commencement date include the following payments relating to the right to use the subject asset during the lease period and outstanding at that date:

(1) Fixed payments (including material fixed payments), net of any lease incentives that may be received.
(2) Variable lease payments that depend on an index or rate (measured using the original index or rate as of the commencement date).
(3) The amount expected to be paid by the lessee under the residual value guarantee.
(4) The exercise price of the purchase option if the Company can be reasonably certain that it will exercise the option; and
(5) The penalty to be paid for lease termination if the lease period reflects that the lessee will exercise the option to terminate the lease.

Subsequent to the commencement date, the Company measures the lease liability on an amortized cost basis, increasing the carrying amount of the lease liability by the effective interest method to reflect interest on the lease liability; payments of lease benefits reduce the carrying amount of the lease liability.

The Company measures right-of-use assets at cost at the commencement date, and the cost of right-of-use assets consists of:

(1) The original measurement amount of the lease liability.
(2) Any lease payments made on or before the commencement date, less any lease incentives received.
(3) Any original direct costs incurred by the lessee; and
(4) the estimated cost to the lessee of disassembling, removing and restoring the subject asset to its location, or restoring the subject asset to the condition required by the terms and conditions of the lease.

Subsequent measurement of right-of-use assets is stated at cost less accumulated depreciation and accumulated impairment losses, i.e., the right-of-use asset is measured using the cost model.

Right-of-use assets are depreciated from the commencement date to the end of the useful life of the subject assets if ownership of the subject assets is transferred to the Company at the end of the lease period or if the cost of the right-of-use assets reflects that the Company will exercise the purchase option. Otherwise, the Company depreciates the right-of-use asset from the commencement date to the earlier of the expiration of the useful life of the right-of-use asset or the expiration of the lease period.

The Company applies IAS 36, "Impairment of Assets", to determine whether a right-of-use asset is impaired and to treat any identified impairment loss.

The Company reports right-of-use assets and lease liabilities in the balance sheet, except for leases that qualify as short-term leases or leases with low-value underlying assets, and reports depreciation expense and interest expense related to leases in the statement of comprehensive income, respectively.

For short-term leases and leases of low-value underlying assets, the Company elects to recognize lease payments related to these leases as an expense over the lease period on a straight-line basis or another systematic basis.

The Company as lessor

The Company classifies each of its leases as operating leases or finance leases at the contract inception date. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of the subject asset; if it does not transfer, it is classified as an operating lease. At the commencement date, the Company recognizes assets held under finance leases in the balance sheet and expresses them as finance lease receivables based on the net investment in the leases.

For contracts with lease components as well as non-lease components, the Company applies IFRS 15 to apportion the consideration in the contracts.

The Company recognizes lease payments from operating leases as rental income on a straight-line basis or another systematic basis. Lease payments under operating leases that are not dependent on changes in an index or rate are recognized as rental income as incurred.

14. Intangible assets

Intangible assets acquired separately are measured at cost on initial recognition. After initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses. Intangible assets that do not meet the criteria for recognition are not capitalized but are recognized in profit or loss as incurred.

The useful lives of intangible assets are classified as finite or indefinite.

Intangible assets with finite useful lives are amortized over their useful lives and are tested for impairment whenever there is an indication of impairment. The amortization period and amortization method of intangible assets with finite useful lives are reviewed at least at the end of each financial year. If the estimated useful life of an asset differs from previous estimates or the expected pattern of future economic consumption has changed, the amortization method or amortization period is adjusted and treated as a change in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment at the individual asset or cash-generating unit level each year. Intangible assets with indefinite useful lives are assessed each period to determine whether events and circumstances continue to support the asset's indefinite useful life. If the useful life is changed from indefinite to finite, the application is deferred.

Gains or losses arising from the derecognition of intangible assets are recognized in profit or loss.

The Company's accounting policies for intangible assets are summarized as follows:

	Computer software costs
Useful life	3 years
Amortization method used	Amortized on a straight-line basis over the life of the contract
Internally generated or externally acquired	Externally acquired

15. Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is any indication of impairment for all assets subject to IAS 36, "Impairment of Assets". Where there is an indication of impairment or an asset is required to be tested annually for impairment, the Company performs the test on an individual asset or on the cash-generating unit to which the asset belongs. An impairment loss is recognized if the carrying amount of the cash-generating unit to which the asset or asset belongs exceeds its recoverable amount. Recoverable amount is the higher of net fair value and value in use.

The Company assesses at the end of each reporting period, for assets other than goodwill, whether there is any indication that a previously recognized impairment loss may no longer exist or may have decreased. If there is such indication, the Company estimates the recoverable amount of the asset or cash-generating unit. If the recoverable amount increases due to changes in the estimated service potential of the asset, the impairment loss is reversed. The carrying amount of the reversal does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset, net of depreciation or amortization.

The impairment loss and reversal are recognized in profit or loss for the continuing business unit.

16. Treasury stock

When the Company acquires shares of the Company (treasury stock), the acquisition cost is recognized as a deduction from equity. The difference in the price of the treasury stock transactions is recognized under equity.

17. Revenue recognition

The Company's revenue from contracts with customers is mainly from the sale of goods, and the accounting treatment is explained as follows:

The Company manufactures and sells products. Revenue is recognized when the promised goods are delivered to the customer and the customer obtains control of the goods (i.e., the customer's ability to control the use of the goods and obtain substantially all of the residual benefits of the goods) primarily for connectors and electronic modules, based on contracted prices. The rest of product sales transactions are usually subject to volume discounts (based on the total cumulative sales in a given period). Accordingly, revenue is based on contracted prices, less estimated volume discounts. The Company estimates the variable consideration arising from volume discounts based on cumulative experience and using expected values, but only to the extent that it is highly probable that there will be no significant reversal in the cumulative amount of revenue recognized when the uncertainty associated with the variable consideration is subsequently removed.

The credit period for the Company's sales of merchandise transactions generally ranges from 60 days to 120 days. The majority of these contracts are recognized when the goods are transferred to the customer's control and the right to receive unconditional consideration is available, which is usually a short period and does not have a significant financial component. A small number of contracts that have been transferred to customers without the right to receive unconditional consideration are recognized as contract assets, and the contract assets are subject to an allowance for loss in accordance with IFRS 9 based on the expected credit loss over the life of the contract.

18. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of those assets. All other borrowing costs are recognized as expenses in the period in which they are incurred. Borrowing costs include interest and other costs incurred in connection with the borrowing of funds.

19. Post-employment benefit plans

The Company's employee retirement regulations are applicable to all regularly employed employees. The employee retirement fund is managed by the Supervisory Committee of Labor Retirement Reserve and deposited into the special account of the retirement fund. Since the above retirement fund is deposited in the name of the Supervisory Committee of Labor Retirement Reserve and is completely separate from the Company, it is not included in the above Parent Company Only Financial Statements.

Under the defined contribution plan, the Company's monthly contribution rate to the post-employment benefit plan shall not be less than 6% of the employee's monthly salary, and the amount contributed shall be recognized as current expense.

For post-employment benefit plan under that is a defined benefit plan, provision is made on the basis of actuarial report at the end of the annual reporting period in accordance with the projected unit benefit method. The remeasurement of the net defined benefit liability (asset) includes any changes in the remuneration on plan assets and the effect of the asset cap, net of amounts included in net interest on the net defined benefit liability (asset), and actuarial gain and loss.

The remeasurement of the net defined benefit liability (asset) is included in other comprehensive income as incurred and is recognized immediately in retained earnings. The cost of prior service is the change in the present value of the defined benefit obligation resulted from plan amendment or reduction and is recognized as an expense on the earlier of:

(1) when the plan amendment or reduction occurs; and
(2) when the Company recognizes the related restructuring costs or severance benefits.

Net interest on the net defined benefit liability (asset) is determined by multiplying the net defined benefit liability (asset) by the discount rate, both of which are determined at the beginning of the annual reporting period, taking into account any changes in the net defined benefit liability (asset) arising from contributions and benefit payments during that period.

20. Income tax

Income tax expense (benefit) represents the total amount included in the determination of current income tax and deferred income tax for the current period.

Current income tax

Current income tax liabilities (assets) related to current and prior periods are measured using tax rates and laws that have been legislated or substantively enacted by the end of the reporting period. Current income tax related to items recognized in other comprehensive income or recognized directly in equity are recognized in other comprehensive income or equity, respectively, rather than in profit or loss.

Income tax on undistributed earnings is recorded as income tax expense on the date when the shareholders resolve to distribute the earnings.

Deferred income tax

Deferred income tax is calculated on temporary differences between assets and liabilities of tax base and their carrying amounts on the balance sheet at the end of the reporting period.

All taxable temporary differences are recognized as deferred income tax liabilities except for the following:

(1) the original recognition of goodwill; or the original recognition of an asset or liability not arising from a business merger transaction that at the time of the transaction affects neither the accounting profit nor the taxable income (loss);

(2) taxable temporary differences arising from investments in subsidiaries, affiliates and interests in joint agreements where the timing of the reversal is controlled and it is probable that they will not reverse in the foreseeable future.

Deferred income tax assets arising from temporary differences, unused tax losses and unused income tax credits are recognized to the extent that it is probable that future taxable income will be available, except for the following:

(1) deductible temporary differences arising from the original recognition of an asset or liability not arising from a business merger transaction that at the time of the transaction affects neither the accounting profit nor the taxable income (loss).

(2) deductible temporary differences arising from investments in subsidiaries, affiliates and interests in joint agreements are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and there are sufficient taxable instruments available at the time of the reversal to allow the temporary differences to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period in which the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and liabilities are measured to reflect the tax consequences of the manner in which the carrying amount of the asset is expected to be recovered or the liability settled at the end of the reporting period. Deferred income taxes are not recognized in profit or loss, but are recognized in other comprehensive income or directly in equity, depending on the transaction to which they relate. Deferred income tax assets are revisited and recognized at the end of each reporting period.

Deferred income tax assets and liabilities are offset only to the extent that the offsetting of current income tax assets and liabilities is legally enforceable and the deferred income taxes are attributable to the same taxable entity and are related to income taxes levied by the same taxing authority.

V. Significant Accounting Assumptions and Judgment, And Major Sources of Estimation Uncertainty

The preparation of the Company's Parent Company Only Financial Statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. However, uncertainties in these significant assumptions and estimates could result in material adjustments to the carrying amounts of assets or liabilities in future periods.

1. Judgments

In the process of adopting the Company's accounting policies, management makes the following judgments that have the most significant effect on the recognition of amounts in the Parent Company Only Financial Statements:

(1) Investment properties

Certain of the Company's real estate is held partly for rental or capital appreciation purposes and partly for the use by the Company. If each component can be sold separately, it is treated as investment property and property, plant and equipment, respectively. If each component cannot be sold separately, the real estate is classified as investment property only when the portion held for the use by the Group accounts for less than 5% of the individual real estate.

(2) Operating lease commitments - The Company as lessor

The Company has entered into commercial real estate leases for its investment property portfolio. Based on the assessment of the terms of these leases, the Company retains significant risks and rewards of ownership of these real estate properties and treats these leases as operating leases.

2. Estimates and assumptions

The key sources of information about the uncertainty of estimates and assumptions concerning the future at the end of the reporting period have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next fiscal year. It is hereby explained as follows:

(1) Fair value of financial instruments

When the fair value of financial assets and liabilities recognized in the balance sheet is not available in an active market, the fair value is determined using valuation techniques, including the income approach (e.g., discounted cash flow model) or the market approach, and changes in the assumptions used in these models will affect the fair value of the reported financial instruments. Please refer to Note 12 for details.

(2) Impairment of non-financial assets

An impairment loss occurs when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use. The calculation of fair value less costs to dispose is based on the price that would be paid to sell an asset or to transfer a liability in an orderly transaction between market participants at the measurement date, less incremental costs directly attributable to the disposal of the asset or cash-generating unit. Value in use is calculated based on a discounted cash flow model. Cash flow projections are based on budgets for the next five years and do not include restructuring to which the Company is not yet committed or significant future investments required to enhance the performance of the tested cash-generating unit assets. Recoverable amounts are susceptible to the discount rates used in the discounted cash flow model and the expected future cash inflows and growth rates used for extrapolation purposes.

The Company's property, plant and equipment are carried at net fair value as recoverable amount because there is no indication that the assets not available for operating use will generate cash flows in future years. As a result of the assessment, the carrying amount of the assets exceeded their recoverable amounts, and therefore, an impairment loss of $4,000 thousand was recognized for the year 2005.

(3) Accounts Receivable - Estimated Impairment Loss

The impairment loss on the Company's receivables is measured using the estimated credit loss over the remaining period. The credit loss is measured as the present value of the difference between the contractual cash flows receivable (carrying amount) and the cash flows expected to be received, except that the effect of discounting short-term receivables is not significant and the credit loss is measured as the undiscounted difference. If actual future cash flows are less than expected, a material impairment loss may result, as described in Note 6.17.

(4) Post-employment benefit plans

The present value of defined benefit cost and defined benefit obligation of the post-employment benefit plan is based on actuarial evaluation. The actuarial valuation involves various assumptions, including discount rates and changes in expected payroll. For a detailed description of the assumptions used to measure the defined benefit cost and defined benefit obligation, please refer to Note 6.14.

(5) Income tax

Uncertainty in income tax lies in the interpretation of complex tax regulations, the amount of future taxable income that will be generated and the timing. Due to the long-term nature and complexity of extensive international business relationships and contracts, differences between actual results and assumptions made, or future changes in such assumptions, may force future adjustments to recorded income tax benefits and expenses. The provision for income tax is based on reasonable estimates based on probable audits by the tax authorities of the countries in which the Company operates. The amounts provided are based on various factors, such as past tax audit experience and differences in the interpretation of tax regulations by the tax authorities to which the Group belongs. These differences in interpretation may give rise to various issues depending on the location of the Company's individual entities.

Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available or taxable temporary differences will be deductible from unused tax losses and income tax credits. The determination of the amount of deferred income tax assets to be recognized is based on the timing and level of future taxable income and taxable temporary differences, together with future tax planning strategies.

VI. Summary of Significant Accounting Items

1. Cash and cash equivalents

	2022.12.31	2021.12.31
Cash and petty cash	$55	$55
Demand deposits	20,774	19,644
Total	$20,829	$19,699

2. Financial assets at fair value through other comprehensive income

	2022.12.31	2021.12.31
Investments in equity instruments at fair value through other comprehensive income - non-current		
Shares of unlisted companies	$6,410	$6,410

The Company classifies some financial assets as financial assets at fair value through other comprehensive income, with which no guarantees were provided

3. Notes receivable, net

	2022.12.31	2021.12.31
Notes receivable - incurred as a result of operations	$1,628	$1,668
Less: Allowance for losses	-	-
Net amount	$1,628	$1,668

The Company has not provided the forgoing notes receivable as guarantee.

The Company uses IFRS 9 to assess impairment. Please refer to Note 6.17 for information on allowance for losses and Note 12 for information on credit risk.

4. Accounts receivable, net

(1) The breakdown of net accounts receivable is as follows:

	2022.12.31	2021.12.31
Accounts receivable - incurred as a result of operations	$27,274	$28,216
Less: Allowance for losses	(397)	(66)
Net amount	$26,877	$28,150

The Company's credit period to customers normally ranges from 60 days to 120 days. As of December 31, 2022 and 2021, the total carrying amount was $27,274 thousand and $28,216 thousand, respectively, and the related information on allowance for losses for 2022 and 2021 is provided in Note 6.17. Please refer to Note 12 for information on credit risk.

(2) The Company has not provided the forgoing net notes receivable as guarantee.

5. Inventories

(1) The breakdown of net inventories is as follows:

	2022.12.31	2021.12.31
Work in process	$536	$681
Less: Allowance for losses (Note)	(430)	(268)
Subtotal	2017	413
Finished goods	8,675	8,855
Less: Allowance for losses (Note)	(539)	(364)
Subtotal	8,136	8,491
Inventories in transit	183	-
Total	$8,425	$8,904

Note: The Company's allowance for inventory losses included $298 thousand and $0 of reversal of inventory scrapping for 2022 and 2021.

The cost of inventories recognized by the Company as expenses for 2022 and 2021 were $85,873 thousand and 62,294 thousand, respectively, which included the following expenses and losses:

Item	2022	2021
Loss on decline in value of inventories	$635	$265

(2) The Company has not provided the forgoing inventories as guarantee.

6. Investment accounted for using the equity method

	2022.12.31		2021.12.31	
Name of investee	Amount	Shareholding percentage	Amount	Shareholding percentage
Investment in subsidiaries				
SINGATRON INVESTMENT COMPANY LIMITED	$6,544	100%	$6,130	100%
SINGATRON (B.V.I.) ENTERPRISE CO., LTD.	2,430,633	100%	2,052,779	100%
Subtotal	$2,437,177		$2,058,909	

(1) Investment in subsidiaries is presented in the Parent Company Only Financial Statements as "investments accounted for using the equity method", with necessary valuation adjustments.
(2) The above investments under the equity method were not used as pledge or guarantee.

7. Property, plant and equipment

	2022.12.31	2021.12.31
Property, plant and equipment for the use by the Group	$220,103	$219,086

(1) Property, plant and equipment for the use by the Company

	Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress and equipment to be inspected	Total
Costs:								
2022.01.01	$117,248	$149,624	$1,677	$6,199	$4,547	$6,864	$1,409	$287,568
Addition	-	112	-	-	1,350	477	7,895	9,834
Disposal	-	-	-	(976)	-	(1,706)	-	(2,682)
Transfer	-	-	-	6,000	3,150	154	(9,304)	-
2022.12.31	$117,248	$149,736	$1,677	$11,223	$9,047	$5,789	$-	$294,720
2021.01.01	$117,248	$146,943	$1,677	$3,844	$4,101	$5,433	$371	$279,617
Addition	-	1,335	-	-	1,628	949	5,576	9,488
Disposal	-	(100)	-	-	(1,182)	(255)	-	(1,537)
Transfer	-	1,446	-	2,355	-	737	(4,538)	-
2021.12.31	$117,248	$149,624	$1,677	$6,199	$4,547	$6,864	$1,409	$287,568
Accumulated depreciation								
2022.01.01	$-	$62,325	$846	$1,035	$1,580	$2,696	$-	$68,482
Depreciation	-	3,784	353	1,450	1,195	1,642	-	8,424
Disposal	-	-	-	(583)	-	(1,706)	-	(2,289)
Transfer	-	-	-	-	-	-	-	-
2022.12.31	$-	$66,109	$1,199	$1,902	$2,775	$2,632	$-	$74,617
2021.01.01	$-	$58,958	$493	$298	$2,087	$1,175	$-	$63,011
Depreciation	-	3,467	353	737	675	1,776	-	7,008
Disposal	-	(100)	-	-	(1,182)	(255)	-	(1,537)
Transfer	-	-	-	-	-	-	-	-
2021.12.31	$-	$62,325	$846	$1,035	$1,580	$2,696	$-	$68,482
Net carrying amount:								
2022.12.31	$117,248	$83,627	$478	$9,321	$6,272	$3,157	$-	$220,103
2021.12.31	$117,248	$87,299	$831	$5,164	$2,967	$4,168	$1,409	$219,086

(2) The significant components of the Company's buildings are primarily the main building and auxiliary equipment, which are depreciated over their useful lives of 55 years and 5 to 15 years, respectively.

(3) Please refer to Note 8 for details of the guarantees provided by the Company using property, plant and equipment.

8. Investment properties

(1) Investment properties are mainly the Company's own investment property. The Company has entered into commercial property leases for its own investment properties for a period of 2 years.

	Land	Buildings	Total
Costs:			
2022.01.01	$20,053	$23,618	$43,671
Addition - arising from purchases	-	-	-
Disposal	-	-	-
2022.12.31	$20,053	$23,618	$43,671
2021.01.01	$20,053	$23,618	$43,671
Addition - arising from purchases	-	-	-
Disposal	-	-	-
2021.12.31	$20,053	$23,618	$43,671
Depreciation and impairment:			
2022.01.01	$-	$17,031	$17,031
Depreciation for the period	-	422	422
Disposal	-	-	-
2022.12.31	$-	$17,453	$17,453
2021.01.01	$-	$16,609	$16,609
Depreciation for the period	-	422	422
Disposal	-	-	-
2021.12.31	$-	$17,031	$17,031
Net carrying amount:			
2022.12.31	$20,053	$6,165	$26,218
2021.12.31	$20,053	$6,587	$26,640

	2022	2021
Rental income from investment properties	$4,767	$4,525
Less: Direct operating expenses of investment properties generating rental income for the period	(110)	(109)
Total	$4,657	$4,416

(2)The Company's investment properties are not measured at fair value, and we only disclose information about its fair value, while its fair value hierarchy is level 3. The fair value of investment properties held by the Company was $46,536 thousand and $40,687 thousand as of December 31, 2022 and 2021, respectively. The fair value of the aforementioned investment properties was based on the recent transaction prices of similar subject matters or the announced current value of land in the area where each investment property is located.

(3) Please refer to Note 8 for guarantees provided by the Group using investment properties mentioned above.

9. Intangible assets

	Computer software
Costs:	
2022.01.01	$2,718
Addition - acquired separately	-
Derecognition upon expiration	(116)
2022.12.31	$2,602
2021.01.01	$1,961
Addition - acquired separately	757
Derecognition upon expiration	-
2021.12.31	$2,718
Amortization and impairment:	
2022.01.01	$1,152
Amortization	893
Derecognition upon expiration	(116)
2022.12.31	$1,929
2021.01.01	$318
Amortization	834
Derecognition upon expiration	-
2021.12.31	$1,152
Net carrying amount:	
2022.12.31	$673
2021.12.31	$1,566

Amortization of recognized intangible assets was as follows:

	2022	2021
Administrative expenses	$893	$834

10. Short-term loans

	Interest rate range (%)	2022.12.31	2021.12.31
Unsecured bank loans	0.98%～2.08%	$528,333	$295,000
Secured bank loans	1.03%～1.60%	59,500	-
Total		$587,833	$295,000

The Company had unused short-term borrowing facilities of approximately $353,667 thousand and $265,000 thousand as of December 31, 2022 and 2021, respectively.

Please refer to Note 8 for the assets provided as collaterals for short-term borrowing facilities.

11. Long-term loans

(1) The breakdown of long-term loans as of December 31, 2022 and 2021 is as follows:

Creditor	2022.12.31	Interest rate range (%)	Repayment period and method
Secured loans from Chang Hwa Commercial Bank	$58,333	Interest is calculated based on the one-year floating interest rate +0.42% of post office savings	The borrowing period is from August 19, 2019 to August 19, 2024, including a grace period of 2 years for repayment, with quarterly installments and 12 equal installments of principal repayment, and interest is paid monthly.
Secured loans from Chang Hwa Commercial Bank	50,000	Interest is calculated based on the one-year floating interest rate +0.29% of post office savings	The borrowing period is from March 15, 2022 to March 15, 2027, including a grace period of 2 years for repayment, with quarterly installments and 12 equal installments of principal repayment, and interest is paid monthly.
Less: Due within one year	(33,333)		
Due in more than one year	$75,000		

Creditor	2021.12.31	Interest rate range (%)	Repayment period and method
Secured loans from Chang Hwa Commercial Bank	$91,666	Interest is calculated based on the one-year floating interest rate +0.42% of post office savings	The borrowing period is from August 19, 2019 to August 19, 2024, including a grace period of 2 years for repayment, with quarterly installments and 12 equal installments of principal repayment, and interest is paid monthly.
Less: Due within one year	(33,333)		
Due in more than one year	$58,333		

(2) Please refer to Note 8 for details of the guarantees provided using assets.

12. Other payables

	2022.12.31	2021.12.31
Expenses payable	$23,137	$25,333
Interest payable	463	153
Payables for equipment	100	2,487
Total	$23,700	$27,973

13. Other non-current liabilities

	2022.12.31	2021.12.31
Net defined benefit liabilities	$19,551	$23,491
Deposits received	252	-
Total	$19,803	$23,491

14. Post-employment benefit plans

Defined contribution plans

The Company's retirement plan under the "Labor Pension Act" is a defined contribution plan. In accordance with the Act, the Company's monthly contribution rate shall not be less than 6% of the employees' monthly salaries. The Company has made monthly contributions of 6% of employees' salaries to the individual pension accounts with the Bureau of Labor Insurance in accordance with the Employee Retirement Regulations, which were formulated in accordance with the Act.

The Company recognized $926 thousand and $905 thousand of defined contribution plan expenses in 2022 and 2021, respectively.

Defined benefit plans

The Company's pension plan under the "Labor Standards Act" is a defined benefit plan under. The pension payments are based on the bases of years of service and the approved monthly average salary at the time of retirement. Two bases are granted for each year of service up to (including) 15 years, and one base is granted for each year of service over 15 years, subject to a maximum accumulation of 45 bases. In accordance with the Labor Standards Act, the Company appropriates monthly 2% of total salaries to a pension fund, deposited in the name of the Supervisory Committee of Labor Retirement Reserve in a dedicated at the Bank of Taiwan. In addition, the Company estimates the balance of the aforementioned pension fund before the end of each year. If the balance is not sufficient to pay the amount of pension benefits to employees eligible for retirement in the following year, the difference will be made up by the end of March of the following year.

The Ministry of Labor conducts asset allocations in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and the investment of the fund is conducted by the Ministry itself or through outsourcing, using both active and passive management with medium and long-term investment strategies. The Ministry of Labor sets risk limits and control plans for the fund, taking into account market, credit, and liquidity risks, so that the fund has sufficient flexibility to achieve target returns without excessive risk exposure. For the utilization of the fund, the minimum income to be distributed based on the annual final accounting reports shall not be lower than the income calculated based on the two-year time deposits in a local bank. If there is any shortage, it shall be made up by the national treasury after approval by the competent authority. Because the Company does not have the right to participate in the operations and management of the fund, it cannot disclose the classification of the fair value of plan assets in accordance with section 142 of IAS 19. As of December 31, 2022, the Company expected to contribute $325 thousand for the defined benefit plans in the next year.

As of December 31, 2022 and 2021, the Company's defined benefit plans were expected to expire in 2037.

The following table summarizes the cost of the defined benefit plans recognized in profit or loss.

	2022	2021
Net interest on net defined benefit liabilities (assets)	$162	$94

A reconciliation of the present value of the defined benefit obligation to the fair value of plan assets is as follows:

	2022.12.31	2021.12.31	2021.01.01
Present value of defined benefit obligation	$24,614	$27,922	$28,397
Fair value of plan assets	(4,738)	(4,111)	(3,749)
Subtotal	19,876	23,811	24,648
Estimated appropriation for net defined benefit liabilities in the next year	(325)	(320)	(329)
The amount of other non-current liabilities - net defined benefit liabilities (assets) on the accounting books	$19,551	$23,491	$24,319

Reconciliation of net interest on net defined benefit liabilities (assets):

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities (assets)
2021.01.01	$28,397	$(3,749)	$24,648
Service costs for the period	-	-	-
Interest expense (income)	108	(14)	94
Service costs for the prior period and settlement gains and losses	-	-	-
Subtotal	108	(14)	94
Remeasurement of defined benefit liabilities/assets:			
Actuarial gains or losses from changes in demographic assumptions	260	-	260
Actuarial gains or losses from changes in financial assumptions	(1,383)	(52)	(1,435)
Adjustments through experience	540	-	540
Remeasurement of defined benefit liabilities	-	-	-
Subtotal	(583)	(52)	(635)
Benefits paid	-	-	-
Appropriations by employer	-	(296)	(296)
2021.12.31	27,922	(4,111)	23,811
Service costs for the period	-	-	-
Interest expense (income)	190	(28)	162
Service costs for the prior period and settlement gains and losses	-	-	-
Subtotal	190	(28)	162
Remeasurement of defined benefit liabilities/assets:			
Actuarial gains or losses from changes in demographic assumptions	-	-	-
Actuarial gains or losses from changes in financial assumptions	(3,112)	(299)	(3,411)
Adjustments through experience	(386)	-	(386)
Remeasurement of defined benefit liabilities	-	-	-
Subtotal	(3,498)	(299)	(3,797)
Benefits paid	-	-	-
Appropriations by employer	-	(300)	(300)
2022.12.31	$24,614	$(4,738)	$19,876

The following key assumptions were used to determine the Company's defined benefit plans:

	2022.12.31	2021.12.31
Discount rate	1.47%	0.68%
Expected salary increase rate	3.00%	3.00%

Sensitivity analysis for each significant actuarial assumption:

	2022		2021	
	Increase in defined benefit obligation	Decrease in defined benefit obligation	Increase in defined benefit obligation	Decrease in defined benefit obligation
Increase in discount rate by 0.5%	$-	$(1,755)	$-	$(2,160)
Decrease in discount rate by 0.5%	1,917	-	2,375	-
Increase in expected salary increase rate by 0.5%	1,878	-	2,308	-
Decrease in expected salary increase rate by 0.5%	-	(1,738)	-	(2,123)

The foregoing sensitivity analysis was performed to analyze the potential impact on the defined benefit obligation if a reasonably possible change in a single actuarial assumption (e.g., discount rate or expected salary) occurs, assuming other assumptions remained constant. The analysis is limited by the fact that some actuarial assumptions are interrelated and, in practice, changes in only a single actuarial assumption rarely occur.

The method and assumptions used in the sensitivity analysis for the current period are no different from those used in the prior period.

15. Equity

(1) Common share

As of December 31, 2022 and 2021, the Company's authorized capital was $2,000,000 thousand and the issued share capital was $1,172,656 thousand and $1,227,626 thousand, respectively, with par value of $10 per share, divided into 117,266 thousand and 122,763 thousand shares, respectively. Each share has one voting right and is entitled to receive dividends.

On November 5, 2021, the Board of Directors resolved to retire treasury stock and reduce capital by $40,770 thousand, with November 10, 2021 as the base date for the capital reduction. The capital reduction was approved by the Ministry of Economic Affairs with the letter Jing-Shou-Shang-Zi No. 11001218710 on record. After the capital reduction, the authorized capital was $2,000,000 thousand and the issued share capital was $1,227,626 thousand, with a par value of $10 per share, divided into 122,763 thousand shares.

On August 5, 2022, the Board of Directors resolved to retire treasury stock and reduce capital by $30,000 thousand, with August 8, 2022 as the base date for the capital reduction. The capital reduction was approved by the Ministry of Economic Affairs with the letter Jing-Shou-Shang-Zi No. 11101162950 on record. After the capital reduction, the authorized capital was $2,000,000 thousand and the issued share capital was $1,197,626 thousand, with a par value of $10 per share, divided into 119,763 thousand shares.

On November 3, 2022, the Board of Directors resolved to retire treasury stock and reduce capital by $24,970 thousand, with November 7, 2022 as the base date for the capital reduction. The capital reduction was approved by the Ministry of Economic Affairs with the letter Jing-Shou-Shang-Zi No. 11101223740 on record. After the capital reduction, the authorized capital was $2,000,000 thousand and the issued share capital was NT$1,172,656 thousand, with a par value of $10 per share, divided into NT$ 117,266 thousand shares.

(2) Capital surplus

	2022.12.31	2021.12.31
Stock options - others	$24	$24
Recognition of change in ownership interests in subsidiaries (Note 1)	14,106	14,106
Others (Note 2)	87	87
Total	$14,217	$14,217

Note 1: Such capital surplus represents the effect of equity transactions recognized for changes in the equity of subsidiaries without actually acquiring the equity in the subsidiaries.

Note 2: This capital reserve represents the exercise of disgorgement.

Capital surplus shall not be used except to make up for losses of the Company, and when the Company has no losses, capital surplus generated from the proceeds from the issuance of shares in excess of par value and the proceeds from the receipt of gifts shall be capitalized as equity up to a certain percentage of the paid-in capital every year, and the aforementioned capital surplus may also be distributed in cash in proportion to the original shareholdings of the shareholders. In addition, capital surplus from long-term equity investments shall not be used for any purpose.

(3) Treasury stock

The Company did not hold any treasury stock as of December 31, 2022 and 2021.

The changes in treasury stock for 2022 and 2021 were as follows:

Reason for recovery	Number of shares at the beginning of the period	Increase during the period	Decrease during the period	Number of shares at the end of the period
2022				
To protect the creditworthiness of the Company and shareholders' equity	- Thousands of shares	5,497 thousand shares	5,497 thousand shares	- Thousands of shares
2021				
To protect the creditworthiness of the Company and shareholders' equity	- Thousands of shares	4,077 thousand shares	4,077 thousand shares	- Thousands of shares

The Securities and Exchange Act stipulates that the number of shares to be bought back by the Company shall not exceed 10% of the total number of shares issued by the Company, and the total amount of shares to be bought shall not exceed the amount of retained earnings plus premiums on issued shares and realized capital surplus.

(4) Earnings distribution and dividend policy

A. Earnings Distribution

In accordance with the Company's Articles of Incorporation, as amended by the resolution of the shareholders' meeting held on June 12, 2019, if the Company makes a net profit in a year as indicated in the annual accounting reports, the Company shall first make up for past losses and secondly set aside 10% as legal reserve and set aside or reverse special reserve in accordance with the law, and if there is any surplus, the Board of Directors shall prepare a proposal for the distribution of earnings after adding the undistributed earnings of previous years. In accordance with Paragraph 5, Article 240 of the Company Act, "When the Company distributes dividends and bonuses in whole or in part in cash, the

Board of Directors is authorized to approve the distribution by a resolution of a majority of the directors present, with at least two-thirds of the directors present, and to report the distribution to the shareholders' meeting." In addition, if the Company distributes all or part of the dividends and bonuses by issuance of new shares, the dividends shall be resolved by the shareholders' meeting.

The Company's dividend policy is formulated to support business expansion, based on operating strategies, investment plans, capital budget and changes in internal and external environment. The Company shall set aside at least 20% of the accumulated distributable earnings as dividends to shareholders, of which no less than 10% of the total dividends shall be in cash. Cash dividends less than $0.1 per share calculated in accordance with the above dividend policy shall not be distributed. The Company shall not pay dividends or bonuses, if there is no surplus in earnings.

At the Company's regular shareholders' meeting held on June 16, 2022, the distribution of earnings and dividends per share for 2021 was proposed and resolved as follows:

	Earnings appropriation and distribution proposal	Dividends Per Share (NTD)
	2021	2021
Legal reserve	$18,903	
Provision (reversal) of special reserve	11,392	
Cash dividends on common stock	159,592	1.3
Total	$189,887	

The appropriation and distribution of earnings for 2022 is expected to be proposed by the Board of Directors at the most recent Board meeting following the approval of the financial statements.

Please refer to Note 6.19 for information on the basis of remuneration for employees, directors and supervisors and the amounts recognized.

B. Legal reserve

Under the Company Act, legal reserve should be appropriated until the total amount of legal reserve reaches total capital. The legal reserve may be used to make up for losses. If the Company has no losses, the excess of legal reserve over 25% of the paid-in capital may be distributed as new shares or cash in proportion to the original shareholdings of shareholders.

At the shareholders' meetings held on June 16, 2022 and July 16, 2021, it was resolved to set aside $18,903 thousand and $23,383 thousand, respectively, as legal reserve.

C. Special reserve

Upon the distribution of distributable earnings, a special reserve is provided for the difference between the balance of the special reserve and the net decrease in other equity upon the adoption of IFRSs for the first time. If there is a subsequent reversal of the net deduction from other equity, a special reserve may be reversed to distribute earnings for the portion of the reversal of the net deduction from other equity.

In accordance with the Financial Supervisory Commission's Order Jin-Guan-Zheng-Fa-Zi No. 1090150022 issued on March 31, 2021, a special reserve is provided for the portion of unrealized revaluation increment and cumulative translation adjustments (gain) recorded at the date of transition to IFRSs that is transferred to retained earnings as a result of the adoption of IFRS 1, "First-time Adoption of International Financial Reporting Standards" exemption. The Company may reverse the distributed earnings in proportion to the special reserve originally provided for when the Company uses, disposes of or reclassifies related assets.

As of January 1, 2022 and 2021, the special reserve was $30,933 thousand for both year in relation to the first-time adoption. There was no reversal of special reserve from January 1 to December 31, 2022 and 2021 due to the use, disposal, or reclassification of related assets. As of December 31, 2022 and 2021, the special reserve was $30,933 thousand for both year in relation to the first-time adoption.

At the shareholders' meetings held on June 16, 2022 and July 16, 2021, it was resolved to appropriate (reverse) special reserve of $11,392 thousand and $(13,801) thousand, respectively.

For information on the distribution of earnings resolved at the shareholders' meeting, please refer to the “Market Observation Post System” of the Taiwan Stock Exchange.

16. Operating revenue

	2022	2021
Revenue from contracts with customers		
Revenue from sales of merchandise	$106,202	$82,606

Information related to the Company's revenue from contracts with customers for 2022 and 2021 is as follows:

(1) Breakdown of revenue

	Single segment	
	2022	2021
Merchandise sales	$106,202	$82,606

Timing of revenue recognition:	2022	2021
At a certain point in time	$106,202	$82,606

(2) Contract balance

Contract liabilities - current

	2022.12.31	2021.12.31	2021.01.01
Sales of merchandise	$-	$2	$14

The decrease in the balance of the Company's contract liabilities for 2022 and 2021 was due to the partial consideration received from customers in advance and the Company's obligation to provide sales of products at a later date.

(3) Transaction price allocated to outstanding performance obligations

There was no need for the Group to provide information on outstanding performance obligations as of December 31, 2022 and 2021 as the Company's contracts were all shorter than one year.

(4) Assets recognized from the cost of acquiring or performing customer contracts

None.

17. Expected credit impairment losses (gains)

Operating expenses - expected credit impairment losses (gains)	2022	2021
Accounts receivable	$331	$(121)

For information related to credit risk, please refer to Note 12.

The Company measures receivables (including notes receivable and accounts receivable) with an allowance for losses using the expected credit loss amounts over the duration of existence. The related explanation of the allowance for losses as of December 31, 2022 and 2021 are as follows:

(1) Receivables are considered as a single group based on past experience and the allowance for losses is measured using an allowance matrix, and the related information is as follows:

2022.12.31

	Not past due	Days past due				
	(Note)	Within 30 days	31~60 days	61~90 days	91 days or more	Total
Total carrying amount	$26,565	$2,231	$-	$-	$106	$28,902
Loss rate	0～1%	2～10%	11～50%	51～55%	56～100%	
Expected credit losses for the duration of existence	(179)	(133)	-	-	(85)	(397)
Carrying amount	$26,386	$2,098	$-	$-	$21	$28,505

2021.12.31

	Not past due	Days past due				
	(Note)	Within 30 days	31~60 days	61~90 days	91 days or more	Total
Total carrying amount	$29,044	$708	$-	$132	$-	$29,884
Loss rate	0~0.1%	1~5%	10~20%	20~50%	100%	
Expected credit losses for the duration of existence	-	(29)	-	(37)	-	(66)
Carrying amount	$29,044	$679	$-	$95	$-	$29,818

Note: None of the Company's notes receivable were past due.

(2) Information on the changes in the Company's allowance for losses on notes receivable and accounts receivable for 2022 and 2021 are as follows:

	Notes receivable	Accounts receivable
2022.01.01	$-	$66
Increase (reversal) for the period	-	331
Balance as of 2022.12.31	$-	$397
2021.01.01	$-	$187
Increase (reversal) for the period	-	(121)
Balance as of 2021.12.31	$-	$66

18. Leases

(1) The Company as lessor

Please refer to Note 6.8 for disclosures related to the Company's investment properties owned by the Company. Investment properties owned by the Group are classified as operating leases because substantially all the risks and rewards incidental to ownership of the subject assets have not been transferred.

The Company entered into operating leases and the total undiscounted lease payments to be received as of December 31, 2022 and 2021 and the remaining years were as follows:

	2022.12.31	2021.12.31
No more than one year	$2,057	$1,629
More than one year but not more than five years	-	-
Total	$2,057	$1,629

19. A summary of employee benefits, depreciation and amortization expenses by function is as follows:

Function / Nature	2022			2021		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expense						
Salary expense	$-	$21,366	$21,366	$-	$19,061	$19,061
Labor and health insurance expenses	-	1,907	1,907	-	1,895	1,895
Pension expenses	-	1,088	1,088	-	999	999
Remuneration for directors		9,209	9,209	-	9,740	9,740
Other employee benefits expenses	-	254	254	-	252	252
Depreciation expenses (including investment property)	826	8,020	8,846	1,121	6,309	7,430
Amortization expenses	-	893	893	-	834	834

Note: 1. The average number of employees for both 2022 and 2021 was 29, of which the number of directors who concurrently served as employees was 6.

2. For companies whose shares are listed on the TWSE or traded on TPEx, the following information should be additionally disclosed:

(1) The average employee benefits expenses for 2022 and 2021 were $1,119 thousand and $1,009 thousand, respectively.
(2) The average employee salary expenses for 2022 and 2021 were $971 thousand and $866 thousand, respectively.
The number of employees for the calculation of average employee benefits and salary expenses for 2022 was 22, excluding one director who concurrently served as an employee but was not included in the basis for calculating the number of employees because the Company did not pay employee salary to this director.
(3) The adjustment in the average employee salary expense was 12.12%.
(4) In accordance with the regulations, the Company established an audit committee to replace supervisors in January 2022, and the remuneration for supervisors was $2,025 thousand for the current year and $4,191 thousand for the previous year.

(5) The Company's remuneration policy: (a) In accordance with the provisions of the Company's Articles of Incorporation, the Board of Directors is authorized to determine the remuneration to the directors and supervisors for the performance of the Company's business, regardless of the Company's profit or loss, in accordance with the usual standards in the industry based on the value of their participation in and contribution to the Company's operations. (b) Managerial officers and employees are paid in accordance with the Company's salary regulations, and bonuses and profit sharing remuneration for employees are paid with reference to the Company's overall operating performance and annual performance appraisal. (c) The profit sharing remuneration for directors and supervisors and the profit sharing remuneration for employees are appropriated in accordance with the Company's Articles of Incorporation.

The Company's Articles of Incorporation provide that if the Company makes a profit in a year, it shall appropriate not less than one-thousandth of the profit as profit sharing remuneration for employees and not more than 3% as profit sharing remuneration for directors and supervisors, but if the Company has accumulated losses, it shall reserve in advance an amount to make up for the losses. The aforementioned profit sharing remuneration in the form of stock or cash shall be resolved by the Board of Directors with the presence of two-thirds of the directors and the approval of a majority of the directors present, and shall be reported to the shareholders' meeting. For information on the profit sharing remuneration for employees and remuneration to directors and supervisors approved by the Board of Directors, please visit the Market Observation Post System of the Taiwan Stock Exchange.

Based on the Company's 2022 profitability, the profit sharing remuneration for employees and that for directors and supervisors were estimated at no less than 1% and no more than 3%, respectively, and the amount of profit sharing remuneration for employees and that for directors and supervisors were recognized as $2,000 thousand and $6,625 thousand, respectively, under salary expenses. On March 3, 2023, the Board of Directors resolved to distribute profit sharing remuneration for employees of $2,000 thousand and profit sharing remuneration for directors and supervisors of $6,500 thousand in cash. The difference from the profit sharing remuneration for employees of $2,000 thousand and profit sharing remuneration for directors and supervisors of $6,625 thousand recorded as expenses on the financial statements for 2022 were $0 and $125 thousand, respectively, which were mainly due to the change in the estimate and are expected to be recorded as profit or loss for 2023.

Based on the Company's 2021 profitability, the profit sharing remuneration for employees and that for directors and supervisors were estimated at no less than 0.1% and no more than 6%, respectively, and the amount of profit sharing remuneration for employees and that for directors and supervisors were recognized as $1,500 thousand and $7,700 thousand, respectively, under salary expenses. The Company's Board of Directors resolved on March 4, 2022 to distribute profit sharing remuneration for employees and that for directors and supervisors in cash of $1,500 thousand and $7,700 thousand, respectively, which was not different from the amount recorded as expenses in the financial statements for 2021.

20. Non-operating income and expenses

(1) Other income

	2022	2021
Rental income	$4,767	$4,525
Interest income		
Financial assets at amortized cost	61	9
Other income	532	692
Total	$5,360	$5,226

(2) Other gains or losses

	2022	2021
Gain (loss) on disposal of property, plant and equipment	$197	$-
Net foreign currency exchange gains (losses)	(6,843)	1,944
Other losses	(7)	(2)
Depreciation of investment properties	(422)	(422)
Total	$(7,075)	$1,520

(3) Financial costs

	2022	2021
Interest on bank loans	$6,877	$4,162
Other interest expenses	796	500
Total	$7,673	$4,662

21. Components of other comprehensive income

The components of other comprehensive income for 2022 were as follows:

	Occurred during the period	Reclassified or adjusted during the period	Subtotal	Income tax benefit (expense)	After-tax amount
Items not reclassified subsequently to profit or loss:					
Remeasurement of defined benefit plans	$3,797	$-	$3,797	$-	$3,797
Items that may be reclassified subsequently to profit or loss:					
Share of other comprehensive income of subsidiaries, affiliates and joint ventures accounted for using equity method	43,446	-	43,446	(8,689)	34,757
Total other comprehensive income for the period	$47,243	$-	$47,243	$(8,689)	$38,554

The components of other comprehensive income for 2021 were as follows:

	Occurred during the period	Reclassified or adjusted during the period	Subtotal	Income tax benefit (expense)	After-tax amount
Items not reclassified subsequently to profit or loss:					
Remeasurement of defined benefit plans	$635	$-	$635	$-	$635
Items that may be reclassified subsequently to profit or loss:					
Share of other comprehensive income of subsidiaries, affiliates and joint ventures accounted for using equity method	(14,240)	-	(14,240)	2,848	(11,392)
Total other comprehensive income for the period	$(13,605)	$-	$(13,605)	$2,848	$(10,757)

22. Income tax

(1) Major components of tax expense (benefit) were as follows:

Income tax recognized in profit or loss

	2022	2021
Current income tax expense (benefit)		
Current income tax payable	$2,874	$25,126
Adjustments to the current income taxes of prior periods for the current year	-	(16)
Deferred income tax expense (benefit):		
Deferred income tax expense related to the original generation and reversal of temporary differences	56,423	40,413
Income tax expense	$59,297	$65,523

Income tax recognized in other comprehensive income

	2022	2021
Deferred income tax expense (benefit):		
Share of other comprehensive income of subsidiaries, affiliates and joint ventures accounted for using equity method	$8,689	$(2,848)

(2) Reconciliation of income tax expense to accounting profit multiplied by the applicable income tax rate is as follows:

	2022	2021
Net profit before tax from continuing operations	$281,805	$312,277
Tax based on domestic tax rates applicable to income from related countries	$56,361	$62,455
Income tax levied on undistributed earnings	2,874	3,071
Income tax effect of non-deductible expenses on tax returns	62	13
Adjustments to the current income taxes of prior periods for the current year	-	(16)
Total income tax expense recognized in profit or loss	$59,297	$65,523

(3) Balance of deferred income tax assets (liabilities) related to the following items:

2022

	Balance at the beginning of the period	Recognized in profit or loss	Recognized in other comprehensive income	Balance at the end of the period
Temporary differences				
Loss on decline in value of inventories and slow-moving inventories.	$127	$67	$-	$194
Investment income	(333,554)	(66,964)	-	(400,518)
Exchange losses (gains)	(187)	(205)	-	(392)
Expected credit impairment losses	-	21	-	21
Net defined benefit liabilities	7,373	-	-	7,373
Impairment losses of assets	800	-	-	800
Exchange differences on translation of the financial statements of foreign operations	18,787	-	(8,689)	10,098
Short-term employee benefits	452	-	-	452
Loss carryforwards	-	10,658	-	10,658
Deferred income tax (expense)/benefit:		$(56,423)	$(8,689)	
Net deferred tax assets (liabilities)	$(306,202)			$(371,314)
The information shown in the balance sheet is as follows:				
Deferred tax income assets	$27,539			$29,596
Deferred income tax liabilities	$(333,741)			$(400,910)

2021

	Balance at the beginning of the period	Recognized in profit or loss	Recognized in other comprehensive income	Balance at the end of the period
Temporary differences				
Loss on decline in value of inventories and slow-moving inventories.	$73	$54	$-	$127
Investment income	(323,282)	(10,272)	-	(333,554)
Exchange losses (gains)	(16)	(171)	-	(187)
Expected credit impairment losses	4	(4)	-	-
Net defined benefit liabilities	7,373	-	-	7,373
Impairment losses of assets	800	-	-	800
Exchange differences on translation of the financial statements of foreign operations	15,939	-	2,848	18,787
Short-term employee benefits	452	-	-	452
Loss carryforwards	30,020	(30,020)	-	-
Deferred income tax (expense)/benefit:		$(40,413)	$2,848	
Net deferred tax assets (liabilities)	$(268,637)			$(306,202)
The information shown in the balance sheet is as follows:				
Deferred tax income assets	$54,661			$27,539
Deferred income tax liabilities	$(323,298)			$(333,741)

(4) Information on the Company's unused loss carryforward is as follows:

	Unused balance		
Year of occurrence	2022.12.31	2021.12.31	Final deductible year
2022(Estimate)	$53,290	$-	2032

(5) Assessment of Income tax returns

As of December 31, 2022, the Company's income tax returns had been assessed through 2020.

23. Earnings per share

Basic earnings per share is calculated based on the net profit attributable to holders of common stock of the Company for the period divided by the weighted-average number of common stock outstanding during the period.
Diluted earnings per share is calculated by dividing the net income attributable to holders of common stock of the Company for the period, adjusted for the effect of dilution, by the weighted-average number of common stock outstanding for the period plus the weighted-average number of common stock to be issued upon conversion of all dilutive potential common stock into common stock.

(1) Basic earnings per share

	2022	2021
Net profit attributable to holders of common stock of the Company (Thousands of NTD)	$222,508	$246,754
Weighted average number of common shares for basic earnings per share (thousands of shares)	120,300	125,500
Basic earnings per share (NTD)	$1.85	$1.97

(2) Diluted earnings per share

	2022	2021
Net profit attributable to holders of common stock of the Company (Thousands of NTD)	$222,508	$246,754
Weighted average number of common shares for basic earnings per share (thousands of shares)	120,300	125,500
Dilutive effect:		
Profit sharing remuneration for employees - Stock (thousands of Shares)	109	60
Weighted-average number of common shares after adjustment for dilutive effect (thousands of shares)	120,409	125,560
Diluted earnings per share (NTD)	$1.85	$1.97

(3) There were no other transactions that materially changed the number of outstanding common shares or potential common shares at the end of the period after the reporting period and before the publication of the financial statements.

VII. Related-party transactions

1. The related parties with whom the Company had transactions during the financial reporting period were as follows:

Name and relationship of related party

Name of related party	Relationship with the Company
SINGATRON ENTERPRISE CO., LTD.－U.S.A(SEC－U.S.A)	Other related parties (the Chairperson of the Company is a relative within second degree of kinship of the Chairperson of the related party)
SINGATRON(HONG KONG) INTERNATIONAL HOLDING LIMITED	Second-tier subsidiary of the Company
SINGATRON Electronics (China) Co. Ltd.	Third-tier subsidiary of the Company
SINGATRON TECHNOLOGY (HongKong) CO., LIMITED	Third-tier subsidiary of the Company
Singatron Electronic (Zhongshan) Co., Ltd.	Third-tier subsidiary of the Company
Suzhou Singatron Auto Co., Ltd.	Third-tier subsidiary of the Company

2. Significant transactions with related parties
(1) Purchases

	2022	2021
SINGATRON Electronics (China) Co. Ltd.	$33,977	$31,389
Suzhou Singatron Auto Co., Ltd.	43,643	28,369
Singatron Electronic (Zhongshan) Co., Ltd.	2,181	3,856
Total	$79,801	$63,614

The Company mainly purchases from related parties connectors and finished goods, and the prices are based on the prices of the orders received, and no prices from other suppliers are available for comparison. Payment terms for purchases from related parties are 90 to 180 days after the cut-off day of each month, while payment terms for purchases from general suppliers are 60 to 90 days from the cut-off day of the following month.

(2) The commission to the other related party - SEC-U.S.A is calculated on the gross profit from the sales of the Company's own products to customers referred by SEC-U.S.A. The commission expense of $816 thousand and $769 thousand was recognized in 2022 and 2021, respectively, and was recorded as selling expenses - commission expenses. Commission expense payable at the end of the period was $177 thousand and $365 thousand, respectively.

(3) Accounts payable - related parties

	2022.12.31	2021.12.31
SINGATRON Electronics (China) Co. Ltd.	$8,024	$7,825
Suzhou Singatron Auto Co., Ltd.	12,981	10,815
Singatron Electronic (Zhongshan) Co., Ltd.	694	1,054
Total	$21,699	$19,694

(4) Other payables - related parties (excluding financial accommodations)

	2022.12.31	2021.12.31
Second-tier subsidiary	$238	$251

(5)The Company's financial accommodations with related parties for 2022 and 2021 were as follows:

a. Recorded as other payables

Counterparty	Maximum Balance	Balance at the end of the period	Interest rate range	Total interest expenses	Collateral
2022					
SINGATRON (HONG KONG) INTERNATIONAL HOLDING LIMITED	$92,130	$92,130	0.9%～2%	$760	None
2021					
SINGATRON (HONG KONG) INTERNATIONAL HOLDING LIMITED	$69,200	$55,360	0.9%	$438	None

(6) As of December 31, 2022 and 2021, the balance of the Company's endorsement and guarantee for its related party, Singatron Electronics Enterprise Co., Ltd. (HK), was $546,715 thousand (US$16,500 thousand and NT$40,000 thousand) and $579,760 thousand (US$19,500 thousand and NT$40,000), respectively.

(7) The Company leased office space to related parties as follows:

Name of related party	Lease subject matter	Lease period	Rental/month	Rental income
2022				
SINGATRON TECHNOLOGY (HongKong) CO., Ltd	3F and 4F, No. 209, Section 2, Zhongzheng Road, Hukou Township, Hsinchu County	2021.07.15～2022.07.15 and 2022.07.15～2023.07.14	$343	$3,686
2021				
SINGATRON TECHNOLOGY (HongKong) CO., Ltd	3F and 4F, No. 209, Section 2, Zhongzheng Road, Hukou Township, Hsinchu County	2020.07.15～2021.07.14 and 2021.07.15～2022.07.14	$285	$3,257

(8) Remuneration of key management personnel of the Company

	2022	2021
Short-term employee benefits	$46,009	$48,244
Post-employment benefits	181	240
Total	$46,190	$48,484

Please refer to the Annual Report for shareholders' meeting for more information on the total remuneration paid to the key management personnel listed above.

VIII. Pledged assets

The Company had the following assets pledged as collaterals:

Item	Carrying amount		Content of secured debts
	2022.12.31	2021.12.31	
Property, plant and equipment - land	$117,248	$117,248	Borrowing collaterals
Property, plant and equipment - buildings	78,703	81,113	Borrowing collaterals
Investment properties - land	13,949	-	Borrowing collaterals
Investment properties - buildings	8,655	-	Borrowing collaterals
Total	$218,555	$198,361	

IX. Significant contingent liabilities and unrecognized commitments

1. The Company's Board of Directors resolved on February 8, 2021, March 19, 2021, June 17, 2021, and June 14, 2022, respectively, to approve the relevant commitments in response to the proposed listing of its subsidiary, SINGATRON Electronics (China) Co., Ltd., on the Growth Enterprise Market of the Shenzhen Stock Exchange in China . The Company assesses that these commitments have no material adverse impact on the finance and business matters of the Group and have complied with the relevant requirements. The relevant commitments include, but are not limited to the following:

   With respect to SINGATRON Electronics (China) Co., Ltd. and its subsidiaries, the Company is willing to unconditionally bear or compensate for the related losses if the authority requires or determines that the Company is required to pay back the social insurance charges, housing provident fund or related loss of fines and loss of endowment of related tax benefits prior to the IPO and listing.

The commitments made by the Company on February 8, 2021 and March 19, 2021 were included in the report at the shareholders' meeting held on July 16, 2021, and the commitments made on June 17, 2021 were included in the report at the shareholders' meeting held on June 16, 2022. Please refer to the "Market Observation Post System" of the Taiwan Stock Exchange for related information.

X. Losses Due to Major Disasters

No such matter.

XI. Significant Subsequent Events

No such matter.

XII. Others

1. Categories of financial instruments

Financial assets

	2022.12.31	2021.12.31
Financial assets at fair value through profit or loss:		
Financial assets at fair value through other comprehensive income	$6,410	$6,410
Financial assets at amortized cost:		
Cash and cash equivalents (excluding cash on hand)	20,774	19,644
Notes receivable	1,628	1,668
Accounts receivable	26,877	28,150
Other receivables	288	205
Refundable deposits	3	3
Total	$55,980	$56,080

	2022.12.31	2021.12.31
Financial liabilities at amortized cost:		
Short-term loans	$587,833	$295,000
Payables (including related parties)	138,950	104,289
Long-term loans (including due within one year)	108,333	91,666
Deposits received	252	-
Total	$835,368	$490,955

2. Financial risk management objectives and policies

The Company's financial risk management objectives are mainly to manage market risk, credit risk and liquidity risk associated with operating activities. The Company identifies, measures and manages the aforementioned risks in accordance with the Company's policies and risk appetite.

The Company has established appropriate policies, procedures and internal controls for the aforementioned financial risk management in accordance with the relevant regulations. Significant financial activities are subject to review by the Board of Directors and the Audit Committee in accordance with relevant regulations and internal control systems. During the execution of financial management activities, the Company is required to comply with the relevant regulations on financial risk management.

3. Market risk

The Company's market risk is the risk of fluctuations in the fair value or cash flows of financial instruments due to changes in market prices. Market risk mainly includes exchange rate risk, interest rate risk and other price risk (e.g. equity instruments).

In practice, it is rare for a single risk variable to change in isolation, and changes in each risk variable are usually correlated. However, the following sensitivity analysis of each risk does not consider the interaction of related risk variables.

Exchange rate risk

The Company's exchange rate risk relates primarily to operating activities (when revenues or expenses are denominated in currencies different from the Company's functional currency) and net investments in foreign operations.

The Company's foreign currency receivables and payables are partly in the same currency, in which case, a significant position of the receivables and payables will have a natural hedge effect, while forward exchange contracts are used to manage the exchange rate risk for some foreign currency amounts. As the aforementioned natural hedge and the management of exchange rate risk by means of forward exchange contracts do not meet the requirements of hedge accounting and therefore hedge accounting is not applied; in addition, the net investment in foreign operations is a strategic investment and therefore, the Company does not hedge for it.

The sensitivity analysis of the Company's exposure to exchange rate risk focuses on the impact on the Company's profit or loss and equity of the appreciation/depreciation of the relevant foreign currencies for major foreign currency monetary items at the end of the financial reporting period. The Company's exposure to exchange rate risk is mainly affected by fluctuations in the USD exchange rate and the information on the sensitivity analysis is as follows:

When NTD had strengthened/weakened 1% against USD, the Company's profit or loss would have decreased/increased by $967 thousand and $542 thousand for 2022 and 2021, respectively.

Interest rate risk

Interest rate risk is the risk of fluctuations in the fair value of financial instruments or future cash flows due to changes in market interest rates. The Company's interest rate risk mainly arises from floating rate investments and borrowings.

The sensitivity analysis of interest rate risk focuses on the interest rate exposures at the end of the financial reporting period, including floating rate investments, and assuming that these exposures had been held for one year, when interest rate had increased/decreased by 0.1%, the Company's profit or loss would have decreased/increased by $696 thousand and $387 thousand for 2022 and 2021, respectively.

Equity price risk

The fair value of unlisted equity securities held by the Company could be affected by the uncertainty of the future value of the investment subjects. The unlisted equity securities held by the Company are included in the category at fair value through other comprehensive income. The Company manages the price risk of equity securities by diversifying its investments and setting limits on investments in equity securities, both individually and in the aggregate. Information on equity securities portfolio is provided to the Company's senior management on a regular basis, and the Board of Directors reviews and approves all investment decisions on equity securities.

For the fair value hierarchy of other equity instruments in Level 3, please refer to Note 12.8 for information on sensitivity analysis.

4. Credit risk management

Credit risk refers to the risk that the counterparties will not be able to fulfill their obligations under contracts, resulting in financial losses. The Company's credit risk is attributable to operating activities (mainly accounts and notes receivable) and financing activities (mainly bank deposits and various financial instruments).

Each of the Company's units manages credit risk in accordance with its policies, procedures and controls over credit risk. All the credit risks of counterparties are evaluated by taking into account the financial positions of the counterparties, their ratings by credit rating agencies, historical transaction experience, the current economic environment and the Company's internal ratings, etc. The Company also uses certain credit enhancement tools (such as advance receipts and insurance) at appropriate times to reduce the credit risks of specific counterparties.

As at December 31, 2022 and 2021, the percentages of receivables from the Company's top ten customers to the Company's total receivables were 70.93% and 74.77%, respectively, and the credit concentration risk of the remaining receivables was relatively insignificant.

The Company's finance department manages the credit risk of bank deposits and other financial instruments in accordance with the Company's policies. The Company's counterparties are creditworthy banks and investment-grade financial institutions, corporate organizations and governmental authorities as determined by the Company's internal control procedures, so there is no significant credit risk.

The Company uses IFRS 9 to assess expected credit losses. Other than receivables, investments in debt instruments not measured at fair value through profit or loss are initially acquired on the premise that the credit risk is low. At each balance sheet date, an assessment is made of whether the credit risk has increased significantly since the initial recognition to determine the method of measuring the allowance for losses and its loss rate. As of December 31, 2022 and 2021, the Company did not hold any investments in debt instruments not measured at fair value through profit or loss.

In addition, the Company writes off financial assets when it is assessed that recovery is not reasonably expected, such as when the issuer or the debtor is in significant financial difficulty or has become insolvent.

5. Liquidity risk management

The Company maintains financial flexibility through cash and cash equivalents and contracts such as bank borrowings. The following table summarizes the maturity profile of payments under contracts for the Company's financial liabilities, based on the earliest possible date on which repayment may be required and the undiscounted cash flows thereof, including agreed interest. The undiscounted amount of interest cash flows payable at floating interest rates is derived from the curve yield at the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	1 to 5 years	Total
2022.12.31			
Loans	$625,524	$76,761	$702,285
Payables	138,950	-	138,950
2021.12.31			
Loans	$329,789	$58,930	$388,719
Payables	104,289	-	104,289

6. Reconciliation of liabilities from financing activities

Information on reconciliation of liabilities for 2022:

	Long/short-term loans	Deposits received	Other payables - related parties (Financial accommodations)	Total liabilities from financing activities
2022.01.01	$386,666	$-	$55,611	$442,277
Cash flows	309,500	252	36,757	346,509
Non-cash flows	-	-	-	-
2022.12.31	$696,166	$252	$92,368	$788,786

Information on reconciliation of liabilities for 2021:

	Long/short-term loans	Deposits received	Other payables - related parties (Financial accommodations)	Total liabilities from financing activities
2021.01.01	$350,000	$332	$28,505	$378,837
Cash flows	36,666	(332)	27,106	63,440
Non-cash flows	-	-	-	-
2021.12.31	$386,666	$-	$55,611	$442,277

7. Fair value of financial instruments

(1) Valuation techniques and assumptions used to measure fair value

Fair value is the price that would be paid to sell an asset or to transfer a liability in an orderly transaction between market participants at the measurement date. The methods and assumptions used by the Company to measure or disclose the fair value of financial assets and financial liabilities are as follows:

A. The carrying amounts of cash and cash equivalents, receivables, payables and other current liabilities are reasonable approximations of fair values, primarily due to the short maturities of such instruments.

B. The fair values of financial assets and liabilities traded in active markets with standard terms and conditions are determined by reference to quoted market prices (e.g., listed stocks, beneficiary certificates, bonds and futures).

C. The fair value of equity instruments that are not traded in an active market (e.g., listed private stocks, publicly traded stocks without an active market, and unlisted stocks) is estimated using the market approach by using prices derived from market transactions of equity instruments of the same or comparable companies and other relevant information (e.g., lack of liquidity discount factor, price to earnings ratio of similar companies' stocks, price to equity ratio of similar companies' stocks, etc.).

D. The fair value of investments in debt instruments, bank loans and other non-current liabilities that do not have active market quotations are determined based on counterparty quotations or valuation techniques, which are based on discounted cash flow analysis. The assumptions on interest rates and discount rates are based on information related to similar instruments (e.g., TPEx reference yield curve, Reuters average interest rate quotations for commercial papers and credit risk).

E. The fair value of derivative financial instruments without active market quotations, including non-optional derivative financial instruments, is calculated by discounted cash flow analysis using counterparty quotations or the applicable yield rate curve for the duration of existence.

(2) Fair value of financial instruments at amortized cost

The carrying amounts of the Company's financial assets and financial liabilities at amortized cost approximate their fair values.

(3) Information related to the fair value hierarchy of financial instruments

Please refer to Note 12.8 for information on the fair value hierarchy of the Company's financial instruments.

8. Fair value hierarchy

(1) Definition of fair value hierarchy

All assets and liabilities measured or disclosed at fair value are categorized into their respective fair value hierarchy based on the lowest level of input value that is significant to the overall fair value measurement. The input vales for each level are as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: refers to the direct or indirect observable input value of asset or liability further to the quotation of Level 1.

Level 3: the unobservable input value of asset or liability.

Assets and liabilities recognized in the financial statements on a recurring basis are reassessed at the end of each reporting period to determine whether transfers between levels of the fair value hierarchy have occurred.

(2) Information on the hierarchy of fair value measurements

Information on the fair value hierarchy for recurring assets and liabilities is presented below:

December 31, 2022

	Level 1	Level 2	Level 3	Total
Assets at fair value:				
Investments in equity instruments at fair value through other comprehensive income	$-	$-	$6,410	$6,410

December 31, 2021

	Level 1	Level 2	Level 3	Total
Assets at fair value:				
Investments in equity instruments at fair value through other comprehensive income	$-	$-	$6,410	$6,410

Transfer between Level 1 and Level 2 of fair value hierarchy

There were no transfers between Level 1 and Level 2 of fair value hierarchy for the Company's assets and liabilities at fair value on a recurring basis in 2022 and 2021.

Details of changes in Level 3 of the recurring fair value hierarchy

There was no change in the opening to closing balance of the Company's assets and liabilities at fair value on a recurring basis in Level 3 of fair value hierarchy in 2022 and 2021.

Information on significant unobservable input values in Level 3 of fair value hierarchy

The following table presents the significant unobservable input values to the Company's fair value hierarchy for assets measured at fair value on a recurring basis within Level 3 of the fair value hierarchy:

December 31, 2022:

	Valuation techniques	Significant unobservable input values	Quantitative information	Relationship between input values and fair values	Sensitivity analysis of the relationship between input values and fair values
Financial assets:					
Financial assets at fair value through other comprehensive income					
Stock	Market method	Lack of liquidity discount	20%	The higher the degree of illiquidity, the lower the fair value estimate	When the percentage of illiquidity increases (decreases) by 10%, the Company's profit or loss would decrease/increase by $641 thousand

December 31, 2021:

	Valuation techniques	Significant unobservable input values	Quantitative information	Relationship between input values and fair values	Sensitivity analysis of the relationship between input values and fair values
Financial assets:					
Financial assets at fair value through other comprehensive income					
Stock	Market method	Lack of liquidity discount	20%	The higher the degree of illiquidity, the lower the fair value estimate	When the percentage of illiquidity increases (decreases) by 10%, the Company's profit or loss would decrease/increase by $641 thousand

Valuation process for Level 3 fair value measurement

The Company's finance department is responsible for carrying out fair value tests to ensure that the valuation results approximate market conditions, that the sources of information are independent, reliable, consistent with other sources and representative of executable prices, and that changes in the value of assets and liabilities that are subject to remeasurement or reassessment in accordance with the Company's accounting policies are analyzed at each reporting date to ensure that the valuation results are reasonable.

(3) Information on the fair value hierarchy for items that are not measured at fair value but require such disclosure

December 31, 2022:

	Level 1	Level 2	Level 3	Total
Assets with disclosure of fair value only:				
Investment properties (Note 6.8)	$-	$-	$46,536	$46,536

December 31, 2021:

	Level 1	Level 2	Level 3	Total
Assets with disclosure of fair value only:				
Investment properties (Note 6.8)	$-	$-	$40,687	$40,687

9. Information on foreign-currency financial assets and liabilities

Information on the Company's foreign-currency financial assets and liabilities is as follows:

In thousands of foreign currency

	2022.12.31			2021.12.31		
	Foreign Currency	Exchange rate	NTD	Foreign Currency	Exchange rate	NTD
Financial assets						
Monetary items:						
USD	$611	30.71	$18,763	$759	27.68	$21,008
Non-monetary items:						
USD	$80,528	30.71	$2,473,007	$75,879	27.68	$2,100,335
.						
Monetary items:						
USD	$3,029	30.71	$93,024	$2,732	27.72	$75,718
Non-monetary items:						
None						

Exchange gain or loss on monetary financial assets and financial liabilities	2022	2021
USD	$(6,827)	$1,993
Others	(16)	(49)

10. Capital management

The primary objective of the Company's capital management is to ensure the maintenance of sound credit ratings and good capital ratios to support corporate operations and maximize shareholders' equity. The Company manages and adjusts its capital structure according to economic conditions, which may be achieved by adjusting dividend payments, returning capital or issuing new shares for the purpose of maintaining and adjusting the capital structure.

11. Impact of the COVID-19 outbreak on the Company

Since the outbreak of COVID-19 pandemic in January 2020, there has been no significant impact on the Company.

XIII. Other disclosures

(I) Information on Significant Transactions:

1. The Company's provision of financial accommodations to others: None.
2. The Company's endorsement and guarantee for others: Please refer to Exhibit 1 for details.
3. Marketable securities held by the Company at the end of the period (excluding investment in subsidiaries, affiliates and joint ventures): Please refer to Exhibit 2 for details.
4. Acquisition or sale by the Company of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: None.
5. Acquisition of real estate by the Company exceeding $300 million or 20% of paid-in capital or more: None.
6. Disposal of real estate by the Company exceeding $300 million or 20% of paid-in capital or more: None.
7. Purchases or sales of goods between the Company and related parties reaching $100 million or 20% of paid-in capital or more: None.
8. The Company's receivables from related parties reaching $100 million or 20% of paid-in capital or more: None.
9. The Company's engagement in derivative instruments: None.

(II) Information on Investees:

1. Information on the investee over which the Company has significant influence or control should be disclosed (excluding the investees in Mainland China): Please refer to Exhibit 3 for details.
2. If the Company has control over an investee, it should disclose the information in Note 13.(1) on the investee.

2.1 Provision of financial accommodations to others: Please refer to Exhibit 4 for details.

2.2 Endorsements and guarantees for others: Please refer to Exhibit 1 for details.

2.3 Marketable securities held at the end of the period (excluding investment in subsidiaries, affiliates and joint ventures): None.

2.4 Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: None.

2.5 Acquisition of real estate exceeding $300 million or 20% of paid-in capital or more: None.

2.6 Disposal of real estate exceeding $300 million or 20% of paid-in capital or more: None.

2.7 Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Please refer to Exhibit 5 for details.

2.8 Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Please refer to Exhibit 6 for details.

2.9 Trading in derivative instruments:

Information regarding derivative financial instruments not qualifying for hedge accounting and outstanding as of December 31, 2022, held by the Company's third-tier subsidiaries - SINGATRON Electronics (China) Co., Ltd., Singatron Electronic (Zhongshan) Co., Ltd. , and Suzhou Singatron Auto Co., Ltd. is as follows:

Forward foreign exchange contracts

Forward foreign exchange contracts are used to manage the risk exposure of certain transactions, but are not designated as hedging instruments. The forward exchange contracts were as follows (in thousands of foreign currencies):

Item	Contract amount	Period
2022.12.31		
Forward foreign exchange contracts	Sell USD26,500	2022.07.15～2023.06.21

(III) Information on Investment in Mainland China:

1. Information on investees in Mainland China, showing the name, principal business activities, paid-in capital, investment method, inward and outward remittance of funds, shareholding percentage, 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.

Unit: Thousands of NTD

Name of investee in Mainland China	Main businesses	Paid-in capital	Investment method	Accumulated investment amount remitted from Taiwan at the beginning of the period	Amount of investment remitted or recovered during the period		Accumulated investment amount remitted from Taiwan at the end of the period	Net profit or loss of the Investee for the period	Shareholding percentage of direct or indirect investment by the Company	Investment income or loss recognized for the period	Carrying amount of investment at the end of the period	Investment income repatriated as of the end of the period
					Outward remittance	Repatriation						
CHUNG SHAN LUNG TAIS HING ELECTROPLATING CO., LTD.	Manufacturing and sale of hardware parts and surface plating products	$- (Note 9)	Note 1	$93,610 (Note 2 and Note 9)	$-	$-	$93,610 (Note 2 and Note 9)	$- (Note 9)	100%	$- (Note 9)	$- (Note 9)	$-
SINGATRON ELECTRONIC (ZHONGSHAN) CO. LTD.	Manufacturing and sale of connectors	$92,130 (Note 2)	Note 1	$76,775 (Note 2 and Note 5)	$-	$-	$76,775 (Note 2 and Note 5)	$43,128 (Note 2 and Note 3)	81.8868% (Note 10 and Note 11)	$35,316 (Note 2, Note 3)	$365,987 (Note 2)	$30,823
SINGATRON ELECTRONICS (CHINA) CO., LTD. .	Manufacturing and sale of connectors	$465,257 (Note 2)	Note 1	$241,074 (Note 2 and Note 4)	$-	$-	$241,074 (Note 2 and Note 4)	$243,493 (Note 2 and Note 3)	81.8868% (Note 11)	$199,389 (Note 2, Note 3)	$2,035,505 (Note 2)	$853,057
SUZHOU SINGATRON CONNECTOR CO., LTD.	Manufacturing and sale of connectors	$83,779 (Note 2)	Note 6	$-	$-	$-	$-	$2,535 (Note 2 and Note 3)	81.8868% (Note 11)	$2,076 (Note 2, Note 3)	$114,488 (Note 2)	$-
ZHONGSHAN SINGATRON CONNECTOR CO., LTD.	Manufacturing and sale of connectors	$26,457 (Note 2)	Note 7	$-	$-	$-	$-	$(2,541) (Note 2 and Note 3)	81.8868% (Note 10 and Note 11)	$(2,080) (Note 2, Note 3)	$(7,786) (Note 2)	$-
SUZHOU SINGATRON AUTO CO., LTD.	Manufacturing and sale of connectors	$39,685 (Note 2)	Note 8	$-	$-	$-	$-	$118,873 (Note 2 and Note 3)	81.8868% (Note 11)	$97,341 (Note 2, Note 3)	$219,258 (Note 2)	$-

Accumulated investment amount remitted from Taiwan to Mainland China at the end of the period	Investment amount approved by Investment Commission, MOEA	Investment limitation for Mainland China regulated by the Investment Commission, MOEA
$411,459	$411,459	$912,323

Note 1: As of December 31, 2022, the Company invested US$13,505 thousand in SINGATRON (B.V.I.), a holding company in a third region. . Through this holding company in a 3rd region, the Company invested in SINGATRON (HONG KONG) INTERNATIONAL HOLDING LIMITED and then indirectly invested in SINGATRON Electronics (China) Co., Ltd. and Singatron Electronic (Zhongshan) Co., Ltd. in Mainland China.
Note 2: Foreign currency amounts were translated into NTD based on the exchange rate at the balance sheet date.
Note 3: The investment income or loss recognized in the financial statements of the same period audited by CPAs.
Note 4: The difference between the accumulated investment amount remitted from Taiwan and the paid-in capital was mainly due to the capital increase from earnings of SINGATRON Electronics (China) Co., Ltd. and the capital increase by US$2,000 thousand in cash of SINGATRON (HONG KONG) INTERNATIONAL HOLDING LIMITED with its own funds.
Note 5: The difference between the accumulated investment amount remitted from Taiwan and the paid-in capital is mainly due to the fact that Singatron Electronic (Zhongshan) Co., Ltd. distributed its earnings to SINGATRON (B.V.I.) ENTERPRISE CO. (B.V.I.), LTD. and then SINGATRON (B.V.I.) ENTERPRISE CO., LTD. increased the capital of SINYIN ELECTRONICS (ZHONGSHAN) CO. . .
Note 6: SINGATRON Electronics (China) Co., Ltd. increased capital by RMB 19,000 thousand in cash with its own funds.
Note 7: Singatron Electronic (Zhongshan) Co., Ltd. increased capital by RMB 6,000 thousand in cash with its own funds.
Note 8: SINGATRON Electronics (China) Co., Ltd. increased capital by RMB 9,000 thousand in cash with its own funds.
Note 9: The Company's second-tier subsidiary, SINGATRON (HONG KONG) INTERNATIONAL HOLDING LIMITED, sold 100% of its indirect investment in Chung Shan Lung Tais Hing Electroplating Co., Ltd. in November 2014.
Note 10: The Company's second-tier subsidiary, SINGATRON (HONG KONG) INTERNATIONAL HOLDING LIMITED, adjusted its investment structure in September 2020 by transferring its indirect investment in 25% equity of Singatron Electronic (Zhongshan) Co., Ltd. in Mainland China to SINGATRON Electronics (China) Co., Ltd. so that SINGATRON Electronics (China) Co., Ltd. increased its shareholding in Singatron Electronic (Zhongshan) Co., Ltd. from the original 75% to 100%.
Note 11: The Company's sub-sub-subsidiary, SINGATRON Electronics (China) Co., Ltd., increased capital by cash in August 2020, and the Company's sub-subsidiary SINGATRON(HONG KONG) INTERNATIONAL HOLDING LIMITED relinquished its pre-emptive subscription rights, resulting in a decrease in the shareholding in SINGATRON Electronics (China) Co., Ltd. to 81.8868%.

2) Significant transactions with investees in Mainland China:

(1) Amount and percentage of purchases and related payables at the end of the period:

	Purchases		Accounts payable	
	Amount	As a percentage of the Company's net purchases	Amount	As a percentage of the balance of the account
SINGATRON Electronics (China) Co. Ltd.	$33,977	39%	$8,024	35%
Suzhou Singatron Auto Co., Ltd.	43,643	51	12,981	57
Singatron Electronic (Zhongshan) Co., Ltd.	2,181	3	694	3
Total	$79,801	93%	$21,699	95%

The Company mainly purchases from related parties connectors and finished goods, and the prices are based on the prices of the orders received, and no prices from other suppliers are available for comparison. Payment terms for purchases from related parties are 90 to 180 days after the cut-off day of each month, while payment terms for purchases from general suppliers are 60 to 90 days from the cut-off day of the following month.

(2) Amount and percentage of sales and related receivables at the end of the period: None

(3) Amount of property transactions and the resulted gains or losses: None.

(4) Ending balance and purpose of endorsement and guarantee with notes: Please refer to Exhibit 1 for details.

(5) The maximum balance, ending balance, interest rate range and total current interest on financial accommodations: Please refer to Exhibit 4 for details.

(6) Other transactions that significantly impacted the current year's profit or loss or financial position:

For 2022, the Company recognized rental income of $3,686 thousand from leasing office space to Singatron Electronics Enterprise Co., Ltd. (HK).

(IV) Information on Major Shareholders:

Shares / Name of major shareholder	Total number of shares held (shares)	Shareholding percentage
SHENG CHUN INVESTMENT CO., LTD.	11,141,786	9.50%
KAN SHI INVESTMENT CO., LTD.	7,764,829	6.62%

XIV. Segment Information

The Company has disclosed segment information in the consolidated financial statements.

SINGATRON ENTERPRISE CO., LTD.

Endorsement and guarantee for others

January 1 to December 31, 2022

Unit: Thousands of NTD

Number (Note1)	Name of endorsor/guarantor	Endorsee/guarantee		Limit on endorsement/guarantee amount for a single enterprise	Maximum endorsement/guarantee balance for the period	Endorsement /guarantee balance at the end of the period	Amount actually drawn	Amount of endorsement/guarantee secured by properties	Ratio of accumulated endorsementg/guarantee to net worth of the latest financial	Maximum limit on endorsement/guarantee	Endorsement/guarantee provided by parent company for subsidiary	Endorsement/guarantee provided by subsidiary for parent company	Endorsement/guarantee for subsidiaries in Mainland China
		Company name	Relationship (Note2)										
0	SINGATRON ENTERPRISE CO.,LTD .	SINGATRON TECHNOLOGY (HONGKONG) CO., LTD.	Third-tier subsidiary of which the Company holds 81.8868% of the shares .	$912,323 (Note3)	$730,975	$546,715	$-	$61,420	35.96%	$1,520,538 (Note3)	Y	N	Y
1	SINGATRON ELECTRONIC(CHINA) CO., LTD. .	SUZHOU SINGATRON AUTO CO., LTD.. .	SINGATRON ELECTRONIC(CHINA) CO., LTD.. Subsidiary of which the Company holds 100% of the shares	$1,764,052 (Note4)	$87,088	$87,088	$-	$-	2.96%	$1,764,052 (Note4)	Y	N	Y

Note1: The number column shall be filled in as follows:

(1) Fill in 0 for the issuer.

(2). Investees are numbered sequentially from Arabic numeral 1 by investee

Note 2: There are seven types of relationships between the endorser/guarantor and the endorsee/guarantee, and the types can be indicated as follows:

1. Entities with business dealings

2. Entities in which the Company directly or indirectly holds more than 50% of the voting shares.

3. Entities that directly or indirectly hold more than 50% of the voting shares of the Company.

4. Between the entities in which the Company directly or indirectly holds more than 90% of the voting shares.

5. Intra-industry or co-founded entities with mutual insurance in accordance with contractual provisions based on the need for contracted work.

6. Entities that are endorsed and guaranteed by all contributing shareholders in proportion to their shareholdings as a result of joint investment.

7. Intra-industry entities engaged in joint guarantees for the performance of the pre-sale house sales contract in accordance with the regulations of the Consumer Protection Act.

Note 3: In accordance with the Company's "Operating Procedures for Endorsement and Guarantee", the total amount of the Company's external endorsement and guarantee shall not exceed 100% of the current net worth. The amount of endorsement and guarantee for a single enterprise shall not exceed 30% of the current net worth.

The amount of endorsement and guarantee for a single overseas affiliate shall not exceed 60% of the current net worth.

Note 4: The total amount of external endorsement and guarantee shall not exceed 60% of the latest audited net assets in accordance with the "External Guarantee Management System" of the subsidiaries. The amount of a single endorsement and guarantee shall not exceed 30% of the latest audited net assets.

The total amount of endorsement and guarantee between affiliates shall not exceed 60% of the latest audited net assets.

Note 5: Foreign currency amounts were translated into NTD based on the exchange rate at the balance sheet date.

Exhibit 2

SINGATRON ENTERPRISE CO., LTD.

Marketable securities held at the end of the period (excluding investment in subsidiaries, affiliates and joint ventures)

December 31, 2022

Unit: Thousands of NTD

The company holding the securities	Type and name Marketable securities	Relationship with the issuers	Financial statement account	The end of the period				Remarks
				Number of shares	Carrying amount	Shareholding percentage	Fair value	
SINGATRON ENTERPRISE CO., LTD.	Stock:							
	DEEPWATERS DIGITAL SUPPORT INC.	None	Financial assets at fair value through other comprehensive income	1,066,668	$16,381	3.94%	$6,410	
	GT Booster Inc.	None	Financial assets at fair value through other comprehensive income	2,420,000	23,543	17.74%	-	
	Subtotal				39,924		$6,410	
	Add: Unrealized gain or loss on financial assets at fair value through other comprehensive				(33,514)			
	Total				$6,410			

SINGATRON ENTERPRISE CO., LTD.

Information on the investee over which the Company has significant influence or control (excluding the investees in Mainland China)

December 31, 2022

Unit: Thousands of NTD or foreign currency

Name of investor	Name of investee	Location	Main businesses	Initial investment amount		Held at the end of the period			Profit (loss) of the investee for the period	Investment income (loss) recognized during the period	Remarks
				The end of the period	The end of last period	Number of shares	%	Carrying Amount			
SINGATRON ENTERPRISE CO., LTD.	SINGATRON INVESTMENT COMPANY LIMITED	Hong Kong	General investments	$8,550	$8,550	2,000,000	100.00%	$6,544	$(249)	$(249)	Subsidiary
SINGATRON ENTERPRISE CO., LTD.	SINGATRON (B.V.I.) ENTERPRISE CO., LTD.	The British Virgin Islands	General investments	439,042	439,042	13,504,543	100.00%	2,430,633	329,890	335,071 (Note1)	Subsidiary
SINGATRON (B.V.I.) ENTERPRISE CO., LTD.	SINGATRON (HONG KONG) INTERNATIONAL HOLDING LIMITED	Hong Kong	Investment	USD 13,400 NTD 411,514 (Note2)	USD 13,400 NTD 411,514 (Note2)	-	100.00%	2,509,114 (Note2)	325,277 (Note2)	325,277 (Note2)	Second-tier subsidiary
SINGATRON ELECTRONIC (CHINA)CO., LTD. .	SINGATRON TECHNOLOGY (HONGKONG) CO., LTD..	Hong Kong	Trading of connectors and import and export related business	RMB 683 NTD 3,012 (Note2)	RMB 683 NTD 3,012 (Note2)	-	100.00%	104,525 (Note2)	40,937 (Note2)	40,937 (Note2)	Third-tier subsidiary
SINGATRON ELECTRONIC (CHINA)CO., LTD. .	SINGATRON SAN JOSE CONNECTION CO., LTD.	U.S.A.	Marketing and sales and customer services	USD 30 NTD 921 (Note2)	USD 30 NTD 921 (Note2)	-	100.00%	1,568 (Note2)	38 (Note2)	38 (Note2)	Third-tier subsidiary

Note 1: Including the recognition of investment income of $329,890 thousand, realized sales gross profit of $1,280 thousand from upstream transactions, unrealized sales gross profit of $1,494 thousand from upstream transactions, realized sales gross profit of $46,275 thousand from side-stream transactions and unrealized sales gross profit of $40,880 thousand from side-stream transactions.

Note 2: Foreign currency amounts were translated into NTD based on the exchange rate at the balance sheet date.

Exhibit 4

SINGATRON ENTERPRISE CO., LTD.

Lending of funds to others

January 1 to December 31, 2022

Unit: Thousands of NTD

Number (Note1)	The entity that lends funds	Funds recipient	Correspondent account	Maximum amount for the period	Balance at the end of the period	Amount actually drawn	Interest rate range	Nature of the funds lending	Business dealing amount	Reason for the necessity of short-term financial	Provision of allowance for losses	Collateral		Limit on the lending of funds to individual	Total limit on the lending of funds
												Name	Value		
1	SINGATRON(HONG KONG) INTERNATIONAL HOLDING LIMITED	SINGATRON ENTERPRISE CO., LTD.	Other receivables	$92,130 (Note 5)	$92,130 (Note 5)	$92,130 (Note 5)	0.9%～2%	With necessity of short-term financial accommodation	$-	To meet the operating liquidity needs of the funds recipient	$-	-	$-	$501,823 (Note 2) (Note 4)	$1,003,646 (Note 3)

Note 1:1 is a second-tier subsidiary of the Company

Note 2: Not to exceed 20% of the net worth of the lending company.

Note 3: Not to exceed 40% of the net worth of the lending company.

Note 4: In accordance with the Company's operating procedures for lending of funds to others, there is no limit on the amount of funds that can be lent between foreign companies whose voting shares are directly or indirectly 100% owned by public companies that meet the provisions of Paragraph 4, Article 3.

Note 5: Foreign currency amounts were translated into NTD based on the exchange rate at the balance sheet date.

SINGATRON ENTERPRISE CO., LTD.

Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more

January 1 to December 31, 2022

Unit: Thousands of NTD

Buying/Selling company	Name of trading party	Relationship	Circumstance of the transaction				Circumstances and reasons why the transaction terms are different from those of ordinary transactions		Notes, accounts receivable (payable)		Remarks
			Purchases (Sales)	Amount	As a percentage of total purchases	Credit period	Unit price	Credit period	Balance	As a percentage of total notes, accounts receivable	
SINGATRON ELECTRONIC (CHINA)CO., LTD.	SINGATRON TECHNOLOGY (HONGKONG) CO., LTD.	Third-tier subsidiary of the Company	Sales	$1,463,909 (Note1)	75.21%	90 ~ 180 days after the .	The products are mainly connector merchandises and The prices depend on ordering prices. No price for other sales customer for comparison .	Regular customer 60 ~ 120 days after the .	Accounts receivable $829,643 (Note1)	83.30%	
SUZHOU SINGATRON CONNECTOR CO., LTD.	SINGATRON ELECTRONIC (CHINA)CO., LTD. .	Third-tier subsidiary of the Company	Processing revenue	$318,276 (Note1)	96.81%	90 ~ 180 days after the .	The only customer with other customer for comparison	No un-related party for comparison .	Accounts receivable $112,071 (Note1)	99.55%	
SUZHOU SINGATRON AUTO CO., LTD.	SINGATRON TECHNOLOGY (HONGKONG) CO., LTD.	Third-tier subsidiary of the Company	Sales	$133,905 (Note1)	22.89%	90 ~ 180 days after the .	The products are mainly connector merchandises and The prices depend on ordering prices. No price for other sales customer for comparison .	Regular customer 60 ~ 120 days after the .	Accounts receivable $50,903 (Note1)	31.24%	
SINGATRON TECHNOLOG (HONGKONG) CO., LTD.	SINGATRON ENTERPRISE CO., LTD. U.S.A (SEC－U.S.A)	Other related party of the Company	Sales	$306,548 (Note1)	11.85%	90 ~ 180 days after the	The products are mainly connector merchandises and The prices depend on ordering prices. No price for other sales customer for comparison .	Regular customer 60 ~ 120 days after the .	Accounts receivable $68,262 (Note1)	7.88%	

Note 1: Foreign currency amounts were translated into NTD based on the exchange rate at the balance sheet date.

Exhibit 6

SINGATRON ENTERPRISE CO., LTD.

Receivables from related parties reaching $100 million or 20% of paid-in capital or more

December 31, 2022

Entity that recorded the transaction as accounts receivable	Name of trading party	Relationship	Balance of receivables from related parties	Turnover rate	Overdue receivables from related parties		Receivables from related parties Amount collected during the subsequent	Provision of allowance for
					Amount	Actions taken		.
SINGATRON ELECTRONIC (CHINA)CO., LTD.	SINGATRON TECHNOLOGY (HONGKONG) CO.,	Third-tier subsidiary of the Company	$829,643 (Note1)	1.58	$-	-	$245,625	$-
SUZHOU SINGATRON CONNECTOR CO.,	SINGATRON ELECTRONIC (CHINA)CO., LTD.	Third-tier subsidiary of the Company	$112,071 (Note1)	2.61	$-	-	$50,708	$-

Note 1: Foreign currency amounts were translated into NTD based on the exchange rate at the balance sheet date.

SINGATRON ENTERPRISE CO., LTD.

Chairperson: Hsin-Nan Kan